

# Royal Victoria Place Shopping Centre

Royal Tunbridge Wells

Feasibility Study Report

Executive Summary

June 2025



# Contents

## Introduction

### Background

Royal Victoria Place Shopping Centre (RVP) was constructed in 1992. It comprises 388,000 sq ft of Lettable Gross Internal Area across 147 units over two primary trading levels. It is served by an adjoining 1,200 space multi-storey car park and a large basement level service area which mirrors the footprint of the entire centre.

Tunbridge Wells Borough Council (TWBC) purchased RVP in October 2023 in order to take a proactive approach to rejuvenating the shopping centre and town centre of Royal Tunbridge Wells (RTW). As part of the acquisition business plan, it was identified that the eastern part of the centre, (the parts known as Ely Court and Palm Court) were underperforming and a feasibility study, constituting RIBA Stage 1, was required to determine the best options for their ongoing use, and possible refurbishment or redevelopment.

A third part of the centre, Market Square, was later incorporated into the feasibility study as it was also identified as underperforming and had potential for improvement or alternative use. Each of the three parts, termed “Development Zones”, have been evaluated individually and on a combined basis to ascertain the overall impact on RVP and the town centre.

### Process

The Feasibility Study has been completed following a rigorous three stage process:

1. **Analysis & Stakeholder Engagement:** A review of the shopping centre asset, the town centre and local property market to frame the opportunity, followed by engagement with the public and other key stakeholders to ascertain their needs and desired outcomes.
2. **Strategic Objectives & Optioneering:** Establishing a set of Strategic Objectives (borne out of TWBC’s project brief, the Analysis and Stakeholder Engagement) and testing different development options against these to ascertain which best delivered the Strategic Objectives.
3. **Financial Modelling, Economic Modelling & Delivery Planning:** Financial analysis of the options at a property and wider economic level to determine the recommended development scheme and creation of a programmed strategy for delivery.

### Professional Team

The professional team assembled to complete the feasibility study comprised:

- Development Manager: RivingtonHark
- Architect: Leslie Jones Architecture
- Cost Consultant: Gleeds
- Planning Consultant: Icen Projects
- Mechanical & Electrical Engineers: Desco
- Structural Engineers: Evolve Consulting Engineers
- Fire Risk Consultants: Jensen Hughes
- Economics Consultant: Amion Consulting
- Public Relations Consultant: Redwood Consulting
- Property Consultants: Knight Frank

Advice was also taken from the current RVP shopping centre management team:

- Asset Manager: RivingtonHark
- Property Manager: Knight Frank
- Centre Manager: Knight Frank

### Intended Outcomes

The feasibility will aim to ensure that RVP becomes an enhanced element in the fabric of RTW town centre, serving the needs of the local community, adding to the vibrancy of the town for residents and visitors and delivering strong financial and economic performance for TWBC as owners of the asset and custodians of the town centre. As TWBC develops its new Local Plan and Vision for the town centre over the next 15 years to 2040, it will also aim to align with and guide emerging policy.

## Executive Summary

### Project Brief

This feasibility study investigates options to improve underperforming and obsolete parts of RVP and in doing so, provide wider benefits to RTW. The study is focussed on the eastern part of RVP, which has been analysed in three separate development zones, Ely Court, Palm Court and Market Square. The study also includes analysis of a scenario in which Fenwick, the main anchor tenant in RVP, exercise a break option in their lease in 2027.

### RTW and RVP Analysis Summary

- RVP, as an asset, is underperforming financially and in its contribution to the town centre's vitality.
- RTW is underperforming as a town, lacks a strong evening economy, and is slipping down national retail ranking tables.
- The town is affluent and can support the addition of new leisure and retail brands.
- There is good demand from retailers, cinema operators and leisure operators who want to be located in RTW.
- There is good demand for housing from a broad spectrum of socio-economic groups.
- There is limited demand for offices, hotels (including conferencing facilities), care homes, healthcare or student accommodation.
- The study area has three economic drivers for change:
  - Ely Court and the former Food Court is loss making and reduces the Net Operating Income (NOI) of RVP.
  - In a "Do-Nothing" scenario, TWBC would be required to undertake works to refurbish the centre and repair the roof.
  - Key tenants have contracted payments due to them at the end of their leases (between March 2026 and September 2028).

### Public & Stakeholder Engagement

A comprehensive piece of public and stakeholder engagement was carried out digitally, in print and in person to obtain feedback across stakeholder groups in RTW and RVP. The key summary outputs were:

- Demand for an improved retail offer, particularly for affordable fashion.
- Demand for improved leisure and family entertainment options prioritising a town centre cinema.
- Desire for the former Food Court to be repurposed/reinstated with improved food and beverage (F&B) options.
- Concerns regarding the cost, accessibility and availability of car parking facilities.
- Desire for more public meeting spaces and improved access, amenities and infrastructure.

### Strategic Objectives

A set of Strategic Objectives were established based on TWBC's project brief and the outputs of the Analysis and Public Engagement. These were then used to evaluate and measure the impact of each development option with reference to the desired outcomes. The agreed objectives were:

1. Financial Viability.
2. Improvement to the vitality of the town centre.
3. Re-anchor the eastern end of RVP.
4. Deliver increased town centre leisure offer.
5. Deliver town centre living.
6. Supports the Decarbonisation Agenda.

### Optioneering

#### Interventions

Adopting the appropriate land uses identified in the Analysis and Public Engagement phases, a wide range of options for each development zone were developed, costed and financially appraised. Options were categorised as **Limited, Intermediate or Comprehensive** depending on the level of intervention required and then subjected to a shortlisting process that removed options which failed to meet enough of the Strategic Objectives.

#### Shortlist

The shortlisted options were then further refined and scored numerically against the Strategic Objectives (S/O) with a score out of 5 in each category (out of 30 in total):

- In **Palm Court**, the need to re-anchor the eastern end of the shopping centre rendered the Comprehensive (demolition and rebuild) option unnecessarily expensive. Working within the existing structure, the key priority was to bring the basement Food Court (referred to as Palm Court Lower) back into productive use.
  - A Limited intervention was adopted to convert this space to either retail or leisure (including cinema) use.
  - On the upper levels, the best option was also a Limited intervention that broadly retains the current layout but creates larger units and allows continuity of trade for retained occupiers.
- On **Ely Court**, Comprehensive interventions yielded the best results by creating a better link to Calverley Road. The two principal options identified were:
  - Residential development with ground floor retail/F&B.
  - A purpose-built leisure scheme comprising F&B at ground level with a cinema and competitive socialising offer above.
- On **Market Square**:
  - The best option was a Comprehensive residential development of 80 – 100 units.
  - A more comprehensive option, delivering 160 units which included partial demolition of Palm Court was also tested but performed poorly financially.

#### Base Case Costs

In all identified options, the costs of carrying out required refurbishment works, which include replacement of the glass roof over Palm Court and refurbishment of the common parts in Palm Court (the WCs and atrium area), have been reflected in addition to the costs of the proposed scheme.

## Combined Option Studies, Financial and Economic Analysis

By combining the best options for each individual Development Zone, three combined schemes were identified with different characteristics. All schemes improve Palm Court and bring forward town centre living on Market Square. Only one of these, Option 1 with a Boutique Cinema and Leisure led scheme on Ely Court comprehensively addressed the Strategic Objectives and has the capability of changing the perception of the Town centre as a destination and encouraging regeneration through developing an evening economy. Only schemes without a cinema offer a positive property level return but when total economic gains are taken into account (e.g. TWBC share of additional rates, Council Tax and Parking), Option 1 is affordable with total returns covering the required loan.

## Recommendation

The recommended intervention option for the Feasibility Study area is Option1, which includes a cinema and leisure mixed-use scheme on Ely Court. Whilst less financially viable at a property level, it achieves the highest score against the Strategic Objectives and aligns most closely with the feedback from the Public & Stakeholder Engagement. It will deliver the most meaningful change to the fabric and perception of the town centre in what is a once-in-a-generation opportunity. These wider benefits are borne out in the non-property level financial and economic benefits.

An isometric plan showing the recommended development layout is provided on the next page.

The indicative cost of the Option 1 Scheme ranges from £42M to £68M depending on whether the Market Square option is costed to the end of RIBA stage 4 and through construction. (Prices as at today).

Regarding Fenwick, it is recommended to engage with them but the outcome of negotiations does not affect the overall recommendation of the study.

The project will require a budget of £3.3m to progress through planning and design by October 2026.

## Delivery Strategy

By reference to the strategic objectives identified at the start of the project, the proposed delivery strategy for the identified options is as follows:

- **Ely Court** will be retained in TWBC ownership and should therefore be delivered in the same way as Palm Court with TWBC acting as the developer and employing the design team and contractor directly.
- As an integral part of the shopping centre, **Palm Court**, should be delivered by TWBC acting as the developer and employing the design team and building contractor through to practical completion.
- **Market Square**, as a standalone residential development site is best delivered by a specialist housebuilder. The intention is for TWBC to gain an outline planning consent, gain vacant possession of the site and then dispose of it to generate a capital receipt.

Plan of Recommended Option 1 Scheme



