REPORT

REDFERN (NOMA) – UNIT 1, LOWER GROUND AND PART UPPER GROUND FLOOR

PROPOSED WHITEBOXING WORKS

23rd June 2025

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1. Introduction

This report provides commentary on the current condition, marketing efforts, and proposed whiteboxing works for Unit 1 of the Redfern building at NOMA, based on Lyons Thompson Letts' extensive leasing experience across the NOMA estate.

2. Background & Context

Redfern is a key heritage building within the NOMA estate, located in a prominent corner position fronting Sadler's Yard together with frontage onto Mayes Street. Unit 1 comprises approximately 267 sq m on the Lower Ground Floor and 216 sq m on the Upper Ground Floor. Currently, the absence if of an internal staircase means access to the upper ground floor is restricted, as it is only accessible via the Ministry of Justice's main staircase.

Due to its strategic importance in activating Sadler's Yard, particularly given the long term nature of any redevelopment proposals for New Century House and Old Bank, and the "hard" frontage of the adjacent Holyoake House, identifying an appropriate occupier has long been a priority. A destination brand or use will be required, in order to create sufficient "pull" given this is essentially an internal space within NOMA, lacking visibility from outside Sadler's Yard.

3. Marketing Overview

The property has been marketed as a single flagship unit within Sadler's Yard, primarily focussing on F&B and Leisure uses, subject to market demands.

***Market Interest*:**

- *Target sectors*:

Independent food & beverage (F&B), competitive socialising, fitness & wellbeing.

- *Most engaged parties*:

Independent casual dining and restaurant-bar operators generally focused on all-day formats. Additionally, interest has been seen from the competitive socialising, fitness & wellbeing and experiential / VR sectors, which have grown steadily in the city over recent years.

- *Common requirements*:

Daytime service, evening service with potential for live music.

Despite setbacks during the Covid pandemic lettings have been effected to New Century, Skof, and Allpress, which have maintained momentum in and around Sadler's Yard.

Market Challenges:

Several structural and economic challenges have impacted letting viability.

***Building-Specific Issues*:**

- Heritage status and lack of prior retail or F&B use.
- Perception of high costs and long timescales to delivery.
- Absence of an internal staircase between lower ground and upper ground floors.
- Complicated servicing and design adjustments required for commercial fit-out.
- Possible acoustic issues.

Economic Factors*:*

- Independent operators face capital and financing constraints post-Covid.
- Inflation and operating cost pressures are deterrents for "shell" units.
- Market preference is for pre-fitted or lower-risk spaces.

4. Proposed Solution: Whiteboxing

To overcome these challenges, it is proposed that the landlord undertakes core whiteboxing works to put the premises into a condition that is ready for an occupier to move into. Alternatively, the landlord could potentially provide finance to the tenant to undertake the required works on behalf of the landlord.

This approach:

- Minimizes risk and capital exposure for the tenant.
- Accelerates the letting and activation process.
- Enhances the marketability and attractiveness of the space to prospective tenants, when compared to other fitted options being considered elsewhere
- Ensures the works are undertaken to a suitable standard.

5. Recommendations & Considerations

Scope of Works:

The outline specification that has been provided addresses critical concerns such as:

- Incoming services and drainage
- Extraction and M&E
- Floor screed
- Staircase installation
- Secondary Glazing on the upper ground floor

Additional Considerations:

The provision of secondary glazing for the ground floor windows is strongly recommended. This will support occupier interest in incorporating live music. This is seen as an added attraction to many venues in Manchester and beyond. Commercially, live music is an increasingly important revenue stream for many F&B outlets and with the continuing growth in the popularity of live music, there is to some degree an expectation from the clientele of the types of operator envisaged for Redfern to be able to provide this.

The landlord has recognised developments in and is keen to cultivate an eco system by accommodating like minded and complementary occupiers within the NOMA estate, which will include a requirement from potential tenants to be able to offer an element of live music as part of their wider offer. It is therefore important that provision is made within the proposed works in order to future proof this.

6. Conclusions

From our perspective, the landlord's commitment to pre-invest in whiteboxing works is strategically sound and commercially necessary.

This intervention is expected to:

- Improve letting prospects significantly
- Deliver a viable space for modern occupiers, including the ability to offer live music
- Activate a key part of Sadler's Yard