



**Report of the Chief Planning Officer**

**SOUTH AND WEST PLANS PANEL**

**Date: 31<sup>st</sup> October 2024**

**Subject: 22/06370/FU - Demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access at the Former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds**

APPLICANT	DATE VALID	TARGET DATE
Weetwood Developments Ltd	14.10.2022	14.10.2024

<p><b>Electoral Wards Affected:</b></p> <p><b>Adel &amp; Wharfedale</b></p> <p><input type="checkbox"/> Yes Ward Members consulted (referred to in report)</p>	<p><b>Specific Implications For:</b></p> <p>Health and Wellbeing <input type="checkbox"/> N</p> <p>Inclusive Growth <input type="checkbox"/> Y</p> <p>Zero Carbon <input type="checkbox"/> Y</p>
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**RECOMMENDATION: DEFER AND DELEGATE TO THE CHIEF PLANNING OFFICER FOR APPROVAL (SUBJECT TO EXPIRY OF PUBLICITY ON 06.11.2024), subject to the conditions specified below (or any amendment to the same or others as the Chief Planning Officer deems necessary) and the completion of a S106 agreement to include the following headline obligations:**

- Off-site affordable housing contribution: £700,000
- Affordable housing late-stage overage clause review mechanism (to determine if a further payment of up to a combined total of £6,631,982 can be made or delivery of 20% Discount Market Rent units on site.
- Build-to-Rent (BtR) clawback mechanism in the event of the future disposal of any units to an alternative tenure (non-BtR)
- On-site publicly available green space with footbridge access from Otley Road
- Off-site green space contribution: £69,371.76.
- Travel plan review fee of £3,666.
- Residential Travel Plan Fund of £64,960.50 (£11,525 of which is to be expended on Leeds City Council Car Club free trial membership and usage package).

- Provision of a Leeds City Council Car Club provider (parking space with EV point)
- Long-term maintenance of internal roads and footbridge
- Local employment and skills strategy
- Section 106 monitoring fee

**In the circumstances where the Section 106 has not been completed within 3 months of the Panel resolution to grant planning permission, the final determination of, or decision to Finally Dispose of, the application shall be delegated to the Chief Planning Officer**

### **Planning Conditions**

1. 3 year time limit
2. Approved plans list
3. Limit to a maximum of 127 units
4. Material samples and details of finish for all external materials (building, podium, bridge and substation)
5. Full Details of the external lift to the podium
6. Solar panel details (inc cross-sections)
7. ASHP design details (inc elevation plans)
8. Full window and door details inc reveal depths, cill detail (cross-section) metal paneling, glazing spec, materials and finish
9. Full details of parapet detailing (inc cross-section)
10. Finished floor levels and podium level
11. Pedestrian bridge and external lift to podium to be installed and made available for use prior to the occupation of any unit
12. No gates to be installed to the pedestrian bridge
13. Details of localised wind mitigation to South-east corner of the building
14. Construction Environmental Management Plan (CEMP)
15. Landscape & Biodiversity Net Gain Management Plan
16. Habitat Monitoring Reports
17. Bat mitigation measures / Licensing
18. Lighting Strategy for bats
19. Bat roosting and bird nesting features
20. Confirmation of installation of Bat roosting and bird nesting features
21. Land Contamination: Phase II Site Investigation
22. Land Contamination: Unexpected contamination
23. Land Contamination: Remediation works verification reports
24. Details of a sound and ventilation strategy to mitigate environmental noise and room overheating
25. Plant and machinery noise limits
26. Details of protection of public water supply infrastructure
27. The development shall be undertaken in accordance with the Clancy Consulting Flood Risk Assessment & Drainage Strategy ref 1/21327 Rev F
28. Method statement for the interim and temporary drainage measures to be adopted during the demolition and construction phases
29. Details of protection of public sewerage infrastructure
30. Separate systems for foul and surface water drainage
31. There shall be no piped discharge of surface water from the development prior to the completion of surface water drainage works, details of which will have been submitted to and approved by the Local Planning Authority

32. Details of oil, petrol and grit interceptor/separator
33. Pedestrian bridge: highways technical approvals in accordance with the Design Manual for Roads and Bridges standard CG300 are required prior to construction and for additional details
34. Visibility splays shown on the approved plan ref AMA/20913/SK100; to an adoptable standard
35. Full details of cycle parking and facilities
36. Vehicle space to be laid out
37. Condition (pre and post development) survey in relation to the site access bell-mouths with the A660 and A6120. Details of remedial work if required
38. Statement of construction practice
39. Full details of bin stores and collection
40. Parking permit: No eligibility
41. The off-site highway works as indicatively shown on plan AMA/20913/SK100 comprising amended kerb radius, access width and dropped kerb crossing with tactile paving at the A660 Otley Road shall be fully delivered.
42. The off-site highway works as indicatively shown on plan 363.20.(12)100 Rev. 08 comprising alterations to the access width, kerb radius, adjacent footways/verges and crossing improvements at the A6120 shall be fully delivered.
43. Full details of EVCP infrastructure
44. Highways signage details
45. Any gates to be setback 10 metres from the public highway
46. An intercom system shall be installed at the automatic vehicle barrier on the northern access as indicated on the approved plan 363.20.(12)100 Rev.08. The barrier shall be electronically controlled from the development site to only permit entry of traffic associated with the development, servicing needs and/or emergency access for the lifetime of the development.
47. Measures to control speeds of vehicles accessing the development from the northern access, including speed cushions/humps, street lighting and skid resistant surface
48. Full Footbridge details (replacement of plan 363.20(90)001 Rev.02 showing a bridge with minimum 3 metre width
49. The development hereby approved shall be operated in accordance with the Access and Servicing Strategy as shown on plan 363.20.(66)100 Rev. 01
50. Compliance with EN1 and EN2 requirements
51. Full landscaping details
52. Landscape management plan
53. Tree protection
54. Replacement planting if lost within 5 years
55. No removal of ventilation March to August (protect active bird nesting)
56. M2(3) and M3(4) accessible units to be maintained in perpetuity

## **INTRODUCTION:**

1. The application is presented to South and West Plans Panel under the scheme of delegation exception criterion *(b) significant departure from the Development Plan* given that it seeks to provide a lower level of affordable housing contributions that required by Policy H5 of the Core Strategy.

2. The scheme was previously reported to South and West Plans Panel on 3<sup>rd</sup> August 2023 as a Position Statement, which included a site visit. The purpose of the Position Statement was to inform Members of the proposal, to report on the progress of the application and to seek Members comments and suggestions on key planning issues associated with the major planning application to aid its progression. Notably at the time of the previous Panel Meeting viability issues and affordable housing provision were not able to be discussed in detail given that the initial comments from the District Valuer had yet to be received.
3. In summary, following a presentation by case officer and the applicant's agent (Quod) which were followed by questions, Panel Members provided the following answers to key questions to help guide the future progress of the application (Full minutes of the previous Panel Meeting have been provided within Appendix 1):

**Question 1 – Do Members support the principle of residential use on the site?** Yes.

**Question 2 – Do Members support the proposed height/scale of the development at 4-6 storeys?** Yes.

**Question 3 – Do Members support the design of the development including the proposed palette of materials?** In general, yes, although there could be better presentation with further opportunities.

**Question 4 – Do Members support the proposed housing mix?** Yes.

**Question 5 – Do Members wish to provide any general comments in relation to affordable housing / viability issues within the proposed development?** Whilst it was acknowledged that information is yet to be received from the District Valuer, Members felt that a greater percentage of affordable units should be provided onsite. Members commented on whether alternative schemes could meet the requirement.

**Question 6 – What are Members opinions on the potential for the woodland area to be utilised as Green Space?** Members did not agree that the woodland area provided a sufficient amount of Green Space for the residents and requested that alternative solutions be considered.

**Question 7 – Do Members have any comments to make in respect of the general approach to green space provision / design across the development?** Members felt that there should be less areas of hardstanding and more consideration towards children's play areas and creative solutions in terms of the provision of Green Space.

**Question 8 – Do Members have any comments to make in respect of the amenity of neighbours to future residents?** Mixed views were provided in relation to the sunken gardens but acknowledged that only a low level of such units is to be provided.

**Question 9 – Do Members have any concerns or comments relating to ecology / nature / trees?** Members touched upon the possibility to plant additional trees on the verge outside of the curtilage, but it was acknowledged that there may be long-term issues relating to this due to works to Lawnswood roundabout.

**Question 10 – Do Members have any concerns or comments relating to highway issues?** *Members requested that sufficient space be provided for overflow parking and room for vehicles to manoeuvre such as delivery drivers and refuse vehicles.*

**Question 11 – Do Members have any comments in relation to the environmental impact of the proposed development?** *No.*

**Question 12 – Do Members support the proposed provision of accessible housing and access for all adaptations?** *To receive information on whether the units are wheelchair accessible and provide enough room for turning circles.*

**Question 13 – Any other comments?** *A member sought clarity on nearby infrastructure in terms of local surgeries and schools. In general, and further to the comments as relayed above, Panel Members generally supported the scheme.*

## **PROPOSALS:**

4. The application relates to the determination of a full planning application for the demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access.
5. The proposed new building will provide a total of 127 Build to Rent residential units (1-3 bed), which fall within the C3 use class. The glossary of the NPPF defines Build to Rent as *'Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control'*.
6. The proposed building incorporates an L-shaped format which ranges between 4 & 6 storey in height. The building has a flat roof design with roof terraces, green roofs and Solar PV infrastructure. The building will be constructed of brick with bronze colour aluminium window openings and metal shade panels. Each property benefits from an external balcony or terrace. The building also incorporates a 'work from home' area adjacent to the building entrance for use by residents.
7. The proposals include the provision of on-site green space. This includes the provision of a publicly accessible landscaped podium deck to the front (west side) of the building which will provide level access from Otley Road. The podium is served by a pedestrian bridge from Otley Road. The bridge has been designed to weave through the existing trees and it incorporates a balustrade formed by bronze fins. Informal parcels of green space and landscaping are also proposed to the north and south of the landscaped podium.
8. Vehicular access to the site will be retained as per the existing situation. From Otley Road, the northern access will be retained as access only, with the southern access retained as egress only. From the Ring Road, the existing access will be retained and will continue to operate as two-way entry and exit. The highways proposals include the addition of an automatic vehicle barrier and intercom at the north of the

site to prevent bypassing of the Lawnswood roundabout. A total of 140 parking spaces and 13 motorcycle spaces will be provided at the site, with the majority provided under the building and landscaped podium deck. The parking provision includes seven disabled spaces (5%), 70 spaces with electric vehicle (EV) charging facilities (50%), and 70 spaces with passive EV charging facilities (50%), which can be brought online as demand dictates. A Car Club space is also proposed. There will also be 12 car parking spaces for visitors. In addition, 144 secure cycle parking spaces will be provided (equating to one space per unit, plus 17 visitor spaces).

9. The development incorporates low carbon and renewable technology including the provision of air source heat pumps and photovoltaic panels.
10. The proposals include an off-site affordable housing contribution (£700,000) towards delivering affordable housing in the area (with a late-stage overage clause review mechanism), a £69,371.76 contribution towards off-site green space, as well as additional S106 contributions to support a Travel Plan and Monitoring and the provision of a Car Club space within the development. In addition, the scheme will be liable to pay CIL contributions.
11. A range of documents have been submitted to support the proposals including:
  - Planning Report
  - Design & Access Statement
  - Financial Viability Assessment
  - Statement of Community Involvement
  - Landscape and Visual Appraisal
  - Transport Statement
  - Travel Plan
  - Arboricultural Report + Tree Survey
  - Ecological Impact Assessment & Biodiversity Metric
  - Flood Risk Assessment + Drainage Strategy
  - Sustainability Report / Energy Statement
  - Noise Impact Assessment
  - Air Quality Impact Assessment
  - Phase One Contamination Study
  - Wind Microclimate Assessment Report

#### **SITE AND SURROUNDINGS:**

12. The application site is a 1.4 hectare brownfield site which originally encompassed Weetwood Police Station. The site was vacated by West Yorkshire Police in 2020 and has since been used as a temporary base for a TV production (now ceased) as well as by the Calf Shed (creche / nursery play space) who occupy the separate single storey building to the rear of the main police building.
13. The site is located to the north-east of Lawnswood Roundabout, to the east of Otley Road (A660), within the Main Urban Area of Leeds. The site is bounded by Bodington Hall Playing Fields (University of Leeds) to its north and east boundaries. These fields are designated as protected playing pitches within the Site Allocations Plan. Suburban residential development lies to the west of the site to the other side

of Otley Road. These residential properties are predominantly two storey detached and semi-detached properties, however some three storey development is present at Grangewood Court and Woodlands Court. Lawnswood School (secondary school), lies to the south-west of the site on the opposite side of the Lawnswood roundabout.

14. The Weetwood Hall Estate lies to the south of the site beyond the Ring Road (A6120). The estate contains a range of listed buildings including Weetwood Hall (Grade II\*), Stables (Grade II), Lodge (Grade II) and gates, piers and flanking walls to the lodge (Grade II). The estate and adjacent land also lie within the Weetwood Conservation Area. The boundary of the conservation area is formed by the southern edge of the Ring Road. However, these heritage assets are situated approximately 100m from the proposed new building, which is a significant spatial separation. Notably, significant tree cover and the 4-lane Ring Road are also situated in-between the site and the heritage assets creating a visual barrier. As such there will be very limited inter-visibility between the proposal and the heritage assets. It is therefore considered that the proposal will not be within the setting of these heritage assets.
15. The application site currently encompasses the main former police station building which has a T-shaped layout and is two storeys in height with pitched roofed. A detached single storey building is situated to the east of the main building. Both buildings are constructed of red brick with a red tile roof. The buildings are surrounded by large areas of hardstanding which provide overground car parking and internal access roads. Substantial mature tree cover is present on the boundaries of the site, with the majority of the trees lying within the application site. These trees are protected by a Woodland TPO (Ref: TPO2021\_004).
16. The land levels across the majority of the site are relatively flat. However, the site is situated on a lower land level than the adjacent Otley Road.
17. The existing site is accessed by vehicles from Otley Road (A660) and Leeds Ring Road (A6120), with an entry only on the northern part of the site (via the A660) and a separate exit only into the A660 further southwards.

#### **RELEVANT PLANNING HISTORY:**

18. The planning history for the site dates back to the early 1980's when planning permission was granted for the original police station development. Since this date the site has only undergone minor changes and alterations. In 2021 the wider site obtained planning permission for a range of temporary uses. This permission is set to expire on the 31<sup>st</sup> October 2024. Recently, this temporary permission has been extended until 31<sup>st</sup> October 2027, but only as far as it relates to the Calf Shed element of the site (nursery / creche use).
19. **Planning application history:**

#### Whole site

**22/00184/FU** - Variation of conditions 2 (plans to be approved), 3 (no HGVs), 4 (uses), 5 (external storage), 9 (vehicular access) and 10 (cycling) of previously

approved planning application 21/03489/FU - Relating to amendments to access requirements (Approved – 2022)

**21/03489/FU** - Temporary change of use from former Police Station (Sui Generis) to a range of commercial, business and service uses (Use Class E(c) and/or E(d) and/or E(f) and/or E(g)) and/or Use Class B8 (Storage and Distribution) and/or TV/Film production set (Sui Generis) (Approved - 2021)

**11/04094/FU** - Solar photovoltaic panels to roof of police station (Approved – 2011)

**26/700/05/FU** - Single storey front extension to police station (Approved – 2006)

**H26/1228/79** - Outline application to lay out accesses, roads and services, and erect three storey police building (Approved - 1980)

Calf Shed unit only (single storey ancillary building)

**24/03070/FU** - Temporary change of use of building and surrounding land to a creche/nursery play space with associated car parking Class E(f) (Approved – 02.08.2024)

20. **Pre application enquires:**

The site has also been subject to pre-application enquires for residential development at the site. Most recently in 2021 an enquiry was submitted in relation to a circa 200 unit Build to Rent residential scheme which extended up to 7 storeys in height. The design of the scheme evolved significantly throughout the pre-application process driven by a series of design-led meetings with the developer, with the final proposals varying between 4-6 storeys, and with a reduced capacity (similar to the current proposals). Officers provided a range of policy advice on the scheme. In particular, it was concluded that the principle of a residential use on the site was acceptable. However, potential concerns were raised in relation to the scale of the proposals and Officers were not convinced that the scale/height of development successfully assimilated into the surrounding context. It was advised that if the scale was reduced further and introduced gentle density the scheme would have a much better chance of obtaining an approval.

**PUBLIC/LOCAL RESPONSES:**

21. The application was advertised as a major development affecting the setting of a Listed Building and conservation area. Site notices were posted around the site and the application has been publicised in the Yorkshire Evening Post. The application has also been readvertised recently as a Departure from the Development Plan, this consultation period is due to expire on 06.11.2024.
22. In total three representations to the proposed development have been received, one in objection and one in support of the proposed development. Joint comments have also been received from Councillor B Anderson and Councillor C Anderson.



23. The first letter is from Adel Neighbourhood Forum and is in objection to the proposed scheme, albeit the letter states the forum in general support the 'suitable' residential redevelopment of site. The letter raises the following issues:
- Scale and bulk is out of keeping
    - Large footprint
    - Will double the height of the tallest building within the area
  - Design is uninteresting and out of keeping with other building within Adel
    - Monolithic frontage / lack of interest
    - Trees do not fully screen the development, especially to eastern elevation
  - Balconies create a security weak point.
  - Insufficient parking levels
    - Bus travel not always viable
    - Flats unsuitable for families and will lead to more multi occupancy flats increasing pressures
    - Difficulty crossing the ring road until Lawnwood Roundabout improvements are completed.
  - Highways safety concerns due to conflict with Lawnswood roundabout improvements.
  - Concerns in relation to the type of units
    - Agree with the applicant that there is demand from existing residents for smaller housing units in Adel.
    - Do not consider that this development will meet this demand being exclusively Build to Rent and flats
  - Insufficient affordable housing provision / preference for on-site provision.
  - Trees - if the application is approved, the new planning should be completed as early as possible but those trees which are alive but in poor condition should not be felled until it becomes absolutely essential.
  - Development is contrary to national and local planning policies and guidance including the emerging Adel Neighbourhood Plan and the Adel Design Statement.
24. The remaining letter is from Leeds Civic Trust and states that the representation is in support of the scheme, with comments. The comments welcome the new build close to the footprint of the existing building which results in the preservation of most of the existing mature trees bordering the site. They also welcome the provision of undercroft parking, particularly the inclusion of a 'podium' above which provides more accessible open space adjoining the residential blocks and links to the pedestrian access to the site. The provision of balconies are supported too. The Trust state that the one issue of concern is the location of the site in relation to the Lawnswood Roundabout which, not being signalised, is currently difficult, if not unsafe, for pedestrians and cyclists to negotiate. The provision of 127 residential units will significantly increase the footfall across the roundabout so that signalisation should be implemented before the development is completed. Section 106 contributions towards any signalisation should be considered.
25. Ward Members: Joint comments were received from Cllr B Anderson and Cllr C Anderson. The comments were received shortly prior the previous Plans Panel meeting, and directly responded to the thirteen questions which were put to Panel Members when the application was considered as a Position Statement. The comments raised the following points:

- The principle of a residential use on the site is supported.
- *Height and scale*: Neutral comments. It is likely that the scale and height will be seen from the Ring Road as you come up from Adel but the trees, depending on the time of year, should shield most of the building from Otley Road and from the south approach (from Headingley).
- *Materials*: No cause for concern
- *Housing mix*: We are happy with the housing mix being mostly 1 and 2 bedroomed as that is what is needed in the area.
- *Affordable housing / Viability*: Preference for 35% affordable rent properties on site, Other than that, we would want a sum equal to 35%. Strongly oppose the developer's ask for a reduction to 15% affordables as the development sits fairly and squarely in the 35% area. We cannot make comment on the viability of the scheme save to say that this must have been costed out before they started and before they put their planning application in. They will need to look at what other costs they can save if it's not viable but we do not support a reduction in the amount of affordables.
- *Woodland area*: Happy for the woodland area to be considered as green space for the purpose of this development. Support the off-site commuted sum of £69k for green space to be used exclusively for improvement to local green space in the Adel area of the Adel & Wharfedale Ward.
- *General Green Space*: Content with this aspect
- *Amenity*: No concerns about neighbours. In respect of the situation of some of the flats on the ground floor, that is for the people who are renting the properties to decide upon.
- *Ecology / Nature/ Trees*: It is extremely important that tree loss is kept to an absolute minimum and habitats are not lost and species must be protected either by mitigation or alternative provision where absolutely necessary.
- *Highways*: Question whether there are enough car parking spaces for 127 flats. The 2-bed flats may have 2 cars attached to them, similarly the 3-bed will most likely have 2 cars. It would be disappointing if cars were strewn around the internal road due to lack of parking. Comments made on the adequacy of the existing buses, especially in relation to radial routes along the Ring Road. Content with the access and egress. Pleased to see provision has been made to ensure that no rat running can take place through the development by motorists wanting to miss out the Lawnswood roundabout if travelling east from Adel or Otley Old Road.
- *Environmental impact*: Content with the proposals
- *Accessible Housing*: Content with the proposals
- *Other Comments*: Compliment the developer and their agents for their level of consultation that they had with us, as local Ward members; with the local Adel Neighbourhood Forum, and the public consultation that took place at a nearby hotel. We have seen a reduction in the number of units and a reduction in the height, so they have listened. Yes, there is always room for improvement but on balance subject to the issues raised above we are content with the proposal

## **CONSULTATION RESPONSES:**

### **Statutory Consultees:**

26. Historic England: No advice offered (No comment). Suggest the views of specialist conservation and archaeological advisers are sought.

27. Yorkshire Water: A series of planning conditions to protect water supply and waste water / surface drainage have been recommended.
28. West Yorkshire Archaeology: The West Yorkshire Historic Environment Record has been checked and there are currently no known significant archaeological issues or concerns associated with the development of this site.

### **Non-Statutory Consultees:**

29. District Valuer: Stage 2 Report conclusions - It is acknowledged that the initial viability assessment indicates that the development cannot viably support any affordable housing without jeopardising the derivability of the development. It is suggested that Leeds City Council enter into an overage agreement with the developer to allow a calculation to determine overage (profit share) to be carried out at the end of the development. Overage should apply to any developer's profit above a pre-agreed amount, which excess sum should be divided 50:50 with the Council for use by it to provide affordable homes either in the subject scheme, if possible, or elsewhere, at the Council's discretion. The Overage calculation should be facilitated by the developer/applicant acting in good faith and, where relevant, fully disclosing and justifying all relevant cost and revenue items in the development appraisal.
30. Design Team: The scheme is supportable:
- The building will be seen from the road behind the trees, but the impact should be less due to the building been set down in the site. Perception should be that you are seeing part of a building and not a whole building which means its impact is less. It is also some way behind the magnificent mature trees. These trees will always draw attention.
  - The building is a singular building but not an uncompromising block. The singular format provides economies of layout but aesthetically the building is visually broken down with varying building heights. The form is also alleviated by the various planes of façade moving and changing.
  - The roofs are flat so as not to create excessive height with pitched roofs. Some of the roof spaces are activated and used as social spaces.
  - The elevations are suitable and have some ordered contextual, mainly brick facades. The windows have a vertical emphasis. The elevations show contemporary larger glazed windows to give the internal living spaces some vitality and visual connection to the external environment.
  - The building itself should over time create its own character to the area as the visual style picks up on the surroundings
31. Highways Team: The proposals are acceptable in highway terms, subject to conditions and S106 agreement / contributions. The proposed parking provision is considered to be acceptable. The development will result in 27 and 13 less trips on the highway network during the AM and PM peaks respectively as such it is accepted that the proposed development will not result in a severe impact on the highway network. Planning conditions recommended in relation to visibility splays, cycle facilities, laying of approved vehicle spaces, highway condition survey, statement of construction practice, waste collection, parking eligibility, off-site access works (x2), Electric Vehicle Charge Points (EVCP), signage, gates, access barrier control, internal network safety measures, footbridge details and service management plan compliance.

32. Local Plans: The principle of residential use on the site is accepted. There is a shortfall in on-site green space provision of 1,452 sqm which requires an off-site commuted sum to mitigate the impact. The proposals are acceptable in terms of housing density and housing mix. The development does not meet the requirements of Policy H5 of the Core Strategy in relation to affordable housing provision.
33. Landscape Officer: The approach to existing trees is broadly supported and the removal of 1 young healthy tree protected by TPO (T33) is accepted as necessary to construct the pedestrian footbridge. It is positive that the eastern site boundary is to be infill planted to strengthen the buffer/screening function. The podium design is acceptable, given the additional lawned space, seating and informal play features. The omission of the woodland walk is also supported given the biodiversity value of the woodland area.
34. Nature Officer: The proposed Biodiversity Net Gain is compliant with policy G9 and acceptable to Nature Team, subject to planning conditions.

Presence of bat roosts – Appropriate nocturnal bat surveys (dawn and dusk) of the buildings recorded a single bat roost within Building 2. The EclA concluded it was a day roost for a small number of common pipistrelles. Mitigation measures regarding the bat roost described in the EclA are acceptable. Protection for bats where a bat roost is confirmed as present and will be affected, can be conditioned. Further planning conditions are suggested to mitigate the impact on bats (from artificial lighting), breeding birds, provision of bat roosting and bird nesting features, hedgehog protection measures and invasive non-native species. A Construction Environmental Management Plan (CEMP), Landscape and Biodiversity Net Gain Management Plan, BNG Habitat Monitoring Reports and an Ecological impact Assessment will also be secured by condition.

35. Influencing Travel Behaviour Team: The Travel Plan needs to be included in the S106 agreement along with a Travel Plan Review fee (£3,666), provision of a Leeds City Council Car Club provider parking space (with EV charge point) and the provision of a Residential Travel Plan Fund (£64,960.50).
36. Environmental Studies (Transport Strategy Team): We agree with the methodology and findings of the NIA (the results of which correlate well with Defra's noise mapping for this area) and concur that by installing the recommended glazing specification in conjunction with the proposed alternative means of ventilation, then internal noise levels should meet those recommended within BS 8233
37. Contaminated Land: The Phase 1 Desk Study submitted in support of the application identifies the needs for a Phase 2 Site Investigation Report on part of the site. Ideally this should be provided prior to determining the application, however, should approval be recommended or there be insufficient time to obtain the recommended information then conditions are recommended.
38. Conservation Team: No comment offered. Please determine in accordance with national legislation and national and local policy and guidance
39. Flood Risk Management: No objections, subject to the imposition of planning conditions.

40. Bridges Team: In principle, we do not have any objections to the proposal providing that the proposed bridge and route remains in private ownership. Planning condition recommended.
41. Access Officer: The submitted layouts of the M4(3) units are acceptable.
42. Environmental Health Services: Recommend approval with conditions in relation to sound and ventilation Strategy / room overheating and noise limits compliance, including the provision of details and the assessment of air source heat pumps and other external plant.
43. Climate and Energy Officer: No Objections. Satisfactory information has been received to support the applicant's intent to comply with EN1 and EN2, which can be secured by planning conditions. The summarized CO2 emissions are satisfactory and above the percentage improvement required over Part L1A of 2013 building regulations set out in Leeds Core Strategy EN1 policy as per the summary provided in the sustainability statement. Air Source Heat Pumps (ASHPs) and PVs are the chosen Low or Zero Carbon (LZC) energy source. Summary of their potential to cover the energy demand of the building exceeds the minimum required by policy.
44. Waste Management Team: Accessibility of the bin stores is acceptable. Leeds City Council's refuse collection strategy is for alternate weekly collections. A site of this size would require 42 x 1100 litre bins. The planning documents provided indicate a twice weekly collection of each waste stream. This is not something waste management could accommodate. If LCC collections are required then storage for 42 bins needs to be provided.
45. Windtech (Wind Consultants): The assessment represents a relatively plausible appraisal of the wind microclimate upon the introduction of the proposed development. However, there are several points of concern in which clarifications or additional analysis is requested from GIA Surveyors or the applicant

Following this response, further clarification has been provided by the applicant and Windtech have accepted that a planning condition requiring a small local porous screen will be effective enough to reduce the winds speeds within the area of concern.

## **RELEVANT PLANNING POLICIES:**

### Relevant Legislation

46. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that planning applications are determined in accordance with the Development Plan, unless material considerations indicate otherwise. The Development Plan for Leeds currently comprises of the Core Strategy as amended by the Core Strategy Selective Review (2019), Site Allocations Plan, as amended (2024), Natural Resources and Waste Local Plan (NRWLP) (2013) including revised policies Minerals 13 and 14 (2015), Aire Valley Area Action Plan (2017), saved policies of the UDPR (2006) and any made Neighbourhood Plan.

## **NATIONAL PLANNING POLICY & GUIDANCE**

### National Planning Policy Framework (NPPF) - 2023

47. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. It sets out the Government's requirements for the planning system. The NPPF must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions.
48. The most relevant chapters of the NPPF in relation to the proposed development are considered to be:
- 2. Achieving sustainable development
  - 4. Decision Making
  - 5. Delivering a sufficient supply of homes
  - 8. Promoting healthy and safe communities
  - 9. Promoting sustainable transport
  - 11. Making effective use of land
  - 12. Achieving well designed places
  - 14. Meeting the challenge of climate change, flooding and coastal change
  - 15. Conserving and enhancing the natural environment.

### National Planning Policy Guidance (PPG)

49. The Planning Practice Guidance (PPG) provides commentary on the application of policies within the NPPF. The PPG also provides guidance in relation to the imposition of planning conditions. It sets out that conditions should only be imposed where they are necessary; relevant to planning and to the development to be permitted; enforceable; precise and reasonable in all other respects.

## **LOCAL PLANNING POLICY & GUIDANCE**

### Core Strategy as amended (2019)

50. The following Core Strategy (CS) policies are relevant:

**Spatial Policy 1** - Seeks to concentrate the majority of new development within the main urban areas and ensure that development is appropriate to its context

**H2** - New housing development on non-allocated sites

**H3** – Housing density

**H4** - Housing Mix

**H5** – Affordable Housing

**H9** - Minimum Space Standards for new dwellings

**H10** - Accessible Housing Standards

**P10** - Seeks to ensure that new development is well designed and respects its context

**P12** – Landscape

**T2** - Seeks to ensure that new development does not harm highway safety.

**G1** - Enhancing and extending green infrastructure

**G4** – Green space provision

**G8** - Protection of important species and habitats  
**G9** - Biodiversity improvements  
**EN1** - Climate change – Carbon Dioxide reduction  
**EN2** - Sustainable Design and Construction  
**EN5** - Managing Flood Risk  
**EN8** – Provision of electric vehicle charging points  
**ID2** – Planning obligations and developer contributions

#### Unitary Development Plan Review (2006)

51. Unitary Development Plan (UDP) saved policies of relevance are listed, as follows:

**GP5** - General planning considerations  
**N24** - Development proposals abutting open land  
**N25** – Development and site boundaries  
**BD4** – Plant equipment and service areas  
**BD5** - Design considerations for new builds.  
**LD1** - Landscape design

#### Natural Resources and Waste DPD

52. The Natural Resources and Waste Local Plan (NRWLP) sets out where land is needed to enable the City to manage resources, e.g. minerals, energy, waste and water over the next 15 years, and identifies specific actions which will help use natural resources in a more efficient way. Relevant policies are as follows:

**General Policy 1** - General planning considerations  
**Water 6** - Flood Risk Assessments  
**Water 7** - Surface Water Run Off  
**Land 1** - Land contamination  
**Land 2** - Development and trees

#### Supplementary Planning Guidance / Documents:

53.

- Transport SPD (2023)
- Neighbourhoods for Living SPG (2003)
- Neighbourhoods For Living Memoranda to 3rd Edition (2015)
- Guideline Distances from Development to Trees (2011)
- Accessible Leeds SPD (2016)
- Tall Buildings SPD (2010)
- Draft Wind & Micro-Climate Toolkit for Leeds (2021)

#### **Emerging Policies**

##### Draft Adel Neighbourhood Plan

54. The site lies within the Adel Neighbourhood Area. Adel Neighbourhood Forum are currently producing a Neighbourhood Plan for the Neighbourhood Area. The plan is now at an advanced stage, with the draft plan recently being subject to independent

examination, where it was considered that the draft neighbourhood plan, subject to the modifications set out in the examination report, meets the Basic Conditions and other legal requirements and can therefore proceed to referendum.

55. The Council as recently agreed the modifications to the draft NP as set out within the Regulation 18 Decision Statement and agreed that the draft NP can proceed to referendum. It is anticipated that this referendum will take place in early 2025.
56. The emerging plan contains policies in relation to the following planning areas:
- Natural and built heritage
  - Character and design
  - Housing
  - Community facilities and green space
  - Retail and business
  - Highways and traffic
57. The relevant NP policies for this development are considered to be:
- NBH1: Landscape Character and Setting (LCA 12B Estate Landscape: Police HQ)  
NBH2: Extension of tree cover  
NBH3: Protection and Enhancement of Nature Conservation Assets  
CD1: Character and Design  
H1: Housing  
H2: Housing type and Mix  
HT1: Traffic congestion
58. Weight to be attached to Neighbourhood Plans is judged in accordance with Paragraph 48 of the NPPF. Local planning authorities may give weight to relevant policies in emerging plans according to: a) the stage of preparation of the emerging plan (the more advanced its preparation, the greater the weight that may be given); b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).
59. Consequently, at this moment in time significant weight can be attributed to the emerging policies, given that the only remaining key processes is for the plan to proceed to Referendum, which will need to be undertaken prior to the Plan being Made and forming part of the Leeds Development Plan.

#### **OTHER RELEVANT MATTERS:**

##### Climate Change

60. The Council declared a climate change emergency on 27th of March 2019 in response to the UN's report on Climate Change. The Planning Act 2008 alongside the Climate Change Act 2008 sets out that climate mitigation and adaptation are central principles of plan-making. The NPPF makes clear that the planning system should help to shape places in ways that contribute to radical reductions in greenhouse gas emissions in line with the objectives of the Climate Change Act 2008. As part of the Council's Best City Ambition, the Council seeks to deliver a low-carbon and affordable transport



network, as well as protecting nature and enhancing habitats for wildlife. The Council's Development Plan includes a number of planning policies which seek to meet this aim, as does the NPPF. These are material planning considerations in determining planning applications.

### Public Sector Equality Duty

61. The Equality Act 2010 requires local authorities to comply with the Public Sector Equality Duty. Taking into account all known factors and considerations, the requirement to consider, and have due regard to, the needs of diverse groups to eliminate discrimination, advance equality of opportunity and access, and foster good relations between different groups in the community has been fully taken into account in the consideration of the planning application to date and at the time of making the recommendation in this report.
62. In this instance it is considered that the proposals do not raise any specific implications in these respects and therefore it is not considered that a full Equality, Diversity, Cohesion and Integration Impact Assessment (EDCI) is required.
63. **MAIN ISSUES:**
- The principle of the development
  - Character and appearance
  - Housing Mix
  - Affordable Housing / Viability
  - Green Space
  - Residential amenity – Neighbours
  - Residential amenity – Future Occupants
  - Ecology / Nature / Trees
  - Highways considerations
  - Climate Change Mitigation
  - Wind Mitigation
  - Accessible housing / Access for all
  - Other Matters
  - Representations
  - Conclusions

### **APPRAISAL:**

#### Principle of development

64. The site is not allocated for any particular form of development within the Development Plan.
65. The site is considered to constitute previously developed land and is located within the main urban area of Leeds which is situated at the top of the defined settlement hierarchy within the Core Strategy (Policy SP1) and is considered to be the main focus for housing delivery within the city.

66. Policy H2 of the Core Strategy states that new housing development on non-allocated land is acceptable in principle providing that specific criteria are met. Whilst the proposal relates to 127 new residential units, which is not insignificant, the proposals will not exceed the capacity for transport, given that it will result in less traffic on the highway network during peak hours than the previous police station use (Sui Generis use). The proposal is also not considered to exceed the capacity for educational and health infrastructure. In particular the proposals will provide CIL contributions which could be made available to provide improvements to infrastructure such as education provision and other improvements. Furthermore, given the mix of the units proposed (mainly smaller units), it is considered the demand on education provision as a result of the proposal would not be substantial.
67. The proposal is situated within a sustainable location and complies with the accessibility criteria contained within criterion ii) of Policy H2. In particular the sites' location benefits from good accessibility to a range of local community facilities and services. The site is also situated close to good bus links into both Headingley Town Centre and the City Centre with the nearest bus stop laying directly adjacent to the western boundary of the site on Otley Road.
68. Consequently, the proposal is considered to comply with Policies SP1 and H2 of the Core Strategy and the principle of development is accepted. The proposal would also make efficient use of land and provide a boost to Leeds' housing supply. Whilst Leeds can presently demonstrate a housing supply in excess of 5 years, the delivery of these additional units is afforded positive weight within the decision-making process.

### Character and Appearance

69. Policies within the Leeds development plan and the advice contained within the NPPF seek to promote new development that responds to local character, reflects the identity of local surroundings, and reinforce local distinctiveness. The NPPF states that good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities. It is therefore fundamental that new development should generate good design and respond to the local character. The NPPF (Paragraph 139) goes on to state that 'development that is not well designed should be refused, especially where it fails to reflect local design policies and government guidance on design...' However significant weight should be attributed to development which reflects local design policies and government guidance on design and well as outstanding or innovative designs which promote high levels of sustainability, or help raise the standard of design more generally in the area, so long as they fit in with the overall form and layout of their surroundings.
70. Policy P10 of the Leeds Core Strategy deals with design and states that *inter alia* alterations to existing, should be based on a thorough contextual analysis and provide good design that is appropriate to its location, scale and function. Developments should respect and enhance, streets, spaces and buildings according to the particular local distinctiveness and wider setting of the place with the intention of contributing positively to place making, quality of life and wellbeing. Proposals will be supported where they accord with the principles of the size, scale, design and layout of the development and that development is appropriate to its context and

respects the character and quality of surrounding buildings; the streets and spaces that make up the public realm and the wider locality.

71. Policy CD1 of the emerging Neighbourhood Plan relates to Character and Design and requires new developments to preserve or enhance the distinct character of Adel. Policy NBH1 of the emerging Neighbourhood Plan requires Development proposals to respect and, where possible, enhance the distinct character and appearance of Adel's local landscape. Within the Policy the NP identifies the site, known as *LCA 12B Estate Landscape: Police HQ*, as being of lesser landscape quality and with the capacity to accommodate future development which will be supported, subject to the provision of a sensitively designed scheme that responds positively to the adjacent landscape conditions.
72. The existing buildings on the site are 1-2 storeys in height with pitched roofs and sit discreetly within the streetscene behind mature tree cover and on a lower land level than Otley Road to the west. The adjacent development to the west is predominantly characterised by two storey residential development, however some three-storey flatted development is present adjacent to Otley Road. Within the wider locality some larger buildings / structures are present including Lawnswood School (4 storeys in part), Weetwood Hall (2/3 storeys with 4 storey tower) and the Brownlee Centre (3 storeys).
73. The proposed new building extends to between 4-6 storeys in height (up to 19 metres). The Tall Buildings SPD defines a tall building as one which is taller than its neighbours and/or which significantly changes the skyline, context or character of an area. In this regard the proposed building would constitute a tall building as it is significantly taller than the immediate neighbouring buildings (2-3 storey). However, a 4-6 storey building could also be reasonably described as being mid-rise development, which is not uncommon within a suburban setting. The sites' standalone location also provides the potential for a higher density of development to be achieved.
74. It should be noted that given the topography, with the site sitting on a lower land level to the adjacent road as well as the installation of the landscaped podium at road level, the front of the building will appear as 4-5 storey development when viewed from Otley Road with the bottom storey hidden under the platform. Land levels to the adjacent open land (sports pitches) are however, relatively flat and the building will appear as a 5-6 storey structure to this elevation (rear).
75. The proposed development positively addresses and faces Otley Road. The perceived 4-5 storey scale of the development to this elevation is mitigated by its setback from the highway, the use of muted colour tones, fluctuating / staircasing build heights and articulation of the facade which includes various planes and setbacks ensure that the facade has interest/movement, breaking up its mass and ensuring that it does not form a bulky and flat elevation. Notably, the Otley Road facing elevation is also well screened and sits behind and below mature tree cover. Whilst this tree cover is deciduous in nature and will not prevent views all year round, the tree cover will still provide some mitigation and draw attention away from the building. Notwithstanding that the proposal will be taller than the existing residential development to the west, these characteristics are considered to ensure that the scale and height of development to this elevation (west) will integrate sympathetically into the streetscene without being detrimental to the character or appearance of the locality.

76. The east elevation of the development raises up 5 to 6 storey and is situated adjacent to open land (sport pitches). Policy N24 of the UDPR requires developments which abut open land to sympathetically assimilate into the landscape. Whilst the development demonstrates amenable front to back quality and consistency within its design, the east elevation is of significant length and bulk. In response, the applicant has submitted a range of photorealistic viewpoints (CGI's) from the Ring Road. These show the development in situ (during winter), from 5 different viewpoints travelling along the Ring Road (east to west). These highlight that the proposal will be most visible at a point (Point 4) approximately 180 metres to the east of Lawnwood roundabout where it will extend above the tree canopies.
77. In mitigation the building is setback over 120 metres from the Ring Road at this point and the trees which align the northern edge of the carriageway will provide significant screening in the spring-summer months. No footpaths are also present alongside the Ring Road at this point and it is only likely to be subject to standing traffic at peak times. Outside of these peak times drivers will only get a mid-to-long range fleeting view of the proposal. Whilst the adjacent sports pitches are generally open in nature (free from development), they still have some urban influences driven by various built development and buildings on university land. The Design Officer also states that whilst the building will be visible the perception is that you are seeing part of a building and not a whole building which means its impact is less.
78. In terms of general design the proposal will create an attractive, contemporary building which benefits from structured and ordered elevations, with large and deep recessed windows providing shadows / shade and sculptural quality and interest to the elevations. The use of brick is also supported in terms of placemaking, given that it is a key building material within the surrounding area, whilst the bronze windows and detailing add quality and refinement to the elevations. Notably, the proposal also retains and safeguards the characteristic mature landscaped setting of the site (discussed in further detail later within this report).
79. In addition, the introduction of a substantial landscaped podium at street level provides an attractive interface and helps to anchor the building to the street. The proposed pedestrian bridge is also of high design quality and provides a point of interest and attractive gateway into the site.
80. The existing site is dominated by overground parking. Whilst overground parking is still a feature of the proposed development, the majority of the car parking is screened from predominant public views below the proposed landscape podium.
81. Overall, the proposed scheme is considered to be acceptable. Whilst the scale and height of the scheme is greater than the surrounding development, it is not considered to result in any visual harm. Consequently, the proposal is not considered to be detrimental to the character and appearance of the locality in line with the requirements of Policy P10 of the Core Strategy, Policies GP5 and BD5 of the UDPR, Policies CD1 and NBH1 of the emerging Neighbourhood Plan and guidance contained within Councils Neighbourhoods for Living and Tall Building SPDs and the NPPF.

### Housing Mix

82. Policy H4 of the Core Strategy sets out the housing mix (number of beds) requirements for new housing developments within Leeds. The policy seeks to ensure that new housing delivered in Leeds is of a range of types and sizes to meet the mix of households expected over the Plan Period (i.e. it meets the needs of Leeds). The proposed housing mix has been compared against the preferred housing mix of Policy H4 below:

Type of dwelling	Number of dwellings proposed	Proposed Mix	H4 Target	H4 Min	H4 Max	Meets H4
1 Bed	25	19.7%	10%	0%	50%	Yes
2 Bed	76	59.8%	50%	30%	80%	Yes
3 Bed	26	20.5%	30%	20%	70%	Yes
4+ Bed	0	0%	10%	0%	50%	Yes
<b>Total</b>	<b>127</b>					<b>Yes</b>

83. The table above indicates that the proposed housing mix (1-3 bed units) complies with the preferred housing mix thresholds contained within Policy H4 of the Core Strategy.
84. It is noted that Policy H4 also seeks secure a mixture of houses and flats across residential sites. However, given the scale and character of the site it is considered that a wholly flat-led development is acceptable in this instance.
85. Policy H2 of the emerging Neighbourhood Plan also requires residential developments to provide a mix of dwelling types and sizes, in particular reflecting local need. As noted above the scheme provide aa good mix of unit sizes. It is noted that all the units will be rented, however given modest scale of the site and its form as one block of accommodation, this is considered to be acceptable.
86. Overall, the proposal is considered to provide an appropriate mix of unit sizes in line with the requirements of Policy H4 of the Core Strategy and Policy H2 of the emerging Neighbourhood Plan.

#### Affordable Housing / Viability considerations

87. Policy H5 of the Core Strategy requires residential developments to deliver affordable housing provision, commensurate to the scale of the development. The site is situated within Affordable Housing Market Zone 1.
88. Policy H5 of the Core Strategy requires Build to Rent developments, such as this proposal to provide the following:

*'Build-to-rent developments shall provide either:*

- i. *on-site, according to national policy advice, currently 20% Affordable Private Rent dwellings at 80% of local market rents administered by a management company with appropriate arrangements for identifying households in need, including city council nomination rights, which apply in perpetuity, or*
- ii. *on-site, the percentage of affordable housing specified for zones 1-4 (Zone 1 = 35%) and mix of Intermediate and Social Rented types of affordable housing set*

*out in the first paragraphs of this Policy at affordable housing benchmark rents administered by either a registered provider or a management company with appropriate arrangements for identifying households in need, including City Council nomination rights, which apply in perpetuity, or*

- iii. *a commuted sum in lieu of on-site provision of affordable housing of option ii).*

*Departures from this policy should be justified by evidence of viability considerations'.*

89. Guidance within the PPG states that *'Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage'*.
90. The applicants are currently proposing to pursue to affordable housing provision via part iii) of Policy H5 - *a commuted sum in lieu of on-site provision of affordable housing of option ii)*. This requirement would equate to £6,631,982 (Zone 1: 35% affordable housing provision). However, the applicants have stated that they are unable to provide the full commuted sum requirement in this instance due to viability considerations. In light of viability issues the applicants have proposed an off-site affordable housing contribution of £700,000, plus a late-stage overage clause which will either provide additional payment of up to a combined total of £6,631,982 (equivalent of 35% affordable housing under part ii) or the delivery of 20% Discount Market Rent units on site.
91. The applicants have stated that the financial viability of the scheme is significantly constrained due to recent increases in construction costs caused by the increasing costs of materials such as steel, chronic shortages of skilled labour, sustained rises in the cost of energy and a range of supply chain related difficulties. These issues have been exacerbated by the war in Ukraine, the global pandemic, global economic uncertainty and the UK's decision to leave the European Union. They have also highlighted that the site is located very close to the affordable housing policy boundary where the target for conventional affordable housing delivery more than halves from 35% to 15%.
92. The applicant has submitted a Financial Viability Assessment (Appendix 2) to support the scheme. It should be noted that the applicant increased their construction costs estimates shortly after the submission of the application. These revised financial figures are shown within Appendix 3. The headline conclusion of the applicant's viability study is the development is projected to make a £10.99 million loss (Total Revenue £26.81 million minus Total Costs £37.80 million).
93. The submitted financial appraisal therefore evidences that based on present day costs and values the proposed a financial contribution towards affordable housing (£700k) exceeds that which could otherwise be justified. The assessment advises that notwithstanding this, the applicant has confirmed they are prepared to commit to delivery of the scheme with the proposed contribution at their own risk by taking an internal commercial view on a range of factors including: i) the potential for future market growth and improvements; and ii) the long-term financial return which will be received from holding the rental homes as an investment asset. It is also argued by

the developers that this upfront over-provision of affordable housing, at the developers own risk (proposed in lieu of any future requirements to review viability), is a significant material benefit of the scheme which should be given substantial positive decision weight in the overall planning balance.

94. As a starting point the headline findings of the applicant's financial appraisal are surprising for a number of reasons:
- Whilst the site is brownfield, it has no abnormal costs.
  - It lies within a high market area (North Leeds - Adel). This area traditionally does not suffer from viability issues.
  - The relevant Development Plan policy (H5 - Core Strategy) is up-to-date, with the BtR elements of the policy inserted in 2019 and viability tested (as a whole) at the time.
  - The proposal is high density in nature (for its suburban context). Higher densities usually help to improve the viability of schemes.
95. Furthermore, it is also a concern that the applicants own figures show the scheme making a substantial £11 million loss, showing that is undeliverable. If these figures are accurate, it would make no business sense to pursue the development within the current climate, albeit it is recognised that there is no planning requirement for schemes to be deliverable.
96. The Council has sought independent advice from the District Valuer (DV) and Rex Proctors & Partners (Construction Costs) in relation to the submitted financial information from the applicants.
97. In relation to construction costs specifically Rex Proctors & Partners considered the applicants construction costs to be in the region of £5-10ft<sup>2</sup> higher than expectations. The DV also disagreed further with some of the applicants' inputs and assumptions within their viability appraisal and considered that the GDV (Gross Development Value) of the scheme is actually £7.4 million higher than shown by the applicant (this sum takes into account adjustments for the inflated construction costs figure). A summary of the main differences can be found within Figure 1 below:

Figure 1

<b>Inputs</b>	<b>Applicant</b>	<b>DV</b>
Gross Development Value	£27,220,000	£36,633,080
Total Developer Costs	£30,279,626	£29,135,300
Professional fees	10%	8%
Contingency	5%	3%
Finance Interest	6.5%	5%
Profit Target	12.5% GDV	8% GDV
<b>Residual Land Figure</b>	<b>Minus £10,986,105</b>	<b>Minus £2,278,703</b>

98. Whilst that the DV found an additional £7.4 million within the scheme, the DV still consider that the scheme produces a significant financial deficit and cannot support any affordable housing. In light of this the DV have suggested that Leeds City Council enter into an overage agreement with the developer to allow a calculation to determine overage (profit share) to be carried out at the end of the development.

99. The DV have also undertaken some sensitivity testing in relation to the impact of rental growth between the date of their appraisal (Aug 2023) and the practical completion of the scheme / letting of the apartments. The testing shows that *'if rents increase by 10% between the date of preparing this viability review and practical completion of the scheme the development is fully viable based on a BMLV of £Nil... ... Similarly, if rents increase by 20% the scheme will become fully viable based on a land value of £3,582,757. Please also note the applicants purchased the site for £3,504,000 in December 2020 based on Land Registry Records'*. As such the DV have commented that based in recent rental inflation the increase in rents could result in a fully viable scheme in 18 – 24 months' time (baseline Aug 2023).
100. Both Policy H5 of the Core Strategy and the NPPF allow departures from affordable housing requirements, where they are justified by viability considerations. However, paragraph 58 of the NPPF states that the weight to be given to viability assessment is a matter for the decision maker.
101. In this instance further to the headline concerns the Council has in relation to the scheme (no abnormals, high market area, high density scheme, up-to-date Local Plan) there are concerns that the financial information is based on limited information, with some assumptions not being well supported. There is also a lack of similar Build to Rent schemes in the suburbs of Leeds to accurately benchmark against. In addition, there has been some lack of transparency with the sharing of information from similar schemes within the submission and that the financial information is now over a year old. Cumulatively, these issues make it difficult for the Council to attach significant weight to the applicant's viability appraisal.
102. Notwithstanding this, the DV undertook their own assessment of the scheme and whilst their findings differ in some respects to the applicant's viability appraisal it still concluded that the scheme generated a significant financial deficit and cannot support any affordable housing. This evidences that the scheme does have viability issues and the £700k offer is not wholly unreasonable in this context. Significant weight is attributed to the DV specialist comments in this regard.
103. The DV have suggested that the Council enters into an overage agreement with the developer to allow a calculation to determine overage (profit share) to be carried out at the end of the development. Overage should apply to any developer's profit above a pre-agreed amount, which excess sum should be divided 50:50 with the Council for use by it to provide affordable homes either in the subject scheme, if possible, or elsewhere, at the Council's discretion.
104. The Council has been discussing an overage clause with the applicant over a period of several months. Initially the applicant sought to submit their own overage clause, however this clause was considered to favour the applicant significantly and was rejected following advice from the DV. It has now been agreed that the overage agreement will be based on the DV's suggested terms / inputs and will be secured by a S106 agreement.
105. Notably, in the absence of an overage clause the development would deliver no on-site affordable units (Affordable Rent) and a £700k financial contribution towards off-site affordable housing provision. This represents 0% of the required on-site provision (as opposed to the 20% on-site target) and just 10.6% of the equivalent off-site provision (as opposed to the 35% off-site target = £6,631,982). This is a



significant under provision of affordable housing against the Policy requirements which needs to be considered alongside the acute need for affordable housing in Leeds at the present time.

106. A late-stage overage clause would assess the actual profitability (as opposed to theoretical profitability) of the development on an open book basis on completion of the development, giving the Council the opportunity to reduce the affordable housing shortfall should the viability picture improve, or the original financial projections were found to be inaccurate. The PPG highlights that such review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.
107. The Council considers that an overage clause is warranted in this instance given the significant departure from the affordable housing policy requirements and the concerns with the applicant's viability information. The requirements of the overage would be necessary to make the development acceptable in planning terms, they would be directly related to the development and be fairly and reasonably related in scale and kind to the development. As such the overage clause would meet the statutory test for planning obligations. For clarity, Officers strongly consider that the proposals would not be acceptable in the absence of an overage agreement.
108. It is considered that the insertion of the overage clause will provide the Council with some protection and the potential to recoup further monies towards affordable housing, narrowing the policy deficit and level of harm against the Policy H5 of the Core Strategy.

### Green Space

109. Policy G4 of the Core Strategy requires residential developments to provide new green space commensurate to the number and units size of the residential development proposed. It usually expected that this new green space is provided on site.
110. The proposed development of 127 units with the specified housing mix (1-3 bed), would generate a green space requirement of 4,227 square metres of new green space. It would be difficult to provide this level of provision wholly on-site given the limited size of the developable area of the site. The Core Strategy advises that for high density schemes (excess of 65 dph) it is expected that at least 20% of green space should be provided on-site with the residual being provided off-site or in the form of a commuted sum.
111. The proposal incorporates a large landscaped podium (1,073 sqm), with two predominantly grassed parcels of land to the north and south of the podium (1,702 sqm) forming additional areas of on-site Green Space. In total these areas would equate to around 20% of the site area and provide around 65% of the green space requirement on-site.
112. This would leave a shortfall of 1,452 sqm of green space. The applicant has agreed to pay an off-site commuted (equivalent to £69,371.76), in lieu of this requirement. This will be spent on improving existing local green spaces and will be secured within the S106 legal agreement.

113. The provision of the publicly accessible landscape podium is a key benefit of the scheme. This area will provide an attractive, accessible, planned and well-designed open space, serving several green space functions and makes a positive contribution to the overall design concept. The landscape design includes a good balance of hard and soft landscaping areas and introduces informal play features for children as well as areas of visual interest including a sculptural seat with wet pour fall zone. It is appropriate that this green space area remains accessible to the public (all users) in perpetuity, which will be secured through the S106 agreement and appropriate planning conditions.
114. Overall, the proposed on-site green space, coupled with the off-site commuted sum is considered to provide an adequate level of green space provision / mitigation for development in quantitative terms. Additionally, the proposed new green space is considered to be of suitable design, providing a series of attractive green space areas which are likely to meet the core needs of the residents. As such the proposed green space is considered to comply with the requirement of Policies G4 and P10 of the Core Strategy.

#### Residential amenity – Neighbours

115. Core Strategy Policy P10 and saved UDP Policy GP5 note that developments should protect amenity.
116. The site benefits from significant separation to the nearest residential properties which located to the west of the site beyond tall mature tree cover and Otley Road, which is four lanes wide with a central landscaping strip. These separation distances significant exceed the minimum separation distance contained within the neighbourhoods for Living SPD. As such the proposal will not have a detrimental impact on any neighbouring properties in terms loss of light, over-dominance or overlooking.
117. Given its juxtaposition with the surrounding residential properties the proposal is also not considered the result in any undue noise and disturbance for neighbouring residents. In particular the new green space will be situated on the opposite side of Otley Road which is a key radial route and generates a level of vehicle noise. Furthermore, given the historic use of the site as a 24hr Police Station, the proposal will not result in any demonstrable harm as a result of the proposed number of vehicle trips.
118. Overall, the proposal is not considered to result in any undue amenity concerns for neighbouring occupants in line with the requirements of Policy P10 of the Core Strategy, Policy GP5 of the UDPR and guidance contained within the NPPF.

#### Residential amenity – Future Occupants

119. Core Strategy Policy P10 and saved UDP policy GP5 note that development should protect amenity whilst policy BD5 notes that “all new buildings should be designed with consideration given to both their own amenity and that of their surroundings”. The NPPF (paragraph 135), states decisions should ensure that developments create a “high standard of amenity for existing and future users”.

120. All of the proposed 127 residential units would meet the minimum space standard requirements set out within Policy H9 of the Core Strategy. The ceiling heights will also be above the minimum standard to improve natural light, ventilation and thermal comfort. Each of the residential units has an external balcony / terrace area and all of the residents will also have access to private roof terraces and on-site public green spaces. As such, as a baseline the proposal will provide a good level of amenity for the future residents.
121. The proposal includes the provision of 15 apartments at ground level (Level 0), which creates a challenge in amenity terms given their juxtaposition to neighbouring uses. Three of these units (apartments 0.04, 0.05 and 0.06) are situated adjacent to, and sit on a sunken level below the proposed platform landscaping deck. To mitigate this, these units benefit from terraces within an increased depth (4.75 metres) and they are also south facing. It is noted that the terraced depth is slightly reduced for apartment 0.04, however this apartment and terrace benefits from a dual aspect, with an alternative open outlook to the west. The platform also incorporates landscaping buffers to its edges, to prevent overlooking of ground floor and first floor units from the platform at close quarters.
122. Flats 0.08, 0.11, 0.12, 0.14 and 0.15 are located adjacent to footpath links, however the relationship between the footways and ground floor terraces is largely managed by the introduction of landscaping which provides a buffer between the uses. Apartments 0.09 and 0.10 have an abrupt relationship with the adjacent car parking which is generally undesirable. Overall, a few of the ground floor apartments create some amenity concerns given their relationship to neighbouring land which need to be weighed up in the planning balance. However, in general the proposal when considered as a whole will provide a good level of amenity for the future occupiers with weight given to the provision of roof terraces and good quality on-site green space, in line with the requirements of Policy P10 of the Core Strategy, Policies GP5 and BD5 of the UDPR and guidance contained within the NPPF.

### Ecology / Nature / Trees

123. The site currently benefits from an attractive landscaped setting with mature tree cover present to its boundaries. These trees (within the site) are protected by a Tree Preservation Order (TPO). The existing landscaping has many functions including being an attractive attribute of the area, climate change mitigation and biodiversity. As such any proposal should seek to retain and not harm the surrounding trees, as far as practicable and provide appropriate mitigation where necessary. Policy NBH2 of the emerging Neighbourhood Plan also supports the retention of existing trees and vegetation, their positive management and the introduction of additional planting.
124. The proposed development is set centrally within the site away from its boundaries. Consequently, the proposal provides adequate spatial separation to the adjacent protected trees and their root protection zones, to ensure that the development will not harm and has an acceptable relationship with the trees, helping to ensure that the existing verdant character is retained.

125. The vast majority of trees which are included within the TPO will be retained on site, except those Category U trees (27 no.), which the Arboricultural Survey identifies as dead or of such poor condition that pose a health and safety risk and should be removed and replaced. A further 9 trees require removal in order to facilitate the development. 7 of these are Category U trees located to the south of the existing police station and are not subject to the site wide TPO. It is noted that one healthy protected tree (T33) is to be removed, however this is considered to be necessary to construct the pedestrian footbridge, which has wider planning benefits. Notably the proposal also incorporates a variety of new planting proposals, including infill planting to the eastern boundary to strengthen its screening function. In total of the 140 trees currently on site, 36 are proposed to be removed, however 123 new trees will be planted within the site. This exceeds the 3 for 1 Policy aspirations contained within Policy LAND2 of the Natural Resources and Waste DPD and will result in a net gain in tree coverage across the site.
126. The retention of the existing trees is also important from a biodiversity / ecology perspective as this provides a valued woodland habitat which supports a variety of wildlife. It should be noted that the application was submitted prior to the introduction of Mandatory Biodiversity Net Gain requirements. Nevertheless, Policy G9 of the Core Strategy requires developments to result in a net gain for biodiversity across the site. Policy NBH3 of the emerging Neighbourhood Plan also seeks to conserve, restore and enhance biodiversity. The submitted ecological impact assessment and biodiversity impact calculator indicates that the development will achieve an uplift of 1.17 habitat units and 0.86 hedgerow units across the site, equating to a 19.27% net gain in habitat units and a 330% net gain in hedgerow units which exceeds the policy requirements. This will be largely achieved through the introduction of green roofs/walls, new hedge planting, new native species planting, the use of species rich grass mixes and wildlife friendly planting.
127. Policy G8 of the Core Strategy relates to the protection of important species and habitats. It is noted that the submitted bat survey highlights that one of the buildings on the site was considered to support a day roost of a small number of common pipistrelle bats. Accordingly, the Ecological Impact Assessment recommends a European Protected Species Mitigation Licence will need to be obtained prior to works commencing on the building, and that a further emergence or re-entry survey is undertaken to inform the license. This will be subject to a planning condition. Five trees on site were considered to offer suitability to support roosting bats and these trees will be retained as part of the proposals. The Nature Officer also recommends a variety of planning conditions mitigate harm and enhance habitats for protected species including the need for bat and bird boxes, low impact lighting schemes and hedgehog protection. The proposal is therefore considered to comply with the requirements of Policy G8 of the Core Strategy in relation to the protection of important species, subject to the mitigation measures and enhancements which can be secured via planning condition.
128. Overall, with the additional safeguards and mitigation the proposed the proposed planning conditions will provide the proposal is considered to be acceptable in terms of ecology, nature conservation, biodiversity and trees in line with the requirements of Policies G8 and G9 of the Core Strategy, Policy LAND 2 of the Natural Resources and Waste DPD, Policy LD1 of the UDPR, NBH 2 and NBH3 of the emerging Neighbourhood Plan and guidance contained within the NPPF.

## Highways considerations

129. Core Strategy policy T2 and saved UDPR policy GP5 note that development proposals must resolve detailed planning considerations and should seek to maximise highway safety. This means that the applicants must demonstrate that the development can achieve safe access and will not overburden the capacity of existing infrastructure. It is also outlined within the spatial policies of the Core Strategy it is also expected that development is sited within sustainable locations and meets the accessibility criteria of the Core Strategy.
130. Policy HT1 of the emerging Neighbourhood Plan relates to traffic congestion and requires the traffic impacts of new development to be carefully managed and where necessary mitigated against so as to ensure the efficient and safe movement of vehicles, pedestrians and cyclists.
131. As previously outlined the proposal is considered to be located within a generally sustainable location within the main urban area of Leeds which benefits from good bus links to nearby Centres and reasonable access to local services and community facilities.
132. The site was previously in use as a district police headquarters which generated a significant level of peak hour traffic movements, given the number of office-based and administrative staff working traditional 0900-1700 hours. In addition, a significant number of additional trips occurred throughout the day as a consequence of the nature of the police work. The submitted Transport Assessment indicates that the proposal will result in a reduction of 27 two-way AM trips, and in the evening peak hour a reduction of 13 two-way trips. As such the proposal will result in a notable reduction in traffic volumes during peak hours compared to the extant use of the site as a Police Station. Consequently, the proposal will not result in any highway capacity or traffic volume concerns.
133. The existing site benefits from direct vehicular access and egress from the A6120 Ring Road. At the north of the site there is also an access only vehicular entrance from the A660 Otley Road and an exit only road on the western boundary to Otley Road. The proposal maintains the principle entrance and egress routes with the addition of an automatic vehicle barrier and intercom at the north of the site to prevent bypassing of the Lawnswood roundabout. The southern egress will be modified through the formalisation of the existing kerbing, extending the current provision to physically prevent any left turns in. From the Ring Road, the existing access will be retained and will continue to operate as two-way (entry and exit).
134. The internal road layout will be modified as part of the proposals to facilitate the under-croft car parking area. The internal access road along the eastern boundary will become the primary route through the site for service and delivery vehicles. The internal roads will remain in private ownership and details of the long-term maintenance arrangements for these will be secured by planning condition.
135. The site is situated close to Lawnswood roundabout which is subject to improvement works in the near future. The scheme aims to make the junction safer for all users, more attractive to pedestrians and cyclists and more efficient for bus prioritisation. The emerging scheme includes proposals for a signalised roundabout, signalised pedestrian / cycling crossing facilities, segregated cycle facilities on the approaches

to the junction and a 24hr southbound (towards City Centre), bus and cycle lane on Otley Road on the approach to the junction, including the prioritisation of buses at the junction. The scheme is now at an advanced stage with construction works expected to begin in early 2025. Given the reduction in proposed trip rates the proposal will not have an impact on the proposed roundabout redevelopment other than minor modifications to the developments 'exit only' junction off Otley Road. The Lawnswood Roundabout improvement works will also benefit pedestrian and cycle users within the site once they are completed.

136. In terms of parking provision, a total of 140 parking spaces will be provided at the site with the majority provided under the building to maximise use of existing hardstanding. This parking provision includes seven disabled spaces (5%) as well as 12 car parking spaces for visitors and 13 motorcycle spaces. This level of parking provision is considered to be satisfactory by the Highways Officer given the nature of the scheme and its location. The proposal also incorporates the provision of a Car Club space which will be available to the wider public. 144 secure cycle parking spaces will also be provided, equating to one space per unit plus 17 visitor spaces.
137. In summary, no significant highway impacts are anticipated as a result of the development, subject various planning conditions and S106 clauses recommended by the Highways Officer. As such the proposal is considered to comply with the requirements of Policy T2 of the Core Strategy, Policy HT1 of the emerging Neighbourhood Plan and guidance contained within the Transport SPD and NPPF.

#### Climate Change Mitigation

138. Leeds City Council has declared a Climate Change Emergency. Planning policies within the Development Plan seeks to address this issue by ensuring that developments incorporate measures to help reduce the impacts on climate change. In particular, Policy EN1 of the Core Strategy requires residential developments to achieve reduced predicted carbon dioxide emissions as well as provide a minimum of 10% of the predicted energy needs of the development from low carbon energy. Policy EN2 requires major residential developments to meet a water standard of 110 litres per person per day, where feasible. Furthermore, Policy EN8 of the Core Strategy requires the installation of Electric Vehicle Charging Points (EVCP) commensurate to the scale of the development.
139. The applicants have provided a Sustainability Statement and Energy Statement which outlines that the development will introduce a range of measures including improved U-values of the external envelope and glazing, improved air permeability of the envelope, improved efficiency of space heating, cooling and hot water, the use of heat recovery for mechanical ventilation system and the use of energy efficient lighting to save Carbon Dioxide emissions. These measures are predicted to save 56,485.43 kg of Carbon Dioxide per year which represents an improvement of 52.7% against the Building Regulations requirements and is in excess of the 20% required improvement contained within Policy EN1.
140. The proposal also incorporates individual air source heat pumps to provide low carbon heating and hot water to the dwellings contributing 380,853.67kWh/annum per annum which represents 90.50% of the sites total energy consumption of 420,841.35kWh/annum. These are located internally within the apartments with

supply and extract ductwork to external air bricks. Photovoltaic panels are also proposed on some of the roofs which will provide electricity to the building generating 83,207.72kWh/annum per annum which represents 19.77% of the sites total energy consumption of 420,841.35kWh/annum. Overall, this contribution from low/zero carbon technology is well in excess of the 10% requirement contained within Policy EN1 of the Core Strategy.

141. The supporting technical information also confirms that the development will achieve a water standard of 106 litres per person per day which therefore exceeds the Policy EN2 requirements (110 litres, per person, per day). Sanitary wares within the development will be procured in line with the values set out in the Water Efficiency Calculator.
142. In terms of Electric Vehicle Charge Point (EVCP) provision, 70 out of the proposed 140 spaces (50%) within the development will include a charge point. The remaining 70 spaces will be fitted with passive EV charging facilities, which can be brought online at a later date as demand dictates. This level of EVCP provision is considered to be acceptable by the Highways Officer in line with the requirements of EN8 of the Core Strategy.
143. Overall, the proposal is considered acceptable in relation to climate change mitigation, in line with the requirements of Policies EN1, EN2 and EN8 of the Core Strategy and guidance contained within the NPPF.

#### Wind Mitigation

144. Good wind microclimate conditions are necessary for creating outstanding public spaces. Adverse wind effects can reduce the quality and usability of outdoor areas, and lead to safety concerns in extreme cases. The Leeds City Council Wind and Microclimate Toolkit is linked to the Tall Buildings SPD and outlines the requirements and thresholds for wind surveys in relation to new tall buildings in Leeds. The proposed building extends up to 19 metres in height. The table in Section 2 of the document advises that new buildings between 15-30 metres in height should undertake Computational (CFD) Simulations OR Wind Tunnel Testing to inform a wind study.
145. The applicants have submitted a Wind Micro-Climate Assessment which assessed the impact of the proposed development on pedestrian wind comfort and safety using Computational simulations (CFD). The assessment concludes that there are no adverse wind impacts associated with the proposed development. Notwithstanding this headline conclusion, the assessment acknowledged that in the absence of any trees or soft landscaping, there would be potential for localised safety exceedances at the south east corner of the proposed development, on two balconies at the south east corner and the southern edges of the southern-most roof terraces (as well as conditions that would be a category too windy on the terraces). However, these are all resolved by the inclusion of the retained trees at ground level, which are of significant height, density and maturity. Given the density and maturity of the retained trees, it is reasonable to expect that they are not likely to fail, and the scenario with the retained trees is considered representative of the actual conditions once the proposed development is built out.

146. In response, Windtech (Wind Consultants), have undertaken a peer review of the applicants Wind Micro-Climate Assessment on behalf of the Council. Windtech considered that the assessment represented a relatively plausible appraisal of the wind microclimate following the introduction of the proposed development. However, Windtech's original response highlighted a few points of concern in which clarifications or additional analysis was required. This included the use of trees to establish baseline wind conditions. Without the trees there would be an onsite safety concern affecting the south-east corner of the building, albeit the resulting safety exceedance values are marginal.
147. The required additional analysis and clarifications have been provided by the applicant and Windtech consider that the installation of a small porous screen to the south-east part of the building (secured by planning condition), would be sufficient in to reduce wind speeds within this area and not result in any undue safety concerns in line with the requirement of Policy GP5 of the UDPR and guidance contained within the Tall Buildings SPD and NPPF.

#### Accessible Housing / Access for all

148. Policy H10 of the Core Strategy relates to accessible housing standards. The policy requires new residential developments to include the following proportions of accessible dwellings:
- 30% of dwellings meet the requirements of M4(2) volume 1 of Part M of the Building Regulations 'accessible and adaptable dwellings'.
  - 2% dwellings meet the requirement of M4(3) of Part M volume 1 of the Building Regulations 'wheelchair user dwellings', wheelchair adaptable or accessible dwellings.
149. The proposal incorporates 38 apartments which meet the requirement of Part M4(2) of the Building Regulations (accessible and adaptable dwellings), and 3 apartments which will meet Part M4(3) requirements (wheelchair user dwellings), thus complying with Policy H10 of the Core Strategy.
150. Policy P10, part (vi) of the Core Strategy requires developments to be accessible to all users, including visitors. The existing site has a principal pedestrian access in the centre of the western boundary down a number of external steps. The proposed footbridge will remove the need for stepped access to the building by creating level access onto the podium deck to the main entrance of the building. An external lift is also provided to the southern edge of the platform deck which will provide access from the external parking spaces onto the platform. In addition, internal lifts will provide step free access between levels for residents. These lifts within in the building cores allow resident circulation between car parking and residential levels. All balcony/amenity space access is proposed to allow for level access. Accessible parking spaces are also provided at ground level in close proximity to entrances to the building cores.
151. Overall, the proposal is considered to meet the requirements of Policies H10 and P10 of the Core Strategy in relation to accessible housing and access for all.



## Other Matters

152. *Drainage* – A Flood Risk Assessment and Drainage Strategy has been supplied by the applicant. The Flood Risk Management Team accept that the application site is located in Flood Zone 1 and not at risk of any critical flood risks that require specific mitigation. The proposed drainage strategy is also considered to be acceptable subject to planning conditions.

## Representations

153. As previously outlined three representations to the proposed development has been received, one in objection (Adel Neighbourhood Forum), one in support of the proposed development (Leeds Civic Trust) and some general comments from Cllrs B Anderson and Cllr A Anderson. The issues raised within the representations are highlighted within paragraphs 24 to 26 of this report.
154. The majority of this issues raised including those relating to design, trees, highways / parking and affordable housing / viability issues have been covered in detail within the appraisal above.
155. The Adel Neighbourhood Forum raised a concern that balconies are a security weak point on buildings. In response, the development will be required to the comply with the latest Building Regulations safety and security requirements. Balconies are a common feature on flatted developments across the city and there is not considered to be any planning justification to oppose such features on security grounds.
156. The Adel Neighbourhood Forum has also raised a concern regarding the types of units that are proposed, in particular that they are all flats and Build to Rent units. In response, on large scale major residential schemes the Council would usually look to secure a range of flats and dwellings. In this instance, the site isn't of significant scale, and it would be difficult to achieve a mixture of the flats and dwellings within the modest developable area of the site. The standalone, nature of the site also lends itself to delivering a high-density scheme, which has wider planning benefits. Such density would not be achievable with a traditional residential dwelling-led development. In terms of all the properties being Build-to-Rent units, this is not considered a matter that any negative weight could be attached to the development. Build to Rent is a distinct asset class within the private rented sector. The NPPF supports Build to Rent as an additional way of providing new housing, alongside traditional methods. Neither national or local planning policies require developments to provide a mixture of private sale or rented dwellings. Providing that the new housing meets the detailed requirements of the Development Plan policies, such as good design, amenity levels, housing mix and highways impacts, there is no justification for refusing an application of this scale solely due to it being Build to Rent.
157. The Leeds Civic Society and Adel Neighbourhood Forum also raise concern with the developments relationship with the Lawnwood roundabout improvements. In particular noting the difficulties crossing the Ring Road for pedestrians at this moment in time. The developments general relationship with the Lawnswood Roundabout improvements has been covered within the Highways sections of the report above. In relation to pedestrian safety, the improvement scheme will significantly improve pedestrian safety at the roundabout. Whilst concerns have

been raised in relation to the timing of the works, the improvement works are now fully funded and are likely to commence shortly. As such there is no justification for requesting any monies to go towards nearby pedestrian improvements at the roundabout.

## **PLANNING BALANCE / CONCLUSIONS**

158. The proposed scheme will provide a significant number of planning benefits including the regeneration of a brownfield site, provision of 127 new homes to the housing supply, new publicly accessible on-site greenspace, new tree planting, biodiversity net gain above policy requirements and a climate change resilient building which incorporates zero/low carbon technologies above the policy requirements. The development also gives rise to no significant concerns in relation to its impact on design and character, residential amenity for both existing and future residents, accessibility, highways safety, ecology or existing protected trees.
159. However, the scheme would notably represent a significant departure from the requirements of Policy H5 of the Core Strategy in relation to the level of the affordable housing provision. Whilst viability issues with the scheme have been acknowledged by the DV, an off-site affordable housing contribution of just £700k would represent a small fraction of the required affordable housing contribution (£6,631,982). This significant policy deficit against the backdrop of an acute affordable housing need in Leeds is attributed significant negative weight in the planning balance.
160. The inclusion of a late-stage overage clause, as suggested by the DV and agreed with the applicants would provide an opportunity to reduce the affordable housing shortfall should the viability picture improve, or the original financial projections were found to be inaccurate. The sensitivity testing undertaken by the DV would indicate that the scheme is likely to become more viable within the immediate future and consequently the overage clause would provide the Council with some protection and the likelihood of recouping further monies towards affordable housing, narrowing the policy deficit and level of harm against the Policy H5 of the Core Strategy.
161. Consequently, when the proposed scheme is considered as a whole the development is considered, on balance, to be acceptable, with the safeguards and mitigation provided within the suggested planning conditions and S106 agreement (notably the overage clause). As such the application is acceptable and is recommended for approval.

## Appendices

**Appendix 1** - Position Statement Plans Panel minutes (03.08.2023)

**Appendix 2** – Applicants Viability appraisal

**Appendix 3** – Applicants Viability appraisal addendum (updated summary table inc revised construction cost)

**Appendix 4** – District Valuer (Stage 2 report)

## **SOUTH AND WEST PLANS PANEL**

**THURSDAY, 3RD AUGUST, 2023**

**PRESENT:** Councillor C Gruen in the Chair

Councillors E Taylor, J Garvani, E Bromley,  
N Manaka, A Rontree, P Wray, A Lamb  
and B Anderson

### **ELECTION OF CHAIR**

Councillor H Bithell submitted her apologies at the previous meeting and therefore a nomination was put forward for Councillor C Gruen to Chair the meeting in her absence. Panel Members unanimously agreed on this approach.

**RESOLVED** – That Councillor C Gruen be elected as Chair for the duration of the meeting.

### **SITE VISITS**

Councillors C Gruen, C Campbell, J Garvani, E Bromley, N Manaka and A Rontree attended the site visits earlier in the day.

#### **17 Appeals Against Refusal of Inspection of Documents**

There were no appeals.

#### **18 Exempt Information - Possible Exclusion of the Press and Public**

There was no exempt information contained within the submitted agenda.

#### **19 Late Items**

There were no formal late items.

#### **20 Declarations of Interests**

An interest in relation to Agenda Item 7 – Former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds, LS16 6RG was raised on behalf of Councillor B Anderson as he has submitted representations as part of the planning application process and therefore resolved to remove himself from the meeting room as he could not determine the application with an open mind.

#### **21 Apologies for Absence**

Apologies were received on behalf of Councillors H Bithell, L Buckley, C Campbell, T Smith, and R Finnigan.

Councillor A Lamb attended as a substitute on behalf of Councillor T Smith and Councillor B Anderson attended as a substitute on behalf of Councillor L Buckley.

## **22 Minutes - 6 July 23**

**RESOLVED** – That the minutes of the previous meeting held on Thursday, 6<sup>th</sup> July 2023 be approved as an accurate record.

## **23 22/03466/FU - Guiseley School, Fieldhead Road, Guiseley**

The report of the Chief Planning Officer presented an application on new artificial grass pitch with floodlighting, new emergency access, storage container, relocation of existing long jumps and associated landscaping works at Guiseley School, Fieldhead Road, Guiseley.

Members of the Panel had attended a site visit earlier in the day.

Members were provided with an update since the writing of the submitted report. It was noted that a late objection has been received relating to the proposed use of the rubber crumb, and concerns regarding hazardous materials and air contamination and that it was the objectors belief that natural turf should be used. Officers confirmed that paragraph 74 touches on this issue, and materials used for the pitches are regulated under the REACH regulations and guidance should be followed in terms of its end of life, all of which falls outside the remit of planning controls and covered by separate legislation.

Photographs and slides were shown throughout the officer presentation, and Members were provided with the following information:

- The playing fields are located to the north-west of the main school campus and the site amounts to 1.3 ha of land. To the north of the site is adjacent to Green Meadows Academy and to the east, the site adjoins the rear of the residential properties fronting Aldersyde Road. There is a designated footpath that separates the wider school site that runs along its south-eastern boundary with Fieldhead Drive. The site is located adjacent to Tranmere Park Estate Conservation Area, which runs alongside Bradford Road.
- The application proposes the construction of an artificial grass pitch (AGP) with 6x15m high floodlighting columns around the site perimeter (in each corner and the half-way line), with a new emergency access and relocation of existing long jumps and associated works.
- There will be an existing line of poplar trees retained as part of the proposals. The trees are categorised as category U trees – declining health. Replacement planting will be required and where there are existing gaps in the landscaping, succession plants will be provided for effective screening.

- The pitch would be enclosed by a 4.5m high weld mesh fence with gated access. To the east of the pitch enclosure a 3.5m and to the south a 2.5m high acoustic fence is also proposed.
- There is a need for additional landscaping for those properties where the rear gardens face onto the pitch.
- A section of the hedging will need to be removed to accommodate for drainage purposes and it was confirmed that the drainage system will accommodate for severe climate events.
- The existing access is proposed to be widened for emergency vehicles and will be used for construction vehicles and access.
- There is a number of options in terms of the acoustic treatment if there is a particular preference members feel may be more suitable. i.e., timber fencing that can be painted or a quilt version.
- The location of the lights present low light spillage to nearby properties and an overview of separation distance was provided.

In summarising, the planning officer confirmed that the scheme has been modified substantially in terms of reducing the number of floodlights, improving ~~reducing~~ noise attenuation, the proposed hours of use have been amended from 10pm to 9pm, artificial lighting restricted during periods of bat foraging seasons and noise mitigations in place to protect residents from the operation of the development. It was also confirmed that funding has been set aside for a Traffic Regulation Order (TRO) should the development present issues in terms of on-street parking.

In attendance at the meeting speaking in objection to the proposals were:

- Mr Simon Branston
- Mr Stuart Garforth

The objectors informed the Panel of their concerns, which were:

- Local residents support the nearby school and its use of current playing pitches.
- The acoustic report states that the most affected NSA (Noise Sensitive Area) located on Aldersyde Road and nearest point to the development from this point is 15m. It was of the opinion of the objector that the baseline the developer used is not adequate and contradicts WHO and LCC criteria.
- Evidence in relation to disabled and autistic vulnerable residents with chronic diseases is omitted. Particularly relating to noise sensitivities and unpredictable loud noises, whistles and shouting and construction and operation which will cause extreme risk and the need for urgent medical attention. There is a substantial risk to life and bodily harm. All of which contradicts the NPPF noise table, DEFRA policy aims, and it is within the responsibility of Committee Members to avoid such adverse effects.
- Floodlighting spillage harming the environment.
- Amenity issues in terms of proximities between the pitch and surrounding properties.
- No bat surveys have taken place.

- PNG assessment overlooked in terms of trees and grassland.
- Evidence provided for construction and drainage, poses flood water risks.
- Non-compliant proposals with Section 14 of National Planning Policy Framework and LCCs EN5.
- It is considered that the applicant fails to provide a sustainable inclusive playing field that Guiseley school deserves.

In responding to questions from Panel Members, the objectors confirmed the following:

- The level of consultation was mixed, and the objectors felt that engagement with local residents has not been satisfactory, particularly with residents with disabilities. Further to this, the objector explained that the consultation process detrimentally impacts disabled residents, and they find it harder to engage in the process. Residents have felt isolated during this process.
- In terms of harm related to noise, the school has an agreed risk assessment plan based on medical conditions and the application breaches such plan and also a breach of the Equality Act (2010).
- There is local knowledge of the presence of bats.
- Guiseley is under pressure with car parking currently and it is massively congested particularly when Guiseley Football Club are playing. Additionally, it is considered that parking on Bradford Road is a significant issue and there are concerns that the pitch will exacerbate existing issues.
- The current activities at the school through the day and on a weekend present minimal noise. The school do not currently have floodlights that present an issue for disabled residents.

In attendance at the meeting speaking in support of the proposals were:

- Roger Gavin, Guiseley School Representative
- Mark Sitson, Guiseley Football Club Representative
- Coral Curtis, Planning Agent
- Alistair Moore, lead on the supply of artificial turf

Those in support provided the following information:

- The school, football foundation and football club have worked together to provide enhanced sporting provision for young people in Guiseley and the surrounding areas.
- The aim is to provide sustainable facilities and increased time on the curriculum and provide extra curriculum activities.
- Guiseley school is the only school in Aireborough without an AFP and requires children to travel to other schools to use their pitches, incurring travel costs and time.
- The pitches cannot be used during bad weather and the current pitch poses a detrimental impact on wellbeing.
- Guiseley Juniors plays an important role in the community and currently has 750 players signed up through memberships and they're

in need of quality nearby football facilities, that will also benefit local primary schools and organisations.

- Guiseley Juniors are not in a financial position independently and the proposals provide an opportunity to provide exceptional sporting facilities for young people.

Responding to questions from Panel Members, the supporters in attendance confirmed the following:

- The school cannot currently confirm the cost to the school not having an all-weather pitch but explained that the impact in the winter of not having one, is the children's wellbeing, not being able to play sport outdoors. When the pitch is waterlogged, school activities are cancelled.
- The operation of the pitch and organisation between the school and football club is not for profit, and primarily for children being able to access sporting provision.
- It is the intention to increase provision for physical education and out of school activities for extra curriculum and enable more clubs to play on the pitch.
- There are new parking facilities on-site, with 145 spaces available. The school has submitted a framework on how the pitch will be managed. Users of the pitch will be advised on where to park, and on-street parking in nearby streets will be advised against. There will be somebody on-site to ensure that people can enter the parking facilities. It is also believed that the new fence around the perimeter will discourage people from parking on-street. Further to additional concerns regarding parents and families parking on pavements for drop-offs, it was confirmed there will be a booking system through the lettings office and trained staff to monitor parking on-street. People will ultimately be banned if breaching guidance.
- The main benefit of the pitch is for the school and curriculum. However, on an evening and weekend the pitch can be used by all age groups.
- There are not usually spectators who attend, but parents and their families.
- The school sent out a letter to surrounding residents advising them of the proposals and the planning process offered meaningful consultation, which resulted in receiving over 300 representations. The school have listened to concerns and tried to address where possible in terms of reducing columns and the hours of use. No other consultation methods were undertaken.
- Approximately 50 days of use of the pitch is lost during bad weather.
- The condition around not being able to use whistles after 7pm will be enforced by ensuring matches finish before 7pm.
- There are mechanisms in ensuring there is a 'sinking fund' for issues such as maintenance and end of life. The operation of the pitch does not need to generate a profit, but to ensure that it can generate a 'sinking fund'.
- Further to a concern regarding the environmental impact on disposing of the pitch at its end of life, it was confirmed that the pitch will go to a



facility in Scotland where the pitch will be recycled. Additionally, it was confirmed that the sand and rubber crumb in the product will be rolled up with the turf and taken to the recycling plant. The rubber crumb will be re-used in rubber based products such as children's play areas for cushioning effect areas. Products will not end up in landfill.

- It is proposed that there will be grids at the gateway in and out of the pitch to ensure that rubber crumb is not being carried off the pitch from players boots.

Members sought clarity on the weight that can be applied to public health related issues. Members were informed that it is the Committee's decision whether they feel that the report adequately deals with the matter that has been raised or whether further consideration needs to be taken and they have a duty to have regard to the information presented to them. Officers confirmed that a piece of exempt information was submitted by an objector on the impact of noise, but that piece of information remained restricted. Members felt that the health issues raised by that objector had not been addressed adequately and assurances were sought on the lengths officers have gone to. Officers confirmed they have done their utmost in the limited circumstances they were presented with, and a noise report concludes that LCC guidance is being adhered to.

Further to additional questions put forward to officers, the following was also confirmed:

- Health implications as a result of rubber crumb was sought, and officers referred to documentation from Sports England that sets out there are no specific health concerns for AGPs, however, a precautionary approach is to be taken. There are currently no alternative infill materials available on the market.
- It is considered that when all four 5-a-side football pitches are in use, there would be 64 participants at any one time as a worst-case scenario. The associated parking demand could be accommodated within the school's grounds with the availability of 145 parking spaces. It was also confirmed that the school have control over staggered bookings for use of the pitch.

At this stage of the meeting, members were asked to consider moving into private session as the discussion was likely to involve the disclosure of exempt information, particularly information that would disclose protected characteristics and circumstances of an individual. Those issues fell within the provisions of Access to Information Procedure Rules 10.4(1) and 10.4 (2).

**RESOLVED** – That the public be excluded from the following part of the meeting as discussion was likely to involve the disclosure of exempt information only, particularly information that could disclose information which could reveal the identity of an individual.

At the conclusion of discussions in private session, the Committee resumed in public. The Chair informed the public and those in attendance that such information disclosed during the private session did not touch upon the

determination of the planning application and solely just on the exempt information presented by the individual.

In resuming the discussion, and further to questions to officers, the following was confirmed:

- LCC welcome community engagement between the applicant and the local community, however, this is not mandatory. There is a legal requirement to advertise the application as well as a press notices. Individual letters are not sent for large scale developments as a property may be missed and presents an opportunity for exposure on the local authority.
- It will be in the schools power to ensure they are complying with the conditions attached to the planning application.
- The pitch will not be in operation when the school is in operation, and for events such as parents evening. Condition 20 ensures the school comply.

Panel Members provided the following comments:

- Members felt that they needed more information on the health impacts as a result of the proposals and discharging the Council's public sector equality duty.
- To receive assurances that a conflict of other lettings, forms part of a condition.
- Consultation has not been adequate and whilst it is acknowledged that there is not a requirement to 'go the extra mile,' it was suggested that further means of consultation is conducted. It was queried whether ward member engagement has taken place.
- Further consideration around how the exempt information disclosed during the private session is considered and the impact the proposals have on protected characteristics of an individual and the health impacts associated with that.

Upon voting, an alternative motion to the officer recommendation was put forward, to defer the application to enable the Committee to receive further clarity on the information presented during the private session on protected characteristics and therefore, it was

**RESOLVED** – To defer the application.

**24      22/06370/FU - Former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds, LS16 6RG**

The report of the Chief Planning Officer presented a report regarding the demotion of existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access at the Former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds, LS16 6RG.

The report is brought to Plans Panel as a Position Statement to present details in relation to the emerging scheme and provide Panel Members with the opportunity to provide comments to aid progression of the application.

Councillor B Anderson removed himself from the meeting and the room prior to the application commencing, due to his interest in the item.

Members of the Panel had attended a site visit earlier in the day.

Members were provided with an update since the writing of the submitted report in that the applicant has shown admirable ambitions to exceed targets EN1 and EN2, further work is required to ensure that they are achievable. Additionally, comments have been received from Councillors B Anderson and C Anderson complimenting the development and level of consultation that has taken place with Adel Neighbourhood Forum and the public consultation that took place. Some issues were raised regarding viability and the preference of providing affordable units onsite and concern that some flats may have more than 1 car.

Photographs and slides were shown throughout the officer presentation, and Members were provided with the following information:

- The application site is a 1.4 hectare brownfield site which originally encompassed Weetwood Police Station. The site is located to the north-east of Lawnswood Roundabout, to the east of Otley Road (A660), within the Main Urban Area of Leeds. The site is bounded by Bodington Hall Playing Fields (University of Leeds) to its north and east boundaries.
- The proposed new building will provide a total of 127 Build to Rent residential units (1-3 bed, which falls within the C3 use class).
- The proposed building incorporates an L-shaped format which ranges between 4 & 6 storey in height. The building has a flat roof design with roof terraces, green roofs, and Solar PV infrastructure. The building will be constructed of brick with bronze colour aluminium window openings and metal shade panels. Each property benefits from an external balcony or terrace.
- The proposals include the provision of on-site green space and includes the provision of a publicly accessible landscaped podium deck to the front of the building.
- Vehicular access to the site will be retained as per the existing situation. From Otley Road, the northern access will be retained as access only, with the southern access retained as egress only. From the Ring Road, the existing access will be retained and will continue to operate as two-way entry and exit. It is considered that the former police station has a high level of car association with it, and the level of trips associated with the proposed development will see a reduction in trips.
- The development incorporates low carbon and renewable technology including the provision of air source heat pumps and photovoltaic panels.
- There will be 140 spaces for cars and 139 cycling spaces.

- Members were provided with details of the floor plans for each of the floors and it was noted that there has been a challenge presented in the relationship with the neighbourhood land uses such as parking. It was also noted that 3 of the units will include a sunken terrace below the landscape platform.
- There will be 5 separate roof terraces proposed.
- In terms of land levels, the site is sunken down and is set back from Otley Road to reduce the visual impact from the road and will be screened by mature tree canopies.
- Members were informed of the proposed landscape plan and 2 other key areas of greenspace. There will also be a proposed tree buffer down the western side of the site.

In summarising the planning officer confirmed that:

- There are viability issues in terms of affordable housing contribution. AS 700k contribution is proposed as a commuted sum.
- The height and scale of the building is not un-common in a suburban area, and the land-levels as well as trees hide the massing of the building.
- Muted colours have been used and fluctuating heights to ensure that a 'bulky' building has not been created.
- The proposals include good quality greenspace. The final design of the greenspace is yet to be confirmed, and it is expected that a greater quantum of soft land rather than hard dominating land is provided, as well as more seating. The greenspace provision has still not been met, and a commuted sum of 69k is proposed. The developers have confirmed they wish to explore options in terms of utilising the area of woodland and putting a path through there. Officers believe this may have an impact on biodiversity.
- The ground floor units do not have the best relationship with adjacent uses.
- All terraces have balconies and access to roof terraces, there is a good level of amenity provided across the site as a whole.

The applicants representative provided the following information:

- The applicant has worked with officers for over 2 years developing a scheme that fits well within its context.
- Design officers have raised no concern in regard to this scheme.
- The applicant is seeking to optimise use of a brownfield site therefore reducing the need to call upon greenfield sites.
- There is a pressure in the north Leeds area on the need for housing.
- The scheme delivers a range of units and mix.
- Build to rent is a relatively new concept in Leeds and the model helps with further needs of rental product.
- In terms of viability, the commuted sum is equivalent to providing 15% of the units at a discounted market rate.
- The applicant is keen to provide greenspace where possible on-site and if this is not possible, will provide the commuted sum. Trim trails are an option to provide additional greenspace.

- The scheme provides a sustainable development meeting the housing needs in this part of the city.

Further to questions from Panel Members, the applicants representative confirmed the following information:

- There are clear built-to-rent viability issues and when the council produced the policy on build to rent, it was based on city centre evidence and not suburban development. It was confirmed there is lesser value in suburban areas.
- Car parking provision is considered consistent with policy and the scheme is in a sustainable location, with the option for people to use a major public transport route into the city.
- No gas boilers will be provided onsite. It is noted that 90% onsite energy consumption can be provided.
- The structure is considered 'calm'.
- Green walls have been incorporated in the scheme.
- The applicant has considered materials that are contextual within the suburban area and alternative materials may over emphasise the contemporary nature of the development. Material samples can be provided at a future meeting.
- The balconies are 1.4m in depth.
- The trim tail does not impact upon biodiversity, but further to comments regarding this proposal not being an adequate use of greenspace, the applicant will re-consider such proposals.
- The site is designed to ensure that pedestrian safety is at the forefront and a priority where possible. Beyond the site is subject to some plans and Connecting Leeds on Lawnswood roundabout that will be delivered in due course. It is anticipated that delivery of the scheme will commence in 2024 with an 18-month development construction programme. By which point, works will have been completed in relation to Lawnswood roundabout.
- The applicant will work on comments received regarding the need for there to be children's play spaces and more greenspace offers onsite.
- Further to concerns raised by members regarding the provision of affordable units on site. It was confirmed that information is awaited from the District Valuer and such information will include a comparison to a market scheme, as well as the build-to-rent model.
- All of the modern contemporary blocks will be accommodated with located parcel lockers and will be externally accessible and fully locked to avoid issues with parcel theft.

Members comments in relation to the officers questions in the submitted report were relayed as follows:

Question 1 – Do Members support the principle of residential use on the site?  
Yes.

Question 2 – Do Members support the proposed height/scale of the development at 4-6 storeys? Yes.

Question 3 – Do Members support the design of the development including the proposed palette of materials? In general, yes, although there could be better presentation with further opportunities.

Question 4 – Do Members support the proposed housing mix? Yes.

Question 5 – Do Members wish to provide any general comments in relation to affordable housing / viability issues within the proposed development? Whilst it was acknowledged that information is yet to be received from the District Valuer, Members felt that a greater percentage of affordable units should be provided onsite. Members commented on whether alternative schemes could meet the requirement.

Question 6 – What are Members opinions on the potential for the woodland area to be utilised as Green Space? Members did not agree that the woodland area provided a sufficient amount of Green Space for the residents and requested that alternative solutions be considered.

Question 7 – Do Members have any comments to make in respect of the general approach to green space provision / design across the development? Members felt that there should be less areas of hardstanding and more consideration towards children's play areas and creative solutions in terms of the provision of Green Space.

Question 8 – Do Members have any comments to make in respect of the amenity of neighbours to future residents? Mixed views were provided in relation to the sunken gardens but acknowledged that only a low level of such units is to be provided.

Question 9 – Do Members have any concerns or comments relating to ecology / nature / trees? Members touched upon the possibility to plant additional trees on the verge outside of the curtilage, but it was acknowledged that there may be long-term issues relating to this due to works to Lawnswood roundabout.

Question 10 – Do Members have any concerns or comments relating to highway issues? Members requested that sufficient space be provided for overflow parking and room for vehicles to manoeuvre such as delivery drivers and refuse vehicles.

Question 11 – Do Members have any comments in relation to the environmental impact of the proposed development? No.

Question 12 – Do Members support the proposed provision of accessible housing and access for all adaptations? To receive information on whether the units are wheelchair accessible and provide enough room for turning circles.

Question 13 – Any other comments. A member sought clarity on nearby infrastructure in terms of local surgeries and schools.

In general, and further to the comments as relayed above, Panel Members generally supported the scheme.

**RESOLVED** – To note the contents of the report on the proposals and to provide views in relation to the questions posed in the submitted report to aid the progression of the application.

**25 Date and time of the next meeting**

To note the date and time of the next meeting as Thursday, 28<sup>th</sup> September 2023 at 1.30 pm.

The meeting concluded at 18:10.



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**Quod**

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# **Financial Viability Assessment**

Weetwood Police Station

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SEPTEMBER 2022 (REV 002)



# Contents

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1 Introduction	4
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Appendix 1 – Area Shedule

Appendix 2 – Rental Market Report

Appendix 3 – Appraisal Summary

This Financial Viability Assessment has been produced in accordance with the NPPF (2021), PPG (2019), the RICS Viability Professional Statement on Financial Viability in Planning: Conducting and Reporting (2019) and the RICS Assessing viability in planning under the NPPF 2021 for England (2021). When producing this Financial Viability Assessment Quod has acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. No performance related or contingent fees have been agreed for this work. The client has made no additional requirements in relation to this work. No conflicts of interests exist, including Party Conflicts, Own Interest Conflicts and Confidential Information Conflicts

# Executive Summary

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This Financial Viability Assessment ('FVA') has been prepared on behalf of Weetwood Developments Limited ("the Applicant") in respect of development of Weetwood Police Station, 300 Otley Road, Weetwood ('the Application Site'). It has been prepared to determine if the affordable housing proposals are the maximum reasonable taking account of viability considerations.

The application proposes redevelopment of a Former Police Station, previously occupied by West Yorkshire Police until 2020, to deliver a residential development comprising 127 homes Build to Rent (BTR) homes across four buildings up to 6-storeys in height. The homes will be covenanted for rental use only subject to claw back arrangements. In accordance with Policy H5 of the Leeds Core Strategy (2014) the affordable housing proposals in BTR can be 20% either on-site Discounted Market Rent (DMR) or provided as a financial contribution in lieu of on-site delivery. The financial contribution for sites located in this location should be financially equivalent to 35% conventional affordable housing unless supported by viability evidence which demonstrates a lower amount would be the maximum reasonable. The site is located very close to the policy boundary where the target for conventional affordable housing delivery more than halves from 35% to 15%.

The financial viability of the scheme is significantly constrained due to recent increases in construction costs caused by the increasing costs of materials such as steel, chronic shortages of skilled labour, sustained rises in the cost of energy and a range of supply chain related difficulties. These issues have been exacerbated by the war in Ukraine, the global pandemic, global economic uncertainty and the UK's decision to leave the European Union.

It is therefore proposed that the scheme will make a £700,000 affordable housing contribution. This is financially equivalent to approximately c.15% Discounted Market Rent (DMR) Affordable Housing. In accordance with Policy H5, a financial viability appraisal of the proposed scheme, including the £700k contribution, has been prepared. A summary of the appraisal is provided in Table 1 below.

Table 1 – Appraisal Summary

Scheme Revenue	Appraisal Amount
Scheme Revenues	£26,811,700
Scheme Development Costs	£29,854,205
Output Residual Land Value	(£3,042,505)

The output RLV is significantly less than +£1 before profit. The financial appraisal therefore evidences that based on present day costs and values the scheme is proposing a financial contribution towards affordable housing (£700k) which exceeds that which could otherwise be proposed in accordance with policy due to viability considerations. Notwithstanding this, the applicant has confirmed they are prepared to commit to delivery of the scheme with the proposed contribution at their own risk by taking an internal commercial view on a range of factors including: i) the potential for future market growth and improvements; and ii) the long term financial return which will be received from holding the rental homes as an investment asset. This approach is a significant material benefit of the scheme which should be given substantial positive decision weight in the overall planning balance. The upfront over provision of affordable housing, at the developers own risk, is proposed in lieu of any future requirements to review viability.

# 1 Introduction

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- 1.1 This Financial Viability Assessment ('FVA') has been prepared on behalf of Weetwood Developments Limited ("the Applicant") in respect of development of Weetwood Police Station, 300 Otley Road, Weetwood ('the Application Site').
- 1.2 The purpose of this FVA is to determine if the affordable housing proposals are the maximum reasonable taking account of viability considerations.
- 1.3 The FVA is structured as follows:
  - An overview of the planning application and relevant policy (Section 2);
  - A financial viability appraisal of the scheme proposals (Section 3); and
  - A summary of the overall conclusions (Section 4).
- 1.4 This document should be read in conjunction with a number of the other planning application documents, including but not limited to the Planning Statement and the Design and Access Statement.

## 2 Application Context

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2.1 This section of the FVA provides an overview of the application site, proposals and relevant planning policy considerations.

### Application Site

2.2 The Application Site extends to 1.43ha and contains two buildings, namely the main former Police Station, set over 2 floors (c. 3,840sqm), which is now occupied by Sister Productions, and a smaller separate single storey building to the rear (c.284 sqm), now occupied by The Calf Shed (Figure 2.1).

Figure 2.1 – Site Location Plan



2.3 The Site is accessed via Otley Road (A660) and Leeds Ring Road (A6120), with an entry only on the northern part of the site (via the A660) and a separate exit only into the A660 further southwards. Vehicular access and egress from the site is also via the A6120.

### Application Proposals

2.4 The application seeks permission for a private led BTR development ('the Application Scheme') comprising:

*Demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access.*

2.5 Key elements of the proposals are summarised below:

- Demolition of all existing buildings.

- Redevelopment of the Site for an ‘L’ shaped block containing 127 BtR apartments (Use Class C3).
- Number of dwellings: 127;
- Habitable rooms: 739;
- GIA Residential: 123,980 SQM
- Delivery of on-site private and public amenity and open space.
- A new pedestrian link to Otley Road
- Occupier and visitor parking.
- Hard and soft landscaping.
- Parking: 140 Total car parking spaces integrated across the site, of which 7 are accessible spaces.
- Cycle Spaces: 140 Total resident cycle parking spaces: 93 Stacked, 40 Hoops and 7 Wide Hoops.

2.6 The residential component comprises a mix of unit sizes. The breakdown of units is provided in Table 3 below.

Table 2 – Residential Unit Mix

Tenure	1B	2B	3B	Total (%)
Private	25	76	26	127
(%) Total	20%	60%	20%	100%

2.7 All apartments will be designed to comply with National Described Space Standards (“NDSS”). 38 apartments will meet the requirement of Part M4(2) of the Building Regulation (accessible and adaptable dwellings), and 3 apartments will meet Part M4(3) requirements (wheelchair uses dwellings).

## Planning Policy

2.8 Planning decisions in England are required to be made in accordance with the development plan and other material planning considerations under Section 38(6) of the Planning and Compulsory Purchase Act 2004.

2.9 The Development Plan for LCC, of relevance to this application, includes the Core Strategy (CS) (adopted November 2014) amended by the Core Strategy Selective Review (September 2019) (“CSSR”) (the Core Strategy’). National Planning Policy and Guidance are important material considerations.

2.10 Policy H5 (Affordable Housing) of the Core Strategy recognises that BtR is an important housing sector in meeting the City’s needs, but the economics of delivering BtR are different to open market housing. It therefore provides three policy compliant options for the Affordable housing provision required, namely:

- i. On-site provision of 20% of units at 80% of the market rent.
- ii. On-site provision of 35% (Zone 1) in line with LCC's preferred tenure split (40% intermediate, 60% social rented).
- iii. A commuted sum in lieu of on-site provision of affordable housing of option ii).

2.11 The site is located within the 35% policy target zone. It is however very close to the policy boundary to the south where the target for conventional affordable housing more than halves from 35% to 15% due to weaker market conditions in local housing market area. The market conditions at the application site are more closely aligned to the housing market area to the south (15% target).

2.12 Policy H5 is subject to viability considerations. A lower contribution towards affordable housing, including NIL, is fully policy compliant provided it is supported by financial viability evidence.

2.13 National Planning Policy Guidance (NPPG) provides guidance on the application of policies set out in the NPPF (2021, as updated). Paragraph 004 (Seeking Planning Obligations) of the Planning Obligations section of the NPPG (2021, as amended) confirms planning obligations must be fully justified and evidenced by a proportionate assessment of viability. In this respect Paragraph 005 (Evidence) states that viability assessment should be used to ensure that policies are realistic, and the total cumulative cost of all relevant policies will not undermine deliverability.

2.14 Guidance is provided on the approach to be taken to viability assessment at Paragraph 010 (Standardised Inputs) of the Viability section of NPPG which confirms that viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at key elements of gross development value, costs, land value, land value premium and developer return. It also states that in decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

## Further Information

2.15 Further details of the application site, application scheme proposals and relevant planning policy considerations are set out in the Planning Statement.

## 3 Viability Assessment

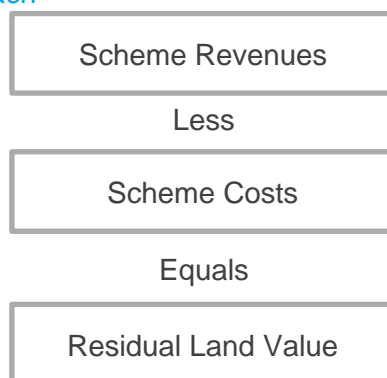
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3.1 This section of the FVA provides an overview of the approach taken to assessing the development viability of the Application Scheme and the outcomes of the assessment.

### Measuring Viability

3.2 The approach taken considers the ability of the development to provide minimum return to the landowner after the development costs have been deducted from the scheme revenues. The output return is then compared to a minimum Benchmark Land Value (BLV) and Developers Return Threhsold (DRT).

Figure 3.1 – Viability Approach



3.3 The approach has been informed by the National Planning Policy Framework (NPPF) (2021) and Practice Guidance (NPPG) (2021); the RICS Financial Viability in Planning 2012 Guidance Note (RICS GN); the RICS professional statement ‘Financial Viability in Planning: Conduct and Reporting’ (2019); the RICS Valuation of Development Property Guidance Note (2019); and the RICS Assessing Viability in Planning under the NPPF 2019 for England (2021).

### The Financial Model

3.4 A financial appraisal of the proposed development has been prepared using Argus Developer Software. This development appraisal package is widely used throughout the development industry and is considered to be appropriate for presenting the viability position on a development of the type proposed. Further details can be accessed at [www.argussoftware.com](http://www.argussoftware.com).

3.5 Argus utilises a residual appraisal methodology. The value of the completed development, development costs can be cash-flowed over the development period and the difference between the total development value and total costs are compared. The model structure provides a sound basis on which to test scheme viability and to determine the developer subsidy available from the development. The model structure provides a sound basis on which to test scheme viability and to determine the financial position to justify the proposed.

## Inputs & Assumptions

3.6 The financial model has been based on the residential proposals set out in Section 2 of this report. The full area schedule is provided at Appendix 1. The inputs and assumptions adopted in the model are set out in Table 3 below. The inputs adopted are informed by proportionate evidence in accordance with the government's recommended approach to assessing viability set out in National Planning Practice Guidance (NPPG) (Standardised Inputs).

Table 3 - Inputs and Assumptions

Input	Assumption	Commentary																									
<b>Revenue Assumptions</b>																											
Private Residential (BTR)	£15.75 PSF Rent	The private residential revenues are based on the upper end of the recommended by residential agents Allsop.																									
		<table border="1"> <thead> <tr> <th>Type</th> <th>No</th> <th>Rent PCM</th> <th>Rent PA</th> <th>Total Rent PA</th> </tr> </thead> <tbody> <tr> <td>1-bed</td> <td>25</td> <td>£800</td> <td>£9,600</td> <td>£240,000</td> </tr> <tr> <td>2-Bed</td> <td>76</td> <td>£1,100</td> <td>£13,200</td> <td>£1,003,200</td> </tr> <tr> <td>3-Bed</td> <td>26</td> <td>£1,250</td> <td>£15,000</td> <td>£390,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>127</b></td> <td><b>-</b></td> <td><b>£37,800</b></td> <td><b>£1,633,200</b></td> </tr> </tbody> </table>	Type	No	Rent PCM	Rent PA	Total Rent PA	1-bed	25	£800	£9,600	£240,000	2-Bed	76	£1,100	£13,200	£1,003,200	3-Bed	26	£1,250	£15,000	£390,000	<b>Total</b>	<b>127</b>	<b>-</b>	<b>£37,800</b>	<b>£1,633,200</b>
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An OPEX rate of 25% and a net initial all risks investment yield of 4.5% has been applied.																											
<b>Cost Assumptions</b>																											
Purchaser Costs	1.5%	The purchasers costs allowance is an industry standard market-based assumption. These are the costs incurred by the investor when purchasing the BTR asset. The lowest possible rate has been assumed excluding stamp duty.																									
Construction Costs	£188 PSF	The construction costs are based on BCIS Mean Construction price (6 Storeys+) and rebased for Leeds and Q3 2022, with a 10% uplift included for external works. The lower quartile and/or median is not appropriate due to the high quality nature of development and its height (well in excess of 6 Storeys which make up the BCIS data). There is also a substantial lag in BCIS data meaning it wont yet fully reflect recent build cost increases.																									
Contingency	5%	A contingency allowance for the contractors desk and risk is an industry standard market-based assumption. This is at the lower end of the range taking account of current market uncertainty.																									
Developers Contingency	Excluded	A contingency allowance for unknown costs which fall outside of the contractor's agreement. The exclusion of this allowance supports the need to target a higher output risk adjusted return.																									
Neighbourly Costs	Excluded (TBC)	The applicant's allowance for neighbourly compensation costs including, for example, Rights of Light (ROL) will be confirmed once available.																									



Professional Fees	10%	Professional fees are assumed at 10% of construction costs. This assumption falls within the industry standard market-based range (10-12%) and is considered appropriate for the application site in consideration of the site-specific constraints and range of uses (residential, student and commercial) which will require professional input/ advice. This also includes an allowance for Planning Fees, Site Insurances, NHBC and Building Regulations which have been excluded elsewhere in the appraisal.
Site Insurances	Excluded	Allowance within professional fees.
NHBC & Regulations	Excluded	Allowance within professional fees.
Other Costs	Excluded	Other third-party costs.
S106 Contributions	£68,260	To be agreed with LCC. Any increase to this sum will impact the value of the affordable housing contribution that can be provided.
CIL Payments	£935,087	To be agreed with LCC.
Affordable Housing Contribution	£700,000	Payment towards off-site AH delivery. This is estimated to be financially equivalent to approximately c.15% Discounted Market Rent (DMR) Affordable Housing.
Disposal Agent & Legal Fees	1.25%	This is an industry standard market-based assumption for disposal agent and legal fees applied to residential and commercial revenues.
Finance Costs	6.5%	The finance costs for the project applied in the model have regard to the complexity of the scheme and the cashflow profile of the appraisal. The rate adopted is within the industry standard range (6-7%) for a scheme of this nature and scale. The rate assumes 100% debt finance and all arrangement, valuation, survey and exit fees. This is considered optimistic given the current market uncertainty and increases in the BoE base rate (which are almost certain to increase further).

## Programme & Funding

3.7 The finance costs within the financial model are calculated based on a detailed cash flow. The programme assumptions, set out in Table 4 below, are consistent with that adopted within the Planning Application.

Table 4 – Programme

Building Stage	Period
Pre-Construction	6 Months
Construction	18 Months
Sales Period	1 Months

3.8 The construction period is based on a site-specific project construction programme. The private sales period assumes the sale of the building on practical completion.

## Developer Return Threshold

- 3.9 The Applicant has considered the level of developer return required to bring forward the Application Scheme with its advisory team having regard to factors such as: the complexity and risk associated with this scheme compared with other schemes (noting factors including its height) and current market conditions.
- 3.10 On this basis a minimum Developer Return of 12.5% of GDV for Build To Rent. This target level of return is also considered to be at the lower end of the potential range in view of current market risks and uncertainty, the omission of a separate developer's contingency and the complexity and risk associated with tall buildings. Whilst it is understood lower returns have historically been accepted recent changes in market conditions mean the risk of development has increased. These changes include those related to the delayed fall out of Brexit, the covid-19 pandemic, the war in Ukraine, global economic uncertainty, changes in regulations and policy relating to fire risk and climate change. If a profit of say 8% was deemed appropriate c.6-12 months ago it follows this must now be at least 12.5-15%.
- 3.11 This approach is below that advocated by the NPPG (2021, as updated) which specifically states that a developer return of 15% to 20% on GDV is a reasonable assumption to make for the purposes of viability assessments.

## Benchmark Land Value

- 3.12 In determining the Landowners Return specific regard has been given to the guidance contained in the NPPG, RICS Guidance Note and recognition that scheme viability should consider competitive returns to a willing landowner to enable land to be released, so development can be deliverable.
- 3.13 The RICS Guidance Note on Financial Viability in Planning states that "*The return to the landowner will be in the form of a land value in excess of current use value*". Para 3.4.3 also states "*Any planning obligations imposed will need to be paid out of this uplift but cannot use up the whole of this difference...*". The RICS Guidance Note provides further confirmation that Site Value will be based on market value which includes regard to current use value, alternative use value and market/transactional evidence (para 3.4.5).
- 3.14 Consideration has not however been given to the BLV due to the appraisal results (detailed in the next subsection of this report). The overall conclusion of this assessment remains valid regardless of the BLV adopted.

## Appraisal Results

- 3.15 A baseline development viability appraisal has been run on the basis of the present-day cost and value assumptions set out in this report including c.£1.1m CIL, S106 contributions of £68,260 and a £700,000 contribution towards affordable housing. The contribution towards affordable housing is estimated to be financially equivalent to approximately c.15% Discounted Market Rent (DMR) on-site Affordable Housing. This has calculated by comparing the value of the scheme which 15% on-site DMR to a scheme which no on-site DMR.

3.16 A headline summary of the appraisal is summarised in Table 4 below. The full appraisal summary is provided at Appendix 2.

Table 5 - Summary of Scheme Viability

Scheme Revenue	Assumption	Amount
BTR Investment Revenue	£800 - £1,250 PCM 25% Opex 4.5% Yield	£27,220,000
Purchaser costs	1.5%	(£408,300)
<b>Total Revenue</b>	-	<b>£26,811,700</b>
Scheme Revenue	Assumption	Amount
Building Construction Costs	£188 PSF	£23,308,240
Contingency	5%	£1,165,412
Professional Fees	10%	£2,330,824
Affordable Housing Contribution	Fixed Sum	£700,000
S106 Contributions	Fixed Sum	£68,260
CIL Payment	Fixed Sum	£935,087
Disposal Fees	1.25%	£335,146
Finance	6.5%	£1,011,235
<b>Total Costs</b>	-	<b>£29,854,205</b>
Output Return		
<b>Residual Land Value (RLV)</b>	<b>Output</b>	<b>(£3,042,505)</b>

3.17 The output residual land value is below £1 before profit. The financial appraisal therefore evidences that based on present day costs and value the scheme is proposing a level of affordable housing which exceeds that which could otherwise be proposed in accordance with Policy H5 due to viability considerations.

## Sensitivity Analysis

3.18 Sensitivity analysis has been prepared to illustrate the sensitivity of the output return to changes in costs and values in accordance with the RICS Viability in Planning Guidance Note (2021). The analysis illustrates that the output return is sensitive to relatively small changes in costs and values. For example, if costs can be reduced by 5-10% and rents increased by 5-10% then the scheme will create a positive RLV. The scheme is therefore considered deliverable on this basis.

## Applicant's Position

3.19 The applicant has confirmed they are prepared to commit to delivery of the scheme with the proposed contribution at their own risk by taking an internal commercial view on a range of factors including: i) the potential for future market growth and improvements; and ii) the long term financial return which will be received from holding the rental homes as an investment asset. This approach is a significant material benefit of the scheme which should be given substantial positive decision weight in the overall planning balance. The upfront over provision of affordable housing, at the developers own risk, is proposed in lieu of any future requirements to review viability.

## 4 Conclusion

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- 4.1 This FVA has been prepared on behalf of Weetwood Developments Limited (“the Applicant”) in respect of development of Weetwood Police Station, 300 Otley Road, Weetwood (‘the Application Site’). It has been prepared to determine if the affordable housing proposals are the maximum reasonable taking account of viability considerations.
- 4.2 It is proposed that the scheme will provide a financial contribution towards affordable housing of £700k. This is estimated to be financially equivalent to approximately c.15% Discounted Market Rent (DMR) Affordable Housing.
- 4.3 This assessment evidences that based on present day costs and values the scheme is proposing a financial contribution towards affordable housing (£700,000) which exceeds that which could otherwise be proposed in accordance with policy due to viability considerations.
- 4.4 Notwithstanding this, the applicant has confirmed they are prepared to commit to delivery of the scheme with the proposed contribution at their own risk by taking an internal commercial view on a range of factors including: i) the potential for future market growth and improvements; and ii) the long term financial return which will be received from holding the rental homes as an investment asset. This approach is a significant material benefit of the scheme which should be given substantial positive decision weight in the overall planning balance. The upfront over provision of affordable housing, at the developers own risk, is proposed in lieu of any future requirements to review viability.

# APPENDIX 1 – AREA SHEDULE

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ROOM	NET AREA (m <sup>2</sup> )	TYPE	COMMENTS	
<b>Level 0</b>				
0.01	73.2	2B3P		
0.02	76.4	3B4P		
0.03	67.9	2B3P		
0.04	56.4	1B2P		
0.05	53.3	1B2P		
0.06	53.3	1B2P		
0.07	56	1B2P		
0.08	73.4	2B3P		
0.09	77.3	2B4P		
0.10	65.5	1B2P		
0.11	85.8	2B4P		
0.12	70.0	2B4P		
0.13	52.2	1B2P		
0.14	81.4	3B4P		
0.15	72.8	2B4P		
<b>1014.9</b>		<b>0.0</b>		

<b>Level 1</b>				
1.01	73.2	2B3P		
1.02	76.4	3B4P		
1.03	67.3	2B3P		
1.04	56.4	1B2P		
1.05	53.3	1B2P		
1.06	53.3	1B2P		
1.07	56	1B2P		
1.08	72.5	2B4P		
1.09	72.5	2B4P		
1.10	93.8	3B5P		
1.11	76.4	2B4P		
1.12	77.4	2B4P		
1.13	92.2	2B4P		
1.14	95.8	2B4P		
1.15	73.1	2B4P		
1.16	81.9	2B4P		
1.17	67.4	2B3P		
1.18	87.5	3B5P		
1.19	80.4	2B4P		
1.20	100.5	3B4P		
1.21	85.8	2B4P		
1.22	70	2B4P		
1.23	63.4	2B3P		
1.24	81.4	3B4P		
1.25	72.8	2B4P		
<b>1880.7</b>		<b>0.0</b>		

<b>Level 2</b>				
2.01	73.2	2B3P		
2.02	76.4	3B4P		
2.03	67.3	2B3P		
2.04	56.4	1B2P		
2.05	53.3	1B2P		
2.06	53.3	1B2P		
2.07	56	1B2P		
2.08	72.5	2B4P		
2.09	72.5	2B4P		
2.10	93.8	3B5P		
2.11	76.4	2B4P		
2.12	77.4	2B4P		

ROOM	NET AREA (m <sup>2</sup> )	TYPE		COMMENTS
2.13	92.2	2B4P		
2.14	95.8	2B4P		
2.15	73.1	2B4P		
2.16	81.9	2B4P		
2.17	67.4	2B3P		
2.18	87.5	3B5P		
2.19	80.4	2B4P		
2.20	100.5	3B4P		
2.21	85.8	2B4P		
2.22	70	2B4P		
2.23	63.4	2B3P		
2.24	81.4	3B4P		
2.25	72.8	2B4P		
2.26	110.5	3B5P		
<b>1991.2</b>			<b>0.0</b>	

Level 3				
3.01	73.2	2B3P		
3.02	76.4	3B4P		
3.03	67.3	2B3P		
3.04	56.4	1B2P		
3.05	53.3	1B2P		
3.06	53.3	1B2P		
3.07	56	1B2P		
3.08	72.5	2B4P		
3.09	72.5	2B4P		
3.10	93.8	3B5P		
3.11	76.4	2B4P		
3.12	77.4	2B4P		
3.13	92.2	2B4P		
3.14	95.8	2B4P		
3.15	73.1	2B4P		
3.16	81.9	2B4P		
3.17	67.4	2B3P		
3.18	87.5	3B5P		
3.19	80.4	2B4P		
3.20	100.5	3B4P		
3.21	85.8	2B4P		
3.22	70	2B4P		
3.23	63.4	2B3P		
3.24	81.4	3B4P		
3.25	72.8	2B4P		
3.26	110.5	3B5P		
<b>1991.2</b>			<b>0.0</b>	

Level 4				
4.01	88.9	3B5P		
4.02	67.9	2B3P		
4.03	53.5	1B2P		
4.04	53.5	1B2P		
4.05	56	1B2P		
4.06	110.5	3B5P		
4.07	72.5	2B4P		
4.08	72.5	2B4P		
4.09	93.8	3B5P		
4.10	76.4	2B4P		
4.11	77.4	2B4P		
4.12	92.2	2B4P		
4.13	95.8	2B4P		
4.14	73.1	2B4P		

**Former police Station, Weetwood**

Schedule of Accommodation



ROOM	NET AREA (m <sup>2</sup> )	TYPE		COMMENTS
4.15	81.9	2B4P		
4.16	67.4	2B3P		
4.17	87.5	3B5P		
4.18	80.4	2B4P		
4.19	100.5	3B4P		
4.20	85.8	2B4P		
4.21	70.5	2B4P		
4.22	67.5	2B3P		
<b>1725.5</b>			<b>0.0</b>	

Level 5				
5.01	88.9	3B5P		
5.02	67.9	2B3P		
5.03	53.5	1B2P		
5.04	53.5	1B2P		
5.05	56	1B2P		
5.06	70.7	2B4P		
5.07	93.8	3B5P		
5.08	76.4	2B4P		
5.09	78.3	2B4P		
5.10	81.9	2B4P		
5.11	78.7	2B4P		
5.12	74.5	2B4P		
5.13	51	1B2P		
<b>925.1</b>			<b>0.0</b>	

<b>TOTAL NET</b>	<b>9528.6</b>			
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# APPENDIX 2 – RENTAL MARKET REPORT

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Our Ref: OM/Weetwood

27 June 2022

The Directors  
WEETWOOD DEVELOPMENT LTD  
Layton Hall  
Layton Road  
Rawdon  
Leeds  
West Yorkshire  
LS19 6QZ

For the attention of Miles Pickard

Dear Sir,

**Property: Former Weetwood Police Station, 300 Otley Rd, Lawnswood, Leeds, LS16 6RG**

### Background and Assumptions

We write in respect of the above property which we understand is under the ownership of Weetwood Development Ltd. We understand that the property currently benefits from a varied commercial consent (*Temporary change of use from former Police Station (Sui Generis) to a range of commercial, business and service uses (Use Class E(c) and/or E(d) and/or E(f) and/or E(g)) and/or Use Class B8 (Storage and Distribution) and/or TV/Film production set (Sui Generis)* under application 21/03489/FU granted 02 November 2021. We understand that a residential development is being considered for the site.

We have been asked to undertake an assessment of the local rental market, with specific regard to one, two and three bedroom apartments. We understand this letter is not required for formal lending purposes and we report outside the remit of the RICS Red Book on a non-reliance basis.

This assessment is taking place prior to any formal planning application. In our assessment, we have assumed the subject apartments will be finished to a high standard and specification, with good quality fixtures and fittings throughout.

### Location

The former Weetwood Police Station is located in the Lawnswood area of Leeds, a small suburb approximately 4.5 miles north west of the city centre. The site is located to the eastern edge of Otley Road (A6660), just north of its junction with the A6120 Ring Road. The property is also within reach of Adel, around 1 mile north where local amenities can be found. Headingley is located around 1.5 miles south east and Horsforth around 2 miles west. A regular bus service can be found on each of the above roads providing access to the surrounding towns and villages.

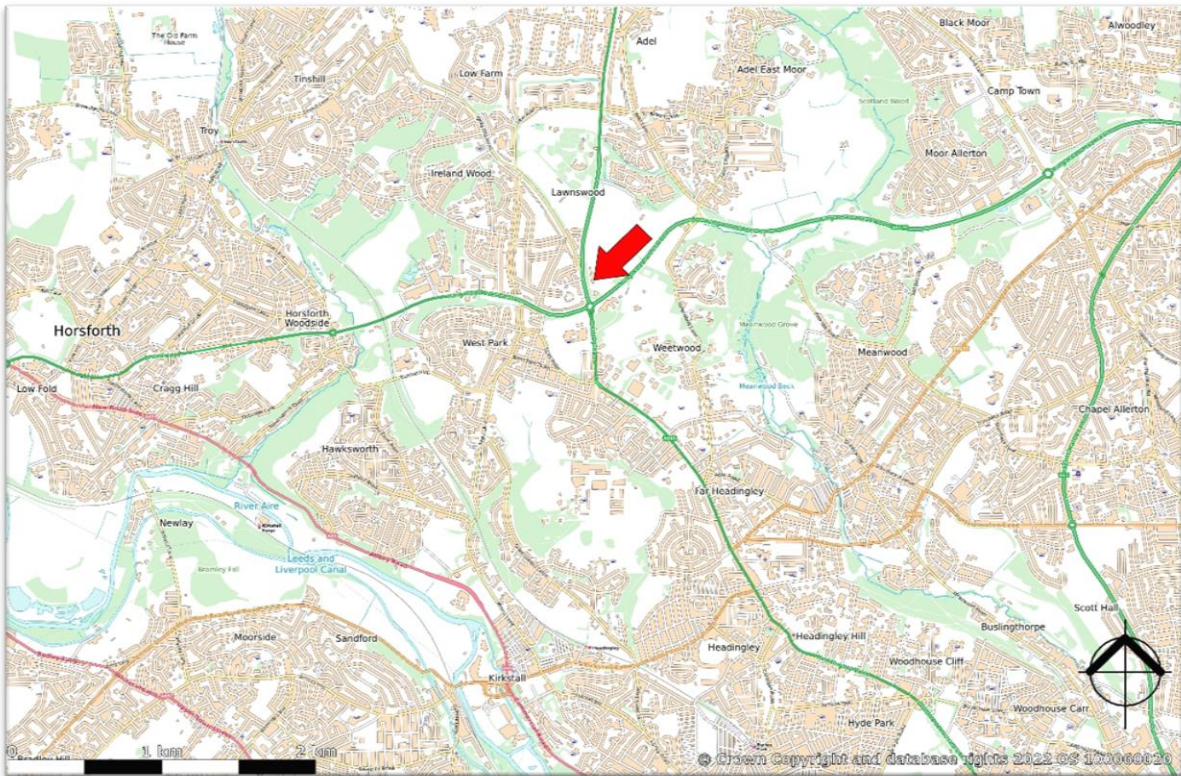
This is a very convenient location, particularly for owners of a vehicle, however the proximity of

#### Property Consultants

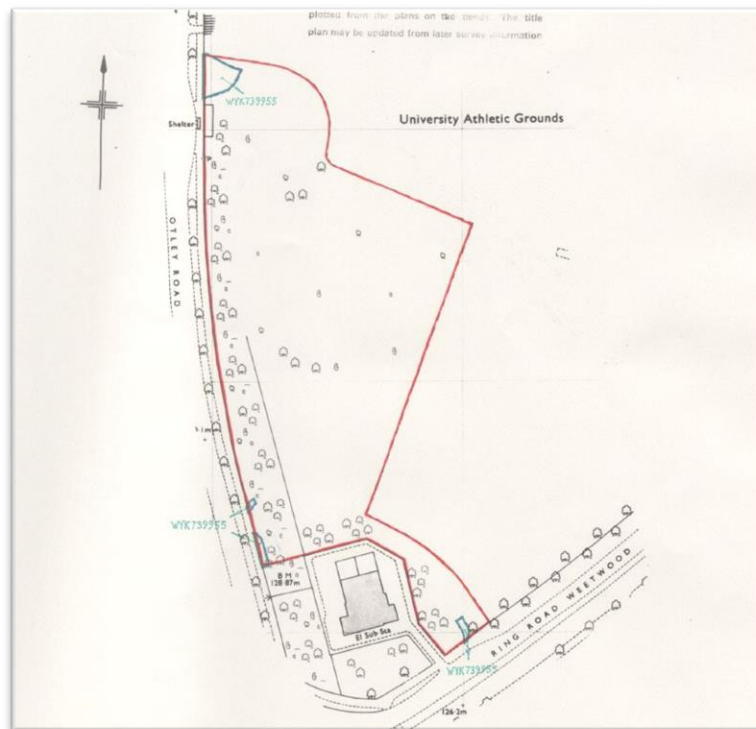
Allsop LLP  
Platform, New Station  
Street, Leeds LS1 4JB  
T +44 (0)113 236 6677  
F +44 (0)113 243 0682

main roads is also somewhat of a detraction as this does create noise disturbance. The immediate surroundings are characterised with low density housing, including some small purpose-built and conversion apartment blocks. There is a range of amenities in West Park, located on Otley Road 300m south west of the subject site alongside those with Adel, Horsforth, Headingley and Leeds centre. The local amenities (within 1 mile) comprise a good mix of local independent traders, restaurants, café's and a convenience store.

### Location map



## Site Plan



## The Local Rental Market

The site is conveniently located for access to Leeds city centre and numerous surrounding towns and villages. The local rental market is therefore buoyant, with tenant demand stemming from a broad demographic including young professionals, commuters, locally employed people, downsizers and retirees.

Whilst proximity to friends and family is obviously a primary concern for prospective tenants, we understand from local agents that many people looking to rent in this area are attracted by the convenience of the road network, commutability to Leeds and proximity to local amenities and Leeds city centre. Whilst set back from the road to an extent by vegetation, it is important to consider the site does adjoin one of the main arterial roads into Leeds and accordingly does experience a high degree of traffic noise. This will be considered a detraction by prospective tenants, in comparison with some more secluded properties.

The local rental stock includes a range of a purpose-built and conversion apartment schemes within the area, built primarily between the 1930's and 1970's with a handful of more modern properties and some flats above local retail parades. There is also a number of houses, primarily semi-detached properties with three or more bedrooms and we consider this house type and apartments will have market appeal. Given this is a relatively affluent part of the city, the rental market is not heavily supplied as the yield profile at the price point most owner occupiers are willing to pay is insufficient to attract a strong degree of investor interest.

We attach an appendix to this letter outlining data from a number of recently let properties in the area with between one and three bedrooms. We also include a sample of houses in respect of the three bedroom properties in particular, as this reflects the choice tenants will have within the market.

We focus within close proximity to reflect locational demand, bearing in mind that apartment schemes within close proximity to the amenity served areas of West Park, Adel and Headingley

are likely to attract a rental premium. We also acknowledge that apartment schemes located in quiet cul-de-sac's or slightly away from the main road may also attract a premium.

We provide a summary of our Market Rental data in the below table;

Property Type	Average unit size (sq ft)	Lowest rental price (£pcm)	Highest rental price (£pcm)	Average rental price (£pcm)	Average rental price (£psf pa)
Studio's and One Bedroom Flats	436	£485	£700	£601	£17.07
Two Bedroom properties	829	£625	£995	£789	£12.14
Three Bedroom properties	864	£875	£1,200	£1,013	£11.67
Overall Averages	758	-	-	£780	£13.60

In arriving at our rental assessment for new-build accommodation on the proposed site, we have had regard to the overall tone of evidence outlined above, and within our attached comparable schedule. We have borne in mind the comparable position of the blocks, compared with the subject (taking account of it's limitations etc), whether parking is included, proximity to amenities and transport links. We have also considered the condition of the comparable units, given the proposed subjects would be new and well-specified, which has a bearing on the achievable rental price.

We also bear in mind that the proposed three and to an extent two bedroom apartments will be competing against family housing in the area. Whilst the available stock of competing houses is somewhat limited and includes limited new-builds, a proportion of tenants would be willing to compromise on quality for a private garden and their own front door.

We pay particular regard to the following key comparable evidence;

- **14 Weetwood House Court** is a fairly well-presented one bedroom flat on the first floor of a 1970's purpose-built block, just under 600m south of the subject. The block is located in a quieter position, off Otley Road and closer to the amenities of West Park and Far Headingley. This is a superior position overall. The flat is relatively generous in proportion for a one bedroom unit, comprising 571 sq ft and includes an allocated parking space. The flat let in April 22 at £650pcm.
- In terms of two bedroom flats, we consider **3 Grange Wood Court**, a recently modernised and well-presented first floor flat within three storey purpose-built block built around 30 or so years ago. It is located within a cul-de-sac directly opposite the subject site on the opposing side of Otley Road, therefore locationally comparable. The block is however in a slightly quieter position. The flat comprises 754 sq ft of accommodation and includes one bathroom and a separate W.C. with off-street parking. The flat let in June 22 at £995pcm on a furnished basis. This reflects the upper end of our two bedroom evidence range.
- **303 Otley Road** is another two bedroom flat, set on the first floor of a two storey 1970's block just under 200m north west of the subject on the same road. The flat comprises 871 sq ft of accommodation and includes an en-suite bathroom to the main bedroom, a small balcony and allocated parking. The flat is fairly well-presented overall and let for £900 in June 2022.
- In terms of three bedroom properties, we note **3 Grange Wood Court** let in January 2022 at £875 pcm. This is a fairly well-presented first floor flat (although not as well-presented as

Flat 3 discussed above) and includes a single garage. It is set over 926 sq ft and includes one bathroom. Linley Simpson let the flat in January 2022 at £875 pcm.

- Our evidence also includes **6 Weetwood Road** and **92 Ring Road**, which are two semi-detached houses with three bedrooms in fairly close proximity to the subject site. Whilst the condition of both properties is relatively average and below the new-build standard, each includes a private garden, off street parking and single garage. Both properties let for £1,200pcm in May and February 2022 respectively.

### Market Rent Assessment

Our market evidence reflects a fairly consistent tone for lettings of each property type within the area. We note premiums against those properties in good condition, with a garage or off-street parking and those well-placed for access to amenities. In terms of the three bedroom and to an extent two-bedroom properties, we note a tone which to an extent is restricted by the price of housing within the area.

We have been advised that the proposed scheme will benefit from a specification which is of a good quality overall. We have assumed the units will comprise adequately proportioned accommodation, well-specified bathrooms and kitchens with recessed spot lighting and good quality fitted floor coverings throughout. We have also assumed the majority of units will have access to parking. We have assumed a range in proportions across each unit type with the two bedroom units including a mixture of one and two bathrooms and the three bedroom units comprising either two or three bathrooms.

Having considered matters carefully, we feel that the proposed units will achieve between £625pcm (for a compact one bedroom unit) and £1,250pcm (for a larger three bedroom unit) and report accordingly below;

Property Type	Assumed average unit size (sq ft)	Rental Value Range (£pcm)	Average rental price (£pcm)	Average rental price (£pa)
Studio's and One Bedroom Flats	525	£625 - £800	£725	£8,700
Two Bedroom properties	725	£775 - £1,100	£925	£11,100
Three Bedroom properties	925	£895 - £1,250	£1,100	£13,200


We have discussed our Market Rent assessments with several local letting agents on a hypothetical basis, and the consensus is this rental range is realistic.

We trust that the content of this addendum letter provides you with all you require, however should you have any further queries then please do not hesitate to contact Oliver Murley on **0113 236 6680 (oliver.murley@allsop.co.uk)**.

Yours faithfully,



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**Weetwood Developments Ltd - Comparable Rental Evidence**

**Former Weetwood Police Station, 300 Otley Road, Lawnswood, Leeds, LS16 6RG**



Address	Distance from the subject	Type	Beds	Baths	Size (sq m)	Size (sq ft)	Agreed Rent (pcm)	Agreed Rent (pa)	Agreed Rent (psf)	Parking (Y or N)	Furnished or N (Y)	Condition	Date	Source	Comments
<b>Studio's and One Bedroom Flats</b>															
Flat 3, 4 Darnley Road, West Park, Leeds, LS16 5JF	<800m	Conversion - 1st floor	Studio	1	23	248	£485	£5,820	£23.50	Street	Yes	Good	Jun-22	YPP	A fairly well-presented studio, in a conversion scheme within West Park, close to a range of amenities and in a superior location. Marketed primarily to students.
429 Spen Lane, Leeds, LS16 6JE	<600m	Ground floor maisonette flat	1	1	45	485	£600	£7,200	£14.86	Allocated	Yes	Average	Jul-22	Linley & Simpson	A ground floor unit within a two-storey maisonette block, west of the subject off a quieter but still fairly busy road.
Flat 2, 4 Armcliffe Road, Leeds, LS16 5JE	<700m	Conversion - 2nd floor	1	1	45	485	£625	£7,500	£15.48	Street	Yes	Average	Jul-22	Linley & Simpson	An attic flat within a converted detached house. Some reduced head height accommodation. Close to the centre of West Park and amenities. Better position.
14 Weetwood House Court, Leeds, LS16 5AF	<600m	Purpose-built 1st floor	1	1	53	571	£650	£7,800	£13.67	Off-street	No	Ave/Good	Apr-22	Executive Lets	A fairly well-presented flat within a 1970's block, south of the subject and closer to the amenities of West Park/Far Headingley.
10 Weetwood House Court, Leeds, LS16 5AF	<600m	Purpose-built Ground floor	1	1	50	538	£650	£7,800	£14.49	Off-street	No	Average	Oct-21	Moores	Inferior condition to Flat 14 above but ground floor with garden access.
Flat 4, 3 Spen Road, Leeds, LS16 5AL	<700m	Conversion - 2nd floor	1	1	27	291	£495	£5,940	£20.43	No	Yes	Ave/Basic	Jun-22	Linley & Simpson	A pretty basic attic flat within a conversion period block, again closer to the amenities of West Park/Far Headingley in a superior position.
FF Flat, Otley Road, Leeds, LS16 5AB	<600m	Purpose-built 1st floor	1	1	-	-	£700	£8,400	-	No	Yes	Good	Mar-22	OpenRent	A spacious first floor flat over retail, close to the centre of West Park in a superior position.
Averages					41	436	£601	£7,209	£17.07						
<b>Two Bedroom Flats</b>															
303 Otley Road, Leeds, LS16 6EY	<200m	Purpose-built 1st floor	2	2	80.9	871	£900	£10,800	£12.40	Yes	No	Fairly Good	Jun-22	Fowler & Powell	A first floor unit within a two-storey 1970's block, with private entrance. Fairly well-presented, parking. Small balcony. Located slightly closer to Adel than the subject site and further from the main road but broadly comparable.
6, Woodlands Court, Otley Road, Leeds, LS16 6EZ	<200m	Purpose-built 2nd floor	2	1	70	754	£695	£8,340	£11.06	Garage	Yes	Ave/Dated	Nov-21	Executive Lets	A top floor flat within a purpose-built 1970's block, at the end of a cul-de-sac to the opposing side of Otley Rd as the subject site. A little dated but a quiet setting. Small balcony.
28 Weetwood House Court, Leeds, LS16 5AF	<600m	Purpose-built Ground floor	2	1	47	506	£845	£10,140	£20.03	Yes	Yes	Good	May-22	Linley & Simpson	A recently modernised and well-presented flat within a low rise block, south of the subject site and close to the centre of West Park. Better position. 2nd bedroom is small.
20 Weetwood House Court, Leeds, LS16 5AF	<600m	Purpose-built 2nd floor	2	1	62	668	£650	£7,800	£11.68	Yes	Yes	Ave/Dated	Dec-21	Adair Paxton	A slightly dated second floor unit within the above block. No lift so the floor level is inferior.
3 Grange Wood Court, Leeds, LS16 6ED	<100m	Purpose-built 1st floor	2	1	70	754	£995	£11,940	£15.84	Yes	Yes	Good	Jun-22	SJM	A contemporary flat within a 1980/90's three storey block on the street opposite the subject site, therefore a highly comparable location. Includes a sep w.c.
293 Otley Road, Leeds, LS16 6EY	<200m	Conversion - LG floor	2	1	100	1,077	£625	£7,500	£6.96	Street	Yes	Ave/Dated	Apr-21	Manning Stainton	A large ground floor unit within a converted house, close to the subject site. Reasonably modern bathroom and kitchen but dated décor and carpets. Six month let only so priced to secure a letting.
Flat 9a, Ring Road, West Park, Leeds, LS16 5AJ	<400m	Conversion - 1st floor	2	1	71	765	£725	£8,700	£11.38	Off-street	Yes	Ave/Good	Mar-21	Castlehill	A first floor flat within a converted house type property, close to the subject and in a similar position.
First Floor Flat, Spen Lane, Leeds, LS16 6JE	<400m	Conversion - 1st floor	2	1	-	-	£725	£8,700	-	Off-street	No	Fairly Good	Jul-22	OpenRent	A fairly well-presented flat, in a purpose-built infill block built around 20-30 years ago. Similar position.
1b Ashleigh Road, Leeds, LS16 5AX	<400m	Conversion - 2nd floor	2	1	104	1,120	£975	£11,700	£10.45	Off-street	Yes	Very Good	Feb-22	Linley & Simpson	A modern and contemporary attic flat within a small but attractive, conversion property. The accommodation is partially restricted head height to the eaves. Central West Park location, better position.
31 Spennithorne Avenue, Leeds, LS16 6HZ	<500m	Semi-detached house	2	1	88	948	£750	£9,000	£9.50	Yes	Unknown	Ave/Dated	May-21	Preston Baker	A dated 2 bed semi-detached house, north west of the subject in a broadly comparable but quieter location. Garden and off-road parking.
Averages					77	829	£789	£9,462	£12.14						



**Weetwood Developments Ltd - Comparable Rental Evidence**

**Former Weetwood Police Station, 300 Otley Road, Lawnswood, Leeds, LS16 6RG**



Address	Distance from the subject	Type	Beds	Baths	Size (sq m)	Size (sq ft)	Agreed Rent (pcm)	Agreed Rent (pa)	Agreed Rent (psf)	Parking (Y or N)	Furnished or N (Y)	Condition	Date	Source	Comments
<b>Three Bedroom Flats</b>															
GF Flat, West Park Mansions, Otley Road, Leeds, LS16 6QR	<100m	Purpose-built Ground floor	3	1	0	0	£895	£10,740	-	Yes	Part	Average	Mar-22	Hunters	A fairly basic ground floor flat within a 1930's block to the opposite side of Otley Road as the subject site. Includes 3 parking spaces.
Flat 2, Park Court, 32 Ring Road, West Park, Leeds, LS16 6EJ	<200m	Purpose-built Ground floor	3	1	83	894	£895	£10,740	£12.02	Garage	Part	Ave/Dated	Nov-21	William H Brown	A ground floor unit within a small conversion property, close to the subject site in a similar position off the main road. Includes a single garage and off-street parking. The flat is somewhat dated, although the bathroom is more modern.
6 Grange Wood Court, Leeds, LS16 6ED	<100m	Purpose-built 1st floor	3	1	86	926	£875	£10,500	£11.34	Garage	No	Good	Jan-22	Linley & Simpson	A recently refurbished first floor unit within a purpose-built block, approx 30 or so years of age. Close to the subject site, within a cul-de-sac to the opposite side of Otley Road.
6 Weetwood Road, Leeds, LS16 5LP	<500m	Semi-detached house	3	1	103	1,109	£1,200	£14,400	£12.98	Garage	Part	Average	May-22	Preston Baker	A fairly compact 3 bed semi-detached house, with single 3rd bed. Small front and rear garden, off-road parking and a single garage.
92 Ring Road, West Park, Leeds, LS16 6EL	<400m	Semi-detached house	3	2	129	1,389	£1,200	£14,400	£10.37	Garage	No	Average	Feb-22	Haus Sales & Lettings	Close to the subject in a similar position, off Otley Road. Small rear garden off-road parking and single garage. Boarded loft. Conservatory.
Averages					80	864	£1,013	£12,156	£11.67						

# APPENDIX 3 – APPRAISAL SUMMARY

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Weetwood Police Station  
300 Otley Road  
Weetwood

Development Pro Forma

December 15, 2022

# PROJECT PRO FORMA

Weetwood Police Station  
300 Otley Road  
Weetwood

## Project Pro Forma for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Private Rent	127	102,566	15.92	12,860	1,224,900	1,633,200	1,224,900

#### Investment Valuation

##### Private Rent

Current Rent	1,224,900	YP @	4.5000%	22.2222	27,220,000
--------------	-----------	------	---------	---------	------------

#### GROSS DEVELOPMENT VALUE

**27,220,000**

Purchaser's Costs	1.50%	(408,300)	
Effective Purchaser's Costs Rate	1.50%		(408,300)

#### NET DEVELOPMENT VALUE

**26,811,700**

#### TOTAL PROJECT REVENUE

**26,811,700**

#### DEVELOPMENT COSTS

##### ACQUISITION COSTS

Residualized Price (Negative land)		(3,042,505)	
			(3,042,505)

#### CONSTRUCTION COSTS

##### Construction

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Construction Costs	123,980	188.00	23,308,240

**23,308,240**

# PROJECT PRO FORMA

Weetwood Police Station  
300 Otley Road  
Weetwood

Contingency	5.00%	1,165,412	1,165,412
<b>Section 106 Costs</b>			
Section 106 Costs		68,260	
CIL Costs		935,087	
Affordable Housing Contribution		700,000	1,703,347
<b>PROFESSIONAL FEES</b>			
Professional Fee's	10.00%	2,330,824	2,330,824
<b>DISPOSAL FEES</b>			
Sales Agent Fee	1.00%	268,117	
Sales Legal Fee	0.25%	67,029	335,146
<b>TOTAL COSTS BEFORE FINANCE</b>			<b>25,800,465</b>

## FINANCE

Timescale	Duration	Commences
Pre-Construction	6	May 2022
Construction	18	Nov 2022
Total Duration	24	

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Land	(257,557)	
Construction	1,268,792	
Total Finance Cost		1,011,235

**TOTAL COSTS** **26,811,700**

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Appendix 3 – Applicants updated financial summary

		April 2024 FVA Position
<b>Scheme Revenue</b>	<b>Assumption</b>	<b>Amount</b>
BTR Investment Revenue	£800 - £1,250 PCM 25% Opex 4.5% Yield	£27,220,000
Purchaser costs	1.5%	(£408,300)
<b>Total Revenue</b>	-	<b>£26,811,700</b>
<b>Scheme Revenue</b>	<b>Assumption</b>	<b>Amount</b>
Building Construction Costs	£188 PSF	£30,279,626
Contingency	5%	£1,518,981
Professional Fees	10%	£3,037,963
Affordable Housing Contribution	Fixed Sum	£700,000
S106 Contributions	Fixed Sum	£68,260
CIL Payment	Fixed Sum	£935,087
Disposal Fees	1.25%	£335,146
Finance	6.5%	£822,742
<b>Total Costs</b>	-	<b>£37,797,805</b>
<b>Output Return</b>		
<b>Residual Value</b>	<b>Output</b>	<b>(£10,986,105)</b>



Valuation Office  
Agency

Viability Review Report  
Weetwood Police Station  
300 Otley Road  
Leeds  
LS16 6RG

## STAGE 2 REPORT



Report for:  
Leeds City Council

Prepared by:  
[REDACTED] MRICS  
Principal Surveyor  
RICS Registered Valuer  
DVS

Tel: 03000 [REDACTED]

Case Number: 1824037

Client Reference: 22/06370

Date: 16 January 2024

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*Not for Publication*

## 1.0 Executive Summary

### 1.1 Proposed Development Details.

This Stage 2 report provides a final independent review of a viability assessment in connection with:

<b>Proposed Development</b>	Demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access
<b>Subject of Assessment:</b>	Weetwood Police Station 300 Otley Road Weetwood Leeds LS16 6RG
<b>Planning Application Reference:</b>	22/06370/FM
<b>Applicant / Developer:</b>	Weetwood Developments Limited
<b>Applicant's Viability Advisor:</b>	QUOD

### 1.2 Instruction

In connection with the above application Leeds City Council Planning Department require an independent review of the viability conclusion provided by the applicant in terms of the extent to which the accompanying appraisal is fair and reasonable and whether the assumptions made can be relied upon to determine the viability of the scheme.

A site-specific viability assessment review has been undertaken, the inputs adopted herein are unique to this site and scheme and may not be applicable to other viability assessments undertaken or reviewed by DVS.

### 1.3 Viability Conclusion

It is my considered and independent opinion that:

The above scheme assessed with regards to full planning policy requirement (comprising 20% affordable housing, S.106 contributions of £68,260 and CIL contributions of £935,087 is not viable.

It is significant to note that the scheme assessed without any policy requirements produces a financial deficit of around **£2,278,703** and is also considered unviable. Therefore, the deliverability of the development may be a concern.

#### 1.4 Non-Technical Summary of Viability Assessment Inputs

Policy Compliant Inputs	Agent	DVS Viability Review 20% Affordable	Agreed (Y/N)
<b>Assessment Date</b>	September 2022	August 2023	N
<b>Scheme, Gross Internal Area, Site Area</b>	127 build to rent Apartment, 123,980 sq ft (GIA), 1.43 hectares	127 build to rent Apartment, 123,980 sq ft (GIA), 1.43 hectares	Y
<b>Development Period</b>	25 months	25 months	Y
<b>Gross Development Value</b>	£27,220,000	£36,633,080	N
<b>CIL/Planning Policy / S.106 Total.</b>	CIL: £935,087 S106: £68,260 Total: £1,003,347	CIL: £935,087 S106: £68,260 Total: £1,003,347	Y
<b>Total Development Cost (excludes policy; land and fees; finance; profit)</b>	£30,379,626	£29,135,300	N
<b>Professional Fees %</b>	10%	8%	N
<b>Contingency %</b>	5%	3%	N
<b>Finance Interest and Sum</b>	6.5% £1,268,792	5% £1,002,838	N
<b>Other Fees</b>			
Marketing Fees	NIL	NIL	Y
Sales / Agency Fees	1.35% £335,146	NIL	N
Legal Fees	NIL	NIL	Y
Land Acquiring Costs	1.5% (£408,300)	SDLT +1.5%	Y
<b>Profit Target %</b>	12.5% GDV	8% GDC	N
<b>Benchmark Land Value</b>	Not Stated	NIL	N
<b>EUV</b>	Not Stated	NIL	N
<b>Premium</b>	Not Stated	NIL	N
<b>Purchase Price</b>	Not Stated	£3,504,000	N

<b>Alternative Use Value</b>	Not Stated	NIL	N
<b>Residual Land Figure</b>	Minus £10,986,105	Minus £2,278,703	N
<b>Viability Conclusion Full Policy Scheme</b>	Unviable	Unviable	Y
<b>Deliverable Scheme</b>	Commuted Sum £700,000 CIL Payment of £935,087	CIL Payment £935,087	N

A site-specific viability assessment review has been undertaken, the inputs adopted herein are unique to this site and scheme and may not be applicable to other viability assessments undertaken or reviewed by DVS.

## 2.0 Instruction and Terms

2.1 The Client is Leeds City Council.

2.2 The Subject of the Assessment is the proposed development of 127 one, two and three bedroom build to rent apartments, provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access

2.3 The date of viability assessment is 1 August 2023. Please note that values change over time and that a viability assessment provided on a particular date may not be valid at a later date.

2.4 Instructions were received on 22 December 2022. It is understood that Leeds City Council require an independent opinion on the viability information provided by Quod, in terms of the extent to which the accompanying appraisal is fair and reasonable and whether the assumptions made are acceptable and can be relied upon to determine the viability of the scheme. Specifically, DVS have been appointed to:

- Assess the Viability Assessment submitted on behalf of the planning applicant / developer, taking in to account the planning proposals as supplied by you or available from your authority's planning website.
- Advise Leeds City Council in writing on those areas of the applicant's Viability Assessment which are agreed and those which are considered unsupported or incorrect, including stating the basis for this opinion, together with evidence. If DVS considers that the applicant's appraisal input and viability conclusion is incorrect, this report will advise on the

cumulative viability impact of the changes and in particular whether any additional affordable housing and / or s106 contributions might be provided without adversely affecting the overall viability of the development.

2.5 Conflict of Interest Statement - In accordance with the requirements of RICS Professional Standards, DVS has checked that no conflict of interest arises before accepting this instruction. It is confirmed that DVS are unaware of any previous conflicting material involvement and is satisfied that no conflict of interest exists.

2.6 Inspection - The property/site has been inspected on 14 June 2023, by Brian Maguire. This was partial inspection for valuation purposes and does not constitute a building survey.

2.7 DVS/ VOA Terms of Engagement were issued on 15 June 2023, a redacted version is attached at **Appendix (iv)**

### **3.0 Guidance and Status of Valuer**

#### **3.1 Authoritative Requirements**

The DVS viability assessment review will be prepared in accordance with the following statutory and other authoritative mandatory requirements:

- The '**National Planning Policy Framework**', which states that all viability assessments should reflect the recommended approach in the '**National Planning Practice Guidance on Viability**'. This document is recognised as the 'authoritative requirement' by the Royal Institution of Chartered Surveyors (RICS).
- RICS Professional Statement '**Financial viability in planning: conduct and reporting**' (effective from 1 September 2019) which provides the mandatory requirements for the conduct and reporting of valuations in the viability assessment and has been written to reflect the requirements of the PPG.
- RICS Professional Standards PS1 and PS2 of the '**RICS Valuation – Global Standards**'.

### 3.2 Professional Guidance

Regard will be made to applicable RICS Guidance Notes, principally the best practice guidance as set out in RICS GN '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' (effective 1 July 2021).

Other RICS guidance notes will be referenced in the report and include RICS GN '**Valuation of Development Property**' and RICS GN '**Comparable Evidence in Real Estate Valuation**'.

Valuation advice (see Note 1) will be prepared in accordance with the professional standards of the of the '**RICS Valuation – Global Standards**' and the '**UK National Supplement**', which taken together are commonly known as the RICS Red Book. Compliance with the RICS Professional Standards and Valuation Practice Statements (VPS) gives assurance also of compliance with the International Valuations Standards (IVS).

(Note 1) Whilst professional opinions may be expressed in relation to the appraisal inputs adopted, this consultancy advice is to assist you with your decision making for planning purposes and is not formal valuation advice such as for acquisition or disposal purposes. It is, however, understood that our review assessment and conclusion may be used by you as part of a negotiation.

The RICS Red Book professional standards are applicable to our undertaking of your case instruction, with PS1 and PS 2 mandatory. While compliance with the technical and performance standards at VPS1 to VPS 5 are not mandatory (as per PS 1 para 5.4) in the context of your instruction, they are considered best practice and have been applied to the extent not precluded by your specific requirement.

### 3.3 RICS 'Financial Viability in Planning Conduct and Reporting'

In accordance with the above RICS Professional Statement it is confirmed that:

- a) In carrying out this viability assessment review the valuer has acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information.

- b) The professional fee for this report is not performance related and contingent fees are not applicable.
- c) DVS are not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- d) The appointed valuer, [REDACTED] RICS is not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- e) Neither the appointed valuer, nor DVS advised this local planning authority in connection with the area wide viability assessments which supports the existing planning policy.
- f) The DVS viability review assessment has been carried out with due diligence and in accordance with section 4 of this professional statement
- g) The signatory and all other contributors to this report, as referred to herein, has complied with RICS requirements.

#### 3.4 Most Effective and Efficient Development

It is a mandatory requirement of the **RICS 'Financial viability in planning: conduct and reporting'** Professional Statement for the member or member firm to assess the viability of the most effective and most efficient development.

The applicant's advisor has assessed the viability based on 127 build to rent apartments which appears an intense use of the site.

I have assessed the viability based upon build to rent and private sales to individual owner occupier. Having considered the size and location of the development, the applicant's proposal is considered to be reasonable. The DVS valuer has assessed the viability based upon the same scheme assumptions and passes no comment on whether this is the most effective and most efficient development. The impact on viability of different scheme e.g. build to rent has not been appraised, however should this be pursued another viability assessment may be necessary.

### 3.5 Signatory

- a) It is confirmed that the Stage 1 viability assessment has been carried out by [REDACTED] MRICS, Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge, skills and understanding necessary to undertake the viability assessment competently and is in a position to provide an objective and unbiased review. The Stage 2 viability assessment has been carried out by [REDACTED].
- b) As part of the DVS Quality Control procedure, this report and the appraisal has been formally reviewed by [REDACTED] MRICS, Registered Valuer, who also has the appropriate knowledge, skills and understanding necessary to complete this task.
- c) Other Contributors - [REDACTED], Graduate Valuer, has assisted in the case, and was responsible for the site inspection, photographs, comparable research under supervision of [REDACTED].
- d) DVS has provided viability assessment reviews for Leeds City Council for over 10 years number of years.

### 3.6 Bases of Value

The bases of value referred to herein are defined in the Terms of Engagement at **Appendix IV** and are sourced as follows:

- Benchmark Land Value is defined at Paragraph 014 of the NPPG.
- Existing Use Value is defined at Paragraph 015 of the NPPG.
- Market Value is defined at VPS 4 of 'RICS Valuation – Global Standards'
- Market Rent is defined at VPS 4 of 'RICS Valuation – Global Standards'
- Gross Development Value is defined in the Glossary of the RICS GN 'Valuation of Development Property' (February 2020).

## 4.0 **Assumptions, and Limitations**

### 4.1 Special Assumptions

As stated in the terms the following special assumptions have been agreed and will be applied:

- That your council's planning policy, or emerging policy, for affordable housing is up to date.



- There are no abnormal development costs in addition to those which the applicant has identified, and (for cases with no sq. review) the applicant's abnormal costs, where supported, are to be relied upon to determine the viability of the scheme, unless otherwise stated in our report.
- That the development as proposed is complete on the date of assessment in the market conditions prevailing on the date.

#### 4.2 General Assumptions

The site has not been inspected on a full basis. The below assumptions are subject to the statement regarding the limitations on the extent of our investigations, survey restrictions and assumptions, as expressed in the terms of engagement.

- a) Tenure - A report on Title has not been provided. The review assessment assumes that the site is held Freehold with vacant possession subject to two tenancies. The application has provided no details in respect of the tenancies other than the name or the tenants.
- b) Easements / Title restrictions - A report on Title has not been provided. The advice is provided on the basis the title is available on an unencumbered freehold or long leasehold basis with the benefit of vacant possession. It is assumed the title is unencumbered and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- c) Access / highways - It is assumed the site is readily accessible by public highway and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- d) Mains Services - It is assumed the site is or can be connected to all mains services will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- e) Mineral Stability - This assessment has been made in accordance with the terms of the agreement in which you have instructed the Agency to assume that the property is not affected by any mining subsidence, and that the site is stable and would not occasion any extraordinary costs with regard to Mining Subsidence. I refer you to the DVS Terms of Engagement at **Appendix IV** for additional commentary around ground stability assumptions.

- f) Environmental Factors Observed and/or Identified - It is assumed the site will not occasion any extraordinary costs relating to environmental factors over and above those identified by the applicant and considered as part of abnormal costs.
- g) Flood Risk – Not applicable
- h) Asbestos - It is assumed any asbestos will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.

## 5.0 Proposed Development

### 5.1 Location / Situation

The site is situated four miles to the north west of Leeds city centre. It lies adjacent to Lawnswood Roundabout, to the east of Otley Road (the A660) and to the north of the outer ring road (A6120). The northern and eastern edge of the site adjoins an extensive area of playing fields and the Brownlee Centre and Cycle Circuit.



The wider area surrounding the site is predominantly together with educational and hotel facilities.

## 5.2 Description

Weetwood Police Station opened in 1983 and is of two storey brick construction, with a GIA of 39,254 sq ft (3,646 sq m). The property is currently used as offices and provides a temporary base for officers whilst Pudsey Police Station is refurbished. The property also includes a secure yard, indoor gymnasium hall and a large car parking area.

## 5.3 Site Plan and Area

The Site extends to 1.43ha and contains two buildings, namely the main former Police Station, set over 2 floors (c. 3,646sqm), which is temporary occupied by Sister Productions, and a smaller separate single storey building to the rear (c.252 sqm), temporarily occupied by The Calf Shed.

## 5.4 Schedule of Accommodation/ Scheme Floor Areas

DVS make no comment about the density, design, efficiency, merit or otherwise, of the suggested scheme, the accommodation details have been taken from the applicants viability appraisal and are summarised below:

Units	Type
25	1 bed Apartment
76	2 Bed Apartment
26	3 Bed Apartment

Measurements stated are in accordance with the RICS Professional Statement '**RICS Property Measurement**' (2<sup>nd</sup> Edition) and, where relevant, **the RICS Code of Measuring Practice (6<sup>th</sup> Edition)**.

As agreed in the terms, any office and/or residential property present has been reported upon using a measurement standard other than IPMS, and specifically Net Internal Area / Gross Internal Area has been used. Such a measurement is an agreed departure from 'RICS Property Measurement (2<sup>nd</sup> Edition)'.  
*(Note: The original text contains a typo 'Areaahas' which has been corrected to 'Area' in this transcription.)*

I understand that you requested this variation because this measurement standard is how the applicant has presented their data, is common and accepted practice in the construction/ residential industry, and it has been both necessary and expedient to analyse the comparable data on a like with like basis.

## 5.5 Planning

- a) The land is not currently zoned within the Site Allocation Plan in the Adopted Local Plan. The property has planning consent for its current use as a police station (Sui Generis).
- b) In July 2019, planning pre applications were submitted to Leeds City Council for consideration. This covered uses including housing, care home/assisted living and conversion to offices. The outcome of the pre-application meeting was that residential uses on the site were acceptable in principle.
- c) A temporary change of use application from the former Police Station (Sui Generis) to a range of commercial, business and service uses (Use Class E(c) and/or E(d) and/or E(f) and/or E(g)) and/or Use Class B8 (Storage and Distribution) was approved in November 2021 (ref 21/03489/FU). An application to vary the access restrictions imposed on this consent was approved in March 2022 (ref 22/00184/FU) and expires October 2024.
- d) Pre-application engagement (initiated by the former owners of the Site) was held in October 2019 in relation to the redevelopment of the Site for residential development (ref PREAPP/19/00386) and the development of restaurants and/or takeaways (ref PREAPP/19/00305).
- e) In these discussions, LCC Officers confirmed that residential redevelopment on the Site was appropriate. These discussions also confirmed that there is scope to increase the height of buildings on site beyond the existing 2/3 storeys given the Site's location, and especially its separation from neighbouring properties and the screening by boundary trees
- f) A Tree Preservation Order ("TPO") was made at the Site on 26 August 2021 which covered all the trees on and around its perimeter. An objection was submitted on behalf of the Applicant by Smeeden Foreman, the Applicant's landscape architect, to exclude trees within the centre of the Site and along the eastern boundary as they do not contribute to public amenity. The objection was partially upheld and the 8 centrally located group of trees were excluded from the Order. LCC considered that the remaining trees be retained within the Order on the grounds of amenity value.

### Plan of Tree Preservation Order



- g) The site falls within Zone 1 where 35% affordable housing provision should be provided on-site, broken down into 40% intermediate or equivalent affordable and 60% social rented or equivalent affordable tenures. The affordable units should be a pro-rata mix in terms of sizes and house types.
- h) Developments are expected to meet the policy provision as prescribed in the Plan. DVS have not been made aware of why this scheme has been accepted for site specific viability assessment. It is understood or the applicant states this is because the local plan viability does not include a typology similar to the subject and there are extensive costs beyond parameters tested in the Plan.

#### 5.6 Policy Requirements for the Scheme

Further to your confirmation my review assessment includes the following Local plan policy requirements:

35% Affordable Housing Contribution  
Community Infrastructure Levy - £935,087  
Section 106 - £68,260

Planning policy requirements should be factual and agreed between the LPA and the applicant. If the review assessment adopts an incorrect figure and/ or a (significantly) different figure is later agreed the viability conclusion should be referred back to DVS.

## 5.7 Planning Status

I have made enquiries of the Planning Authority as to the planning status and history which has revealed that the established use of the site is a Police Station, which appears to date from a planning permission in 1980.

A police station is a Sui Generis use which has no permitted development rights.

Changes to other uses would only be permitted following the grant of formal planning permission.

The site currently benefits from a range of temporary uses linked to a 2021 consent (21/03489/FU - Temporary change of use from former Police Station (Sui Generis) to a range of commercial, business and service uses (Use Class E(c) and/or E(d) and/or E(f) and/or E(g)) and/or Use Class B8 (Storage and Distribution) and/or TV/Film production set (Sui Generis)), however these uses are temporary in nature and are due to expire on 31.10.2024.

## 6.0 **Summary of Applicant's Viability Assessment**

### 6.1 Report Reference

DVS refer to the Financial Viability Assessment prepared by Quod dated September 2022 entitled "Financial Viability Assessment - Weetwood Police Station" and the appraisal therein.

### 6.2 Summary of Applicant's Appraisal

In summary, the applicants appraisal has been produced using Argus Developer software and follows established residual methodology. This is where the Gross Development Value less the Total Development Costs Less Profit, equals the Residual Land Value, and the Residual Land Value is then compared to the Benchmark Land Value as defined in the Planning Practice Guidance, to establish viability.

The applicant outlines in their report the following:

- The proposed scheme with a commuted sum of £700,000 in lieu of on-site affordable housing and £68,260 Policy requirements and £935,087 CIL produces a Residual Land Value of minus **£3,042,505**.
- The Benchmark Land Value, is **£NIL** based upon the applicants comments that "*Consideration has not however been given to the BLV due to the appraisal results. The overall conclusion of this assessment remains valid regardless of the BLV adopted*".

- A deficit of £3,042,505\* is identified, this is below their opinion of the Benchmark Land Value at NIL therefore the applicant seeks to demonstrate that no additional Affordable Housing / financial planning contributions are viable.
- However, the applicant's advisor concludes a scheme with planning policy is unviable. Notwithstanding the significant shortfalls identified, it is understood the applicant intends to deliver this scheme and make a contribution of £700,000 towards affordable housing.

\*The construction costs submitted by Weetwood Developments Ltd via their agents Quod in September 2022, totalled £23,308,240.00. This has subsequently been updated to £30,300,717.00 based on a cost plan produced by Fox Lloyd Jones dated 15th May 2023. The Fox Lloyd Jones cost plan is what we have based our assessment on. The increased costs will impact the scheme Residual Land Value (RLV) which shows the deficit of £3,042,505, however, I have not been sighted on the updated Argus Appraisal.

To review the reasonableness of this conclusion, the reasonableness of the applicant's appraisal inputs is considered in the next sections.

## 7.0 Development Period/ Programme

7.1 The development period adopted by the applicant's advisor is 25 months which is considered reasonable and comprises the following timelines:

- 6 months pre-construction/ site preparation
- 18 months for construction
- 1 month for sales starting at month

## 8.0 Gross Development Value (GDV)

When arriving at my conclusion for the Gross Development Value I have had specific regard to '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' and the '**Valuation of Development Property**' and '**Comparable Evidence in Real Estate**', '**Valuing Residential Property Purpose Built for Renting**'.

Start with a summary of the GDV you are reviewing. Example Text:

The applicants surveyor has adopted a Gross Rental Value of £1,633,200 this comprises:

Type	No	Rent PCM	Rent PA	Total Rent PA
1-bed	25	£800	£9,600	£240,000
2-Bed	76	£1,100	£13,200	£1,003,200
3-Bed	26	£1,250	£15,000	£390,000
<b>Total</b>	<b>127</b>	<b>-</b>	<b>£37,800</b>	<b>£1,633,200</b>

An OPEX rate of 25% and a net initial all risks investment yield of 4.5% has been applied.

Following an adjustment to the gross income to reflect the operating costs for the development and then capitalising the net rent the applicant considers the Capital Gross Development Value is £27,220,000.

I have reviewed the GDV proposed with regards to RICS Guidance Notes ‘**Assessing viability in planning under the National Planning Policy Framework 2019 for England**’ and ‘**Comparable Evidence in Real Estate**’ and my conclusions are set out below.

#### 8.1 Market Value of Private Dwellings

The VOA database contains details of sales of residential properties including accommodation details, age of property number of bedrooms, reception rooms, age, floor areas and so forth as well as transactional information such as new build sales, part exchange shared ownership or connected party sales etc. We also have access to Energy Performance Certificates which enables analysis. We have also considered sales information about current and forthcoming schemes. All of this enables the valuer to confirm or dispute the applicant's evidence,

Further to my investigations and research the applicant's evidence and analysis is considered unreasonable and I have adopted increased Market Rental Values for the private dwellings. It is my observation that the uniform approach to GDV by the applicant is high level and does not reflect the specifics of the development which are known as part of the application.

I consider it would be more appropriate and proper to apply individual unit values by type, relative to the number of bedrooms, size.

The applicant's consultant has, in the main, undertaken market research into older housing stock owned by “Buy to Rent Landlords” as opposed to purpose built Build to Rent developments.



I acknowledge, the availability of comparable build to rent schemes in the area is limited. The applicant has developed a similar scheme in Headingley. I have been provided with details of the rents for the Stage 2 report, however, I have not been supplied details of occupancy rates or operational running costs. I have also had some regard for PRS rents within the city centre to compare values within the "Same Asset Class" which I consider to be purpose built PRS blocks and certainly not buy to let properties in Headingley and Weetwood.

A media article refers to the scheme by Pickard Properties where they have launched the first phase of a luxury £40m private rented sector (PRS) scheme located on a six-acre site at the at the heart of the Far Headingley Conservation Area.

Spinning Acres, so called in a nod to the area's textile heritage, previously formed part of Leeds University's student accommodation known as Tetley Hall. The site has been owned by Pickard Properties since 2007.

The first phase contains three types of accommodation: new build four bedroom terraced family homes, built over three storeys; Boll House, which was originally a stable block and is now a two-bedroom detached house and The Yarn, the largest property in this phase – a new build, five-bed detached house.

Designed by Halliday Clark, the Ilkley-based architectural practice, the first phase has been built by Dobson Construction, also of Ilkley, with Fox Lloyd Jones of Leeds acting as project manager and quantity surveyor.

Phase two, has also been completed, is an apartment building with 31 homes.

Phase three will be the conversion of existing stone-built villas to create private apartments.

The final stages of the development will see further conversions to existing buildings as well as more new build accommodation to complete this unique community of homes for those who prefer to rent rather than commit to the cost of a mortgage.

The applicants have disclosed some information on the rent at the Spinning Fields, however, I don't have information on occupancy rates or operational costs. The applicant cost consultant appears to be advising on both Spinning

Fields and the subject site as they have also evidence build costs based on Spinning Fields so more information should be available.

I have had regard to the rent I have been provided with at Spinning fields and previous agreements with PRS / Build to Rent developers when determining rental values for this scheme.

I summarise below evidence of previous agreements in respect of PRS / Build to Rent schemes in the city which have been anonymised but further details can be provided upon request:

### Agreed Rental Values for PRS Schemes in Leeds

Location	Studio (sqm & £/sqm)	1 bed (sqm & £/sqm)	2 bed (sqm & £/sqm)	3 bed (sqm & £/sqm)
Leeds City Centre Scheme A	31.5 / £264.37	47.5 / £201.72	62.5 / £193.75	76.00 / £203.45
Leeds City Centre Scheme B	Blank	49.0 / £201.93	70.0 / £175.56	85.83 / 195.69
Leeds City Centre Scheme C	Blank	45.6 / £249.73	67.8 / £224.75	92.10 / £210.97
Leeds City Centre Scheme D	Blank	42.7 / £201.82	63.45 / £175.45	85.00 / £195.69
Leeds City Centre Scheme E	37.43 / £228.41	45.6 / £249.73	67.81 / £224.75	92.15 / £210.97
Leeds City Centre Scheme F	Blank	45.7 / £236.38 46.91 / £232.28	69.21 / £224.43 69.02 / £224.86	96.98 / £219.59 89.55 / 226.04
Leeds City Centre Scheme G	40.78 / £220.77	45.06 / £226.36 50.17 / £215.06	63.73 / £231.42 71.26 / £228.09	86.12 / £232.18

### Agreed Rental Values for PRS Schemes in Headingley – provided to DVS after the Stage 1 report

Unit Type	Average Achieved Rent £PCM	Inclusions
1 Bed	£981	Furnished
2 Bed	£1,107	Furnished

In the current market there has been significant increases in rental values for properties as a result of return to office workplace strategy, and the return of young people (students and international students). In addition, the increase in the Bank of England Base rate has meant PRS apartments have become increasingly popular as owner occupation has become increasingly expensive/unobtainable.

According to Propertymarks housing data in April 74% of responding agents reported that most sales were agreed below the asking price. As far as the rental market is concerned, demand continues to rise. The number of new prospective tenants registering per member branch rose slightly to 118 in April. This figure is up from the December low of just 64. It is also 24 per cent higher than April 2022.

An average of 16 prospective tenants registered per available property over the same period. Similar to the rise in demand, the mismatch between supply and demand has risen 35% since April 2022.

Some 50% of responding agents reported rents increasing month-on-month on average at their branch in April 2023. This is down from 75% in April last year.

Rents across England, Wales and Scotland increased at their fastest pace on record as demand from tenants continued to heavily outweigh supply. A high number of buy-to-let landlords have been forced to increase rents to cover rising mortgage costs, while private tenants compete for a limited supply of homes.

Tom Bill, head of UK residential research at Knight Frank, pointed out that tax and legislative changes have deterred many landlords from continuing to invest in the buy-to-let sector. He commented: "Rents continue to rise sharply as a supply shortage makes life difficult for a growing number of tenants."

Politicians have targeted landlords with a series of tax hikes in recent years and as more of them leave the sector, fast-rising rents means the pain has spread to tenants. "More details were announced last week on the government's Renters Reform Bill, which needs to make sure it doesn't make a bad situation worse. Around a fifth of households in England are renting, which is a lot of voters."

The latest price increase recorded by the Hamptons Lettings Index, which uses data from the Countrywide Group to track changes to the cost of renting, comes less than three years (34 months) after the average rent for the whole of Great Britain (which includes London) last passed the same milestone in July 2020.

Over the last year the average rent outside the capital has risen 7.8%, which puts it 26% higher than on the eve of the Covid pandemic in February 2020. This annual increase will cost the average tenant an extra £868 a year if they were to move to a new home outside of London.

Across Great Britain as a whole, rents rose 11.1% year-on-year in April to reach a new high of £1,249pcm. This marked the second strongest month for rental growth across the country on record, only to be outpaced by the annual increase of 11.5% recorded in May 2022.

In light of the above evidence, I have adopted the following gross rents for the market value apartments within the proposed Scheme:

Room	Net area	Type	£/Sq m	Annual Rent	Month
0.01	73.2	2B3P	£215.00	£15,738	£1,312
0.02	76.4	3B4P	£250.00	£19,100	£1,592
0.03	67.9	2B3P	£225.00	£15,278	£1,273
0.04	56.4	1B2P	£190.00	£10,716	£893
0.05	53.3	1B2P	£190.00	£10,127	£844
0.06	53.3	1B2P	£190.00	£10,127	£844
0.07	56	1B2P	£190.00	£10,640	£887
0.08	73.4	2B3P	£215.00	£15,781	£1,315
0.09	77.3	2B4P	£215.00	£16,620	£1,385
0.10	65.5	1B2P	£175.00	£11,463	£955
0.11	85.8	2B4P	£215.00	£18,447	£1,537
0.12	70	2B4P	£215.00	£15,050	£1,254
0.13	52.2	1B2P	£190.00	£9,918	£827
0.14	81.4	3B4P	£250.00	£20,350	£1,696
0.15	72.8	2B4P	£215.00	£15,652	£1,304
1.01	73.2	2B3P	£225.00	£16,470	£1,373
1.02	76.4	3B4P	£250.00	£19,100	£1,592
1.03	67.3	2B3P	£215.00	£14,470	£1,206
1.04	56.4	1B2P	£190.00	£10,716	£893
1.05	53.3	1B2P	£190.00	£10,127	£844
1.06	53.3	1B2P	£190.00	£10,127	£844
1.07	56	1B2P	£190.00	£10,640	£887
1.08	72.5	2B4P	£215.00	£15,588	£1,299
1.09	72.5	2B4P	£215.00	£15,588	£1,299
1.10	93.8	3B5P	£250.00	£23,450	£1,954
1.11	76.4	2B4P	£215.00	£16,426	£1,369
1.12	77.4	2B4P	£215.00	£16,641	£1,387
1.13	92.2	2B4P	£215.00	£19,823	£1,652
1.14	95.8	2B4P	£215.00	£20,597	£1,716
1.15	73.1	2B4P	£215.00	£15,717	£1,310
1.16	81.9	2B4P	£215.00	£17,609	£1,467
1.17	67.4	2B4P	£215.00	£14,491	£1,208
1.18	87.5	3B5P	£235.00	£20,563	£1,714
1.19	80.4	2B4P	£215.00	£17,286	£1,441
1.20	100.5	3B4P	£235.00	£23,618	£1,968

1.21	85.8	2B4P	£215.00	£18,447	£1,537
1.22	70	2B4P	£215.00	£15,050	£1,254
1.23	63.4	2B3P	£225.00	£14,265	£1,189
1.24	81.4	3B4P	£235.00	£19,129	£1,594
1.25	72.8	2B4P	£215.00	£15,652	£1,304
2.01	73.2	2B3P	£215.00	£15,738	£1,312
2.02	76.4	3B4P	£235.00	£17,954	£1,496
2.03	67.3	2B3P	£225.00	£15,143	£1,262
2.04	56.4	1B2P	£190.00	£10,716	£893
2.05	53.3	1B2P	£190.00	£10,127	£844
2.06	53.3	1B2P	£190.00	£10,127	£844
2.07	56	1B2P	£190.00	£10,640	£887
2.08	72.5	2B4P	£215.00	£15,588	£1,299
2.09	72.5	2B4P	£215.00	£15,588	£1,299
2.10	93.8	3B5P	£195.00	£18,291	£1,524
2.11	76.4	2B4P	£215.00	£16,426	£1,369
2.12	77.4	2B4P	£215.00	£16,641	£1,387
2.13	92.2	2B4P	£215.00	£19,823	£1,652
2.14	95.8	2B4P	£215.00	£20,597	£1,716
2.15	73.1	2B4P	£215.00	£15,717	£1,310
2.16	81.9	2B4P	£215.00	£17,609	£1,467
2.17	67.4	2B4P	£215.00	£14,491	£1,208
2.18	87.5	3B5P	£195.00	£17,063	£1,422
2.19	80.4	2B4P	£215.00	£17,286	£1,441
2.20	100.5	3B4P	£195.00	£19,598	£1,633
2.21	85.8	2B4P	£215.00	£18,447	£1,537
2.22	70	2B4P	£215.00	£15,050	£1,254
2.23	63.4	2B3P	£225.00	£14,265	£1,189
2.24	81.4	3B4P	£195.00	£15,873	£1,323
2.25	72.8	2B4P	£215.00	£15,652	£1,304
2.26	110.5	3B5P	£225.00	£24,863	£2,072
3.01	73.2	2B3P	£215.00	£15,738	£1,312
3.02	76.4	3B4P	£225.00	£17,190	£1,433
3.03	67.3	2B3P	£225.00	£15,143	£1,262
3.04	56.4	1B2P	£190.00	£10,716	£893

3.05	53.3	1B2P	£190.00	£10,127	£844
3.06	53.3	1B2P	£190.00	£10,127	£844
3.07	56	1B2P	£190.00	£10,640	£887
3.08	72.5	2B4P	£215.00	£15,588	£1,299
3.09	72.5	2B4P	£215.00	£15,588	£1,299
3.10	93.8	3B5P	£217.00	£20,355	£1,696
3.11	76.4	2B4P	£215.00	£16,426	£1,369
3.12	77.4	2B4P	£215.00	£16,641	£1,387
3.13	92.2	2B4P	£215.00	£19,823	£1,652
3.14	95.8	2B4P	£213.00	£20,405	£1,700
3.15	73.1	2B4P	£213.00	£15,570	£1,298
3.16	81.9	2B4P	£209.00	£17,117	£1,426
3.17	67.4	2B3P	£225.00	£15,165	£1,264
3.18	87.5	3B5P	£217.00	£18,988	£1,582
3.19	80.4	2B4P	£209.00	£16,804	£1,400
3.20	100.5	3B4P	£217.00	£21,809	£1,817
3.21	85.8	2B4P	£209.00	£17,932	£1,494
3.22	70	2B4P	£209.00	£14,630	£1,219
3.23	63.4	2B3P	£225.00	£14,265	£1,189
3.24	81.4	3B4P	£217.00	£17,664	£1,472
3.25	72.8	2B4P	£208.00	£15,142	£1,262
3.26	110.5	3B5P	£217.00	£23,979	£1,998
4.01	88.9	3B5P	£205.00	£18,225	£1,519
4.02	67.9	2B3P	£225.00	£15,278	£1,273
4.03	53.5	1B2P	£190.00	£10,165	£847
4.04	53.5	1B2P	£190.00	£10,165	£847
4.05	56	1B2P	£190.00	£10,640	£887
4.06	110.5	3B5P	£205.00	£22,653	£1,888
4.07	72.5	2B4P	£208.00	£15,080	£1,257
4.08	72.5	2B4P	£208.00	£15,080	£1,257
4.09	93.8	3B5P	£205.00	£19,229	£1,602
4.10	76.4	2B4P	£208.00	£15,891	£1,324
4.11	77.4	2B4P	£208.00	£16,099	£1,342
4.12	92.2	2B4P	£202.00	£18,624	£1,552
4.13	95.8	2B4P	£202.00	£19,352	£1,613
4.14	73.1	2B4P	£202.00	£14,766	£1,231

4.15	81.9	2B4P	£202.00	£16,544	£1,379
4.16	67.4	2B3P	£225.00	£15,165	£1,264
4.17	87.5	3B5P	£205.00	£17,938	£1,495
4.18	80.4	2B4P	£202.00	£16,241	£1,353
4.19	100.5	3B4P	£190.00	£19,095	£1,591
4.20	85.8	2B4P	£195.00	£16,731	£1,394
4.21	70.5	2B4P	£195.00	£13,748	£1,146
4.22	67.5	2B3P	£225.00	£15,188	£1,266
5.01	88.9	3B5P	£190.00	£16,891	£1,408
5.02	67.9	2B3P	£225.00	£15,278	£1,273
5.03	53.5	1B2P	£190.00	£10,165	£847
5.04	53.5	1B2P	£190.00	£10,165	£847
5.05	56	1B2P	£190.00	£10,640	£887
5.06	70.7	2B4P	£195.00	£13,787	£1,149
5.07	93.8	3B5P	£190.00	£17,822	£1,485
5.08	76.4	2B4P	£195.00	£14,898	£1,242
5.09	78.3	2B4P	£190.00	£14,877	£1,240
5.10	81.9	2B4P	£190.00	£15,561	£1,297
5.11	78.7	2B4P	£190.00	£14,953	£1,246
5.12	74.5	2B4P	£190.00	£14,155	£1,180
5.13	51	1B2P	£190.00	£9,690	£808

The manner in which the revenue is assessed for a PRS Scheme it is essential to consider the total rental value of the accommodation and then make an adjustment for the running costs for the entire development. For instance, the landlord will receive rent from tenants, however, the landlord is also required to pay for all of the operational costs in relation to heating, cleaning, maintenance, general letting fees and management of communal areas.

Therefore, the rental value of each apartment builds up a total gross revenue for the development after which it is important to make a deduction to the gross rent for the ongoing management of the property including site staff, building operations, tenancy operational expenditure and management fees cleaning, maintenance, utilities costs and voids / lettings these.

I summarise below the applicant's surveyor's allowance for running costs within the scheme:

Description	Cost expressed as a percentage of gross revenue
BTR Operating Costs	25%

Their viability report did not include a detailed commentary justifying the allowances adopted.

I have adopted the same percentage for calculating the net rental income of 23.5% which is supported by agreements with other developers in Leeds where PRS viability appraisals have been submitted for multiple buildings within a scheme.

Operation Voids	2.5%
Bad Debt	0.5%
Council Tax Voids	1%
Void Utilities	1.5%
Management Fees	9% inclusive of VAT
Operational Expenditure	9%
<b>Total</b>	<b>23.5%</b>

Further evidence can be provided in due course on a confidential basis subject to the Commissioners and Revenue Act restrictions. In the meantime, I refer you to a schedule of anonymised evidence in Appendix iii

#### Capitalisation Yield

The applicant has adopted a Net Initial Yield (NIY) of 4.50% to the net revenue, which is considered by DVS to be incorrect, for a prime institutional grade asset of this type in Leeds.

I refer you to a table below which contains evidence of agreed capitalisation yields, for net income for a number of PRS schemes in Leeds. The developers were advised by a full suite of professional advisers and the adopted and analysed capitalisation yields as summarised within the table below.



PRS Schemes	Gross to Net Leakage (%)	Revenue Per Parking Space	Furniture Allowance	Capitalisation Yield	Professional Fees Construction	Benchmark Land Value/acre	Finance	Advisors Fees	Purchasers Costs	Build Cost Contingency	Agreed Profit on Cost (%)	Notes
17-20 storeys comprising 463 residential units 102 parking spaces	23.78%	£1,800	£1,700	4.80%	7%	£1.328m	6%	0.55% Funding £255,000 Freehold Monitoring	0.50%	3%	8.04%	Previous consent for Office Development
349 Apartments, 53 car parking spaces	23%	£1,500	NIL	4.50%	6.2%	£1.011m	5%	2%	1.72%	3% £1740.09	8.0%	Site current occupied by modern industrial buildings
322 Apartments across 3 blocks on two sites intersected by the public highway	25%	1500	£2000	4.65%	6.4%	£375,000	5%	0.75% Agent 0.25% Legal	1.75%	3%	8.08	3 Blocks on two separate sites
783 Units across 8 blocks of apartments with in excess of 30,000 sq ft of commercial space	25%	£1,800	£2,000	4.5%	8%	£581,000	5%	0.25 Agent 0.1 Legal	0.25	3%	8.055	8 blocks apt blocks and large area of public realm
SOYO B	23.5%	£1,500	£2,000	4.5%	inc	£812,000	4.5%	0.5% + 0.25%	0.5 Agent 0.25 Legal	3%	8% on cost	Extant consent for Offices
410 units BTR York	23.5%	n/a	Reflected in build	4.5%	7%	£140,000 gross	5.5% debit / 0.5% credit	1% Agent 0.5% Legal	1.8%	5%	8% on GDV	Former gas works high abnormal.
375 Apartments & 55 Parking Spaces	23.5%	£1,700	Reflected in build	4.45%	8%	£720,000	5%	0.5% Agent 0.25% Legal	0.5%	2.5%	8% on cost	Blank

### DVS Reasoning and Conclusion

Based on my comments above, I have given greater weight to the agreed capitalisation yields for PRS scheme I have reviewed in Leeds. I have therefore adopted a yield of 4.45% based on recent yield compression for centrally located schemes.

#### 8.2 Total GDV

My total for GDV for a policy compliant scheme is £34,633,080 which is £7,413,080 higher than the applicant.

The impact on viability of higher and lower rental values of up to 20% are reflected upon as part of the sensitivity tests.

## 9.0 Total Development Costs

### 9.1 Summary of Costs

The applicant has commissioned a cost plan undertaken by Fox Lloyd Jones which is summarised below:

CONSTRUCTION COST SUMMARY								
<b>Accommodation Schedule</b>								
	<b>Ground</b>	<b>First</b>	<b>Second</b>	<b>Third</b>	<b>Forth</b>	<b>Fifth</b>	<b>Total</b>	
<b>1 bed</b>	6	5	5	5	5	4	<b>30</b>	
<b>2 bed</b>	7	16	15	15	12	6	<b>71</b>	
<b>3 bed</b>	2	4	6	6	5	3	<b>26</b>	
<b>Total</b>	<b>15</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>22</b>	<b>13</b>	<b>127</b>	
<b>Gross Internal Floor Area</b>			11,518 m <sup>2</sup> 123,980 ft <sup>2</sup>					
<b>Element</b>		<b>Qty /</b>			<b>£</b>			
<b>1</b>	<b>Demolition and Enabling Works</b>						<b>170,000</b>	
<b>2</b>	<b>Substructure &amp; Superstructure</b>						<b>21,945,402</b>	
<b>3</b>	<b>External works &amp; drainage</b>						<b>2,018,390</b>	
<b>4</b>	<b>Utilities connections</b>						<b>250,000</b>	
		Total						<b>24,383,792</b>
		Add Preliminaries (inc tower crane)						3,047,974
		Add OH&P						1,508,747
		Inflation 2Q 22 to 2Q 23			4.70%			1,360,204
		Add Contingency/Risk Allowance						Excluded
		<b>Total Construction Cost</b>						<b>30,300,717</b>
					£/m <sup>2</sup>			<b>2,631</b>
					£/Apt			<b>238,588</b>

Source: Fox Lloyd Jones

### 9.2 Summary of Unagreed Costs

Leeds City Council have instructed Rex Proctor and Partners to undertake a review of the build costs submitted by the applicants viability cost consultant Fox Lloyd Jones.

I summarise below in section 9.3 “Construction Costs” extracts from Rex Proctors and Partners (RPP) report:

### 9.3 Construction Cost

*“The construction costs submitted by Weetwood Developments Ltd via their agents Quod in September 2022, totalled £23,308,240.00. This has subsequently been updated to £30,300,717.00 based on a cost plan produced by Fox Lloyd Jones dated 15th May 2023. The Fox Lloyd Jones cost plan is what we have based our assessment on.*

*We carried out an arithmetical check of the cost plan and have identified an error within the external works and drainage section. It appears the cost of item 17 (Drainage infrastructure charges) of £63,500.00 is not included in the section total. This will therefore adjust the section total to £2,081,890.00 and the overall cost plan total to £30,379,626.*

*We have reviewed in detail the cost plan and associated assumptions and exclusions and note the following key observations: -*

- Fees are excluded.*
- Contingencies/risk allowances are excluded.*
- No allowances included for removal of contaminated materials, asbestos, invasive species, enhanced sustainability requirements, works beyond the boundary of the site, CIL, service diversions and highway improvements.*

*The cost plan contains a number of lump sum allowances for items such as new statutory service connections, bridge link, landscaping, street furniture, external lighting, boundary treatments and drainage installation and attenuation.*

*The allowances included for main contractor preliminaries and overheads and profit at 12.5% and 5.5% are considered reasonable given current market conditions.*

*An allowance of 4.7% for uplifting costs to ‘current day’ is included, however, we would query the requirement for this, or at least the requirement for it to be 4.7%, as it appears the majority of the rates/costs are in line with our expectations without the need for additional uplift. This 4.7% uplift equates to an additional £1.36m on the total construction cost.*

*There are a number of significant allowances/sums included within the externals/drainage elements, which may be excessive and will need to be reviewed as the design further develops. Such allowances include:-*

- Bridge link to highway - £150k*

- *Steps to ground level - £75k*
- *Soft Landscaping - £75k*
- *Street furniture - £100k*
- *Raised planters - £50k*
- *Boundary treatment - £75k*
- *Drainage installation - £500k*
- *Drainage attenuation - £250k*
- *Utility connections - £250k*

*We would however note that there are some elements that are lower than we would anticipate, such as the mechanical and electrical installation, where both our internal cost data and pricing books would indicate a rate in the region of £450-500/m<sup>2</sup>, whereas the cost plan includes an allowance of £386/m<sup>2</sup>.*

*The passenger lift allowance of £65k per lift serving 6 floors also appears low and we would normally expect a cost in excess of £100k.*

### *Conclusion*

*In conclusion, we consider the base build construction costs to be in the region of £5 - £10/ft<sup>2</sup> higher than expectations based on other similar recent submissions and our own internal cost data, when considered against the specification that is shown on the drawings submitted in support of the application.*

*A further reason we feel the costs to be in excess of expectations is the cost plan currently has no risk/contingency allowance included and also a number of abnormals excluded, which will only increase the costs if at some stage they are included.*

*However, we would note that the costs are prepared on extremely limited information and without the benefit of surveys and therefore this explains the reason for the large number of allowances/sums and also some significant exclusions and therefore the costs must be viewed as indicative only and may explain the slightly inflated costs included elsewhere in cost plan.*

*We would also note that whilst we have identified some areas where we would have costed the information differently, it is not unusual for two cost consultants to have differences in opinion on items, particularly at this stage of cost planning where items are typically priced as composite items or with*

*limited detail available. The cost plan should be refined/updated as and when additional detail and information becomes available in order to reduce the number of allowances /sums included.”*

Based on the advice above I have adopted a lower build cost reduced from the applicants opinion of £2,631 / sq (£244.42/sq ft) to £2,529.60 (£235 / sq ft)

#### 9.4 Summary Cost Inputs

The following cost inputs have not been accepted as reasonable.

Cost	Agent	DVS Comments
Contingency	5%	DVS confirm that 3% is appropriate and adopted on similar sites
Professional fees	10%	6% volume house builder 8% apartment scheme 10% listed building conversion
Finance	6.5%	100% debt funded scheme at 5% including arrangement fees; land purchased in entirety at day 1.

#### 10.0 **Developer's Profit**

10.1 The applicants advisor has states that there should be a minimum Developer Return of 12.5% of GDV for Build To Rent. They also states this target level of return is also considered to be at the lower end of the potential range in view of current market risks and uncertainty, the omission of a separate developer's contingency and the complexity and risk associated with tall buildings.

Whilst it is understood lower returns have historically been accepted recent changes in market conditions mean the risk of development has increased. These changes include those related to the delayed fall out of Brexit, the covid-19 pandemic, the war in Ukraine, global economic uncertainty, changes in regulations and policy relating to fire risk and climate change. If a profit of say 8% was deemed appropriate c.6-12 months ago it follows this must now be at least 12.5-15%.

10.2 Further to the above comments by the applicant, I consider the scheme to have low to medium risk and that the applicant's profit rate of 12% GDV is considered unreasonable based on other PRS schemes that I have reviewed in the Leeds.

- 10.3 My viability review assessment adopts a profit target of 8 % of GDC.
- 10.4 This profit rate is supported by numerous recent PRS scheme viability schemes that I have reviewed in Leeds.
- 10.5 I refer you to my comments regarding the PRS market at present and the schedule of comparable evidence which details agreed inputs to viability appraisals included yields, fees and profit on Gross Development Cost.

## **11.0 Benchmark Land Value (BLV)**

### **11.1 Applicant's BLV**

The applicant's surveyor has not expressly stated a Benchmark Land Value within their appraisal. They make the following statement in the viability appraisal:

*"3.14 Consideration has not however been given to the BLV due to the appraisal results (detailed in the next subsection of this report). The overall conclusion of this assessment remains valid regardless of the BLV adopted."*

There is no evidence or reasoning in support of the BMLV as illustrated above by the applicants advisors highly unusual statement.

In forming my opinion of BLV I have followed the five-step process, which is detailed in RICS GN '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' (effective 1 July 2021).

### **11.2 Existing Use Value (EUV)**

Step one is to undertake a valuation to determine EUV.

The Applicant's EUV can only be assumed to be £Nil. This is accepted as reasonable for the following reason.

The sites extant planning consent is for a Police Station which is a use for which there is practically no demand which directly impacts the EUV for the purposes of determining the BMLV.

Leeds City Council have formally confirmed that the established use of the site is a Police Station, which appears to date from a planning permission in 1980.

A police station is a *Sui Generis* use which has no permitted development rights. Changes to other uses would only be permitted following the grant of formal planning permission.

The site currently benefits from a range of temporary uses linked to a 2021 consent (21/03489/FU - *Temporary change of use from former Police Station (Sui Generis) to a range of commercial, business and service uses (Use Class E(c) and/or E(d) and/or E(f) and/or E(g)) and/or Use Class B8 (Storage and Distribution) and/or TV/Film production set (Sui Generis)*), however these uses are temporary in nature and are due to expire on 31.10.2024.

Due to the fact that West Yorkshire Constabulary sold the site to the applicant it is reasonable to assume they no longer require a similar facility in the Weetwood or Headingley. Therefore, the only likely prospective purchaser for the property in its current use is not willing to purchase the property.

I suspect the absence of any commentary regarding the EUV by Quod is an acceptance that the EUV is £Nil or nominal for the purposes of viability.

### 11.3 Alternative Use Value (AUV)

Step two is the assessment, where appropriate, of the AUV.

Following consultation with Leeds City Council Planning department the property does not have a readily deliverable alternative use without the grant of a new planning consent.

RICS guidance states will not be appropriate to report an alternative use value where it does not exist.

Permitted development and a use within the same use class are only the existing use when no alterations are necessary to implement the use.

Where refurbishment or redevelopment are necessary, it will fall under the AUV provisions of the PPG (paragraph 017). 5.4.4 The AUV will have to be supported by evidence of the costs and values of the alternative use. However, a police station is a *Sui Generis* use which has no permitted development rights. Changes to other uses would only be permitted following the grant of formal planning permission.

I acknowledge the property has a temporary planning consent which expires on 31<sup>st</sup> October 2024 which is approximately in 15<sup>th</sup> months. I have considered whether it is appropriate to capitalise 15 months income,

however, I have determined the vacant property holding costs including vacant business rates, security and maintaining services to the property are likely to result in a nominal value.

The decision-taker will have to decide on the likelihood of that alternative use being implemented if permission for the actual development is not given. This assessment should be set within the context of the other options available to the landowner. In the absence of any attempt by the applicant to determine the BMLV I agree there is no AUV for the purposes of viability.

#### 11.4 Cross Sector Collaboration Evidence of BLV and Premium

The RICS GN explains that Step three is to assess a premium above EUV based on the evidence set out in PPG paragraph 016, which is '*the best available evidence informed by cross sector collaboration, which can include benchmark land values from other viability assessments' comparisons with existing premiums above EUV*'.

The applicants advisor and I have been unable to identify any relevant cross sector evidence for PRS apartments in the Leeds suburbs.

#### 11.5 Residual Land Value

Step four is to determine the residual value of the site or typology, assuming actual or emerging policy requirements, and this assessment of land value can be cross checked against the EUV+.

Adopting the inputs described herein in this report, the residual land value of the proposed scheme with full policy requirements (20% affordable at 80% of market rents) is minus £2,278,703.

Which compared to the EUV of £NIL would give way to a significantly unviable scheme.

#### 11.6 Adjusted Land Transaction Evidence

Step five is to cross-check the EUV+ approach to the determination of the BLV of the site by reference to (adjusted) land transaction evidence and can also include other BLV of compliant schemes (or adjusted if not compliant).

Neither the applicants advisor or DVS have been unable to identify relevant adjusted land transactions.



### 11.7 Purchase Price

The NPPG on viability encourages the reporting of the purchase price to improve transparency and accountability, however it discourages the use of a purchase price as a barrier to viability, stating *the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. And under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*

The PPG does not, however, invalidate the use and application of a purchase price, or a price secured under agreement, where the price enables the development to meet the policies in the plan.

I have researched publicly available records (Land Registry) and understand that the purchase price at 22 December 2020 was £3,504,000.

### 11.8 Benchmark Land Value Conclusion

The reasonableness of the applicant's £NIL Benchmark Land Value has been considered against:

- The EUV is a nominal sum
- Alternative use value not applicable
- Evidence of appropriate premium above the EUV not applicable
- The Residual Land Value of the planning compliant scheme minus £2,974,637
- Benchmark Land Values (BLV) adopted in the local plan study for this typology not applicable
- BLV adopted and agreed between DVS and an applicant's advisor, with greatest weight BLVs which delivered full policy not applicable.
- Market evidence adjusted for planning policy compliance not applicable.
- The purchase price £3,504,000

It is my balanced and professional opinion having considered all of the above approaches and giving greatest weight to the existing use value that an appropriate BLV would be £nominal or Nil

In conclusion as the Residual Land Value of the policy compliant scheme produces a figure which is less than the EUV / offers an insufficient premium I agree with the applicant's conclusion that full policy cannot be provided.

## 12.0 DVS Viability Assessment

### 12.1 DVS Viability Appraisal 1 Policy Compliant Scheme

My viability review assessment has been produced using Argus Developer software.

Appraisal 1 can be found at **Appendix (i)** reflects the combined policy requirements of 20% on site Affordable housing and CIL/ s.106 contributions of £1,003,347, and fixes developer's profit of 8% GDV and results in a residual land value of minus £2,974,637.

As detailed in this report, I have a difference of opinion regarding values and construction costs. The cumulative effect of these changes is that my viability appraisal generates a residual land value of minus £2,974,637 which is below the BLV of £NIL.

**It is my independent conclusion a planning policy compliant scheme is not viable.**

### 12.2 DVS Appraisal 2 – Reduced Policy Scheme

As the scheme cannot meet full policy requirements, I have considered the maximum contributions that the scheme could viably provide. Through a series of iterations to the appraisal I have established that the scheme cannot support any affordable housing.

Appraisal 2 - which can be found at appendix (ii) reflects a scheme with £1,003,347 policy requirements and a fixed developer's profit of 8% GDC the appraisal generates a residual value for land of minus £1,795,356, which is below the BLV of £NIL.

**It is my independent conclusion this scheme cannot support any affordable housing.**

## 13.0 Sensitivity Analysis

13.1 Further to mandatory requirements within the RICS Professional Statement '**Financial viability in planning: conduct and reporting**', sensitivity tests are included to support the robustness of the viability conclusion described above.

13.2 I have varied one of the most sensitive appraisal inputs relating to rents. I have adjusted these in upward by 5% increments from the base appraisal assumption, and the output is the residual land value, which can be compared to the BLV of £NIL

13.3 **Sensitivity Test 1 – Appraisal 1 – Policy Compliant Scheme Results**

<b>Sensitivity Analysis Report</b>					
<b>Table of Land Cost and Profit on Cost%</b>					
	Rent: Rate /ft <sup>2</sup>				
	0.000%	5.000%	10.000%	15.000%	20.000%
Rental Growth	0.000%	5.000%	10.000%	15.000%	20.000%
Rent per sq foot	18.75 /ft <sup>2</sup>	19.69 /ft <sup>2</sup>	20.63 /ft <sup>2</sup>	21.56 /ft <sup>2</sup>	22.50 /ft <sup>2</sup>
Land Value	-2,278,703	-790,293	679,458	2,131,101	3,582,757
Profit	8.000%	8.000%	8.000%	8.000%	8.000%

13.4 The base conclusion is shown in the column shaded orange. The green cells indicate the combination of factors that would give way to a viable scheme, and the red cells what would give way to an unviable scheme.

13.5 As can be seen from the Appraisal 1 sensitivity matrix, if rents increase by 10% between the date of preparing this viability review and practical completion of the scheme the development is fully viable based on a BMLV of £Nil. Please note the applicant has not commented on what the benchmark land value should be. Similarly, if rents increase by 20% the scheme will become fully viable based on a land value of £3,582,757. Please also note the applicants purchased the site for £3,504,000 in December 2020 based on Land Registry Records.

**14.0 Recommendations**

Summary of key issues and recommendations.

I recommend the planning committee give weight to the impact of rental growth between the date of this report and the practical completion of the scheme and letting of the apartments.

Based on recent rental inflation the increase in rents could result in a fully viable scheme in 18 months to 24 months time.

It is acknowledged that the initial viability assessment indicates that the development cannot viably support any affordable housing without jeopardising the derivability of the development. I would suggest that Leeds City Council enter into an overage agreement with the developer to allow a

calculation to determine overage (profit share) to be carried out at the end of the development. Overage should apply to any developer's profit above a pre-agreed amount, which excess sum should be divided 50:50 with the Council for use by it to provide affordable homes either in the subject scheme, if possible, or elsewhere, at the Council's discretion.

The Overage calculation should be facilitated by the developer/applicant acting in good faith and, where relevant, fully disclosing and justifying all relevant cost and revenue items in the development appraisal.

#### 14.1 Viability Conclusion

**Following the above testing work It is my considered conclusion that the proposed is unable to support any affordable housing of section 106 contributions.**

In order to be delivered there must be either flex in the landowners' expectation of the developer's profit or a reduction in development costs or a combination of all. This is considered remote at the date of assessment and so may raise wider concern over the deliverability of the scheme.

I reiterate the conclusions contained in my sensitivity analysis which indicates rental growth between the date of this report and completion of the scheme could result in a fully policy compliant scheme.

#### 14.2 Viability Review

Further to my conclusion above and the advice that your Council's full planning policy requirements will not be met; a review clause might be appropriate as a condition of the permission, in line with paragraph 009 of the PPG Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project. DVS can advise further on this should you so require.

Planning authority may also wish to consider the inclusion of a clause that restricts the scheme to rented dwellings and gives your authority the ability to reassess the viability upon an application for change of user.

The council may consider it appropriate to make it a pre commencement condition that viability is reviewed if construction does not start within a prescribed period of time.

## **15.0 Engagement**

- 15.1 The DVS valuer has not conducted any discussions negotiations with the applicant or any of their other advisors.
- 15.2 If any of the assumptions stated herein this report and/or in the attached appraisal are factually incorrect the matter should be referred back to DVS as a re-appraisal may be necessary.

## **16.0 Disclosure / Publication**

- 16.1 The report has been produced for Leeds City Council only. DVS permit that this report may be shared with the applicant and their advisors (planning advisor & viability advisor), as named third parties only.
- 16.3 The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers and solely for the purposes of the instruction to which it relates. Our report may not, without our specific written consent, be used or relied upon by any third party, permitted or otherwise, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our report. No responsibility whatsoever is accepted to any third party (named or otherwise) who may seek to rely on the content of the report.
- 16.3 Planning Practice Guidance for viability promotes increased transparency and accountability, and for the publication of viability reports. However, it has been agreed that your authority, the applicant and their advisors will neither publish nor reproduce the whole or any part of this stage 1 assessment report, nor make reference to it, in any way in any publication. It is intended that a final report will later be prepared, detailing the agreed viability position or alternatively where the stage 1 report is accepted, a redacted version will be produced, void of personal and confidential data, and made available for public consumption.
- 16.4 As stated in the terms, none of the VOA employees individually has a contract with you or owes you a duty of care or personal responsibility. It is agreed that you will not bring any claim against any such individuals personally in connection with our services.
- 16.5 (England) This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information

Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006 and your council is expected to treat it accordingly.

The DVS valuer assume that all parties will restrict this report's circulation as appropriate, given the confidential and personal data provided herein.

**If the parties do not wish to discuss or contest this report, a redacted version suitable for publication can be issued following your formal request.**

I trust that the above report is satisfactory for your purposes, however, should you require clarification of any point do not hesitate to contact me further.

[Redacted signature block]

[Redacted name]

Principal Surveyor  
RICS Registered Valuer  
DVS

Date: 16 January 2024

Not for Publication

## 17.0 Appendices

- (i) Appraisal 1
- (ii) Appraisal 2
- (iii) Rex Proctor & Partners Cost Consultancy Advice
- (iv) Redacted TOE

*Not for Publication*

(i) Appraisal 1 Policy Compliant Scheme

**APPRAISAL SUMMARY** **VALUATION OFFICE AGENCY**

**Weetwood Police Station V1**  
**Policy Compliant 20% Affordable**

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale
PRS Aptment	127	102,616	18.75	15,150	1,471,906

**Investment Valuation**

PRS Aptment					
Current Rent	1,471,906	YP @	4.2500%	23.5294	34,633,080

**NET REALISATION**

**34,633,080**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)			(2,278,703)		(2,278,703)
------------------------------------	--	--	-------------	--	-------------

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost		
PRS Aptment	123,980	235.00	29,135,300		<b>29,135,300</b>

3		3.00%	874,059		
Section 106 Costs			68,260		
CIL			935,087		
					1,877,406

**PROFESSIONAL FEES**

Architect		8.00%	2,330,824		2,330,824
-----------	--	-------	-----------	--	-----------

**FINANCE**

Debit Rate 5.000%, Credit Rate 1.000% (Nominal)					
Land			(177,591)		
Construction			1,180,429		
Total Finance Cost					1,002,838

**TOTAL COSTS**

**32,067,664**

**PROFIT**

**2,565,416**

**Performance Measures**

Profit on Cost%	8.00%
Profit on GDV%	7.41%
Profit on NDV%	7.41%
Development Yield% (on Rent)	4.59%
Equivalent Yield% (Nominal)	4.25%
Equivalent Yield% (True)	4.37%

IRR 17.21%

Rent Cover	1 yr 9 mths
Profit Erosion (finance rate 5.000)	1 yr 7 mths

Project: Y:\IDV Services\DEVELOPMENT CONSULTANCY SERVICES\AH Yorkshire, NE, Part Midlands\Leeds\WEETWOOD - ARGUS Developer Version: 7.70.000 Date: 02/08/2023



(ii) Appraisal 2 Sub Policy Nil Affordable Housing

**APPRAISAL SUMMARY** **VALUATION OFFICE AGENCY**

Weetwood Police Station V1  
Nil Affordable

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale
PRS Aptment	127	102,616	19.49	15,750	1,530,188

**Investment Valuation**

<b>PRS Aptment</b>					
Current Rent	1,530,188	YP @	4.2500%	23.5294	36,004,428

**NET REALISATION**

**36,004,428**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)			(1,099,417)		(1,099,417)
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**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost		
PRS Aptment	123,980	235.00	29,135,300		<b>29,135,300</b>
3		3.00%	874,059		
Section 106 Costs			68,260		
CIL			935,087		
					1,877,406

**PROFESSIONAL FEES**

Architect	8.00%	2,330,824			2,330,824
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**FINANCE**

Debit Rate 5.000%, Credit Rate 1.000% (Nominal)					
Land			(87,108)		
Construction			1,180,429		
Total Finance Cost					1,093,320

**TOTAL COSTS**

**33,337,433**

**PROFIT**

**2,666,995**

**Performance Measures**

Profit on Cost%	8.00%
Profit on GDV%	7.41%
Profit on NDV%	7.41%
Development Yield% (on Rent)	4.59%
Equivalent Yield% (Nominal)	4.25%
Equivalent Yield% (True)	4.37%
IRR	16.05%
Rent Cover	1 yr 9 mths
Profit Erosion (finance rate 5.000)	1 yr 7 mths

Project: Y:\DV Services\DEVELOPMENT CONSULTANCY SERVICES\AH Yorkshire, NE, Part Midlands\Leeds\WEETWOOD  
ARGUS Developer Version: 7.70.000 Date: 02/08/2023

(iii) Rex Proctor & Partners Cost Consultancy Advice on behalf of Leeds City Council



First Floor | Riverside West  
Whitehall Road | Leeds | LS1 4AW  
0113 243 3731 | rpp.co.uk



## Report

### In Respect of Review of Construction Costs for Viability Purposes

### Redevelopment of Weetwood Police Station – 127 Unit Option

For

**Leeds City Council**



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Document Created for:	Steven Wilkinson
Prepared By:	James Moss
Client:	Leeds City Council
Date:	20 <sup>th</sup> July 2023
Job Number:	LD50592



Contents:

1.00	Terms of Engagement /Basis of Instruction
2.00	Documentation Provided
3.00	Commentary on Costs
4.00	Conclusion

CONFIDENTIAL

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**Report**  
Client: Leeds City Council  
Project: Weetwood Police Station  
File Path: V:\Leeds\LDG312 - Weetwood Police Station\8 - ERF\23-07-19 - Weetwood Police Station - Cost Review.docx

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rex procter and partners

**1.00 TERMS OF ENGAGEMENT /BASIS OF INSTRUCTION**

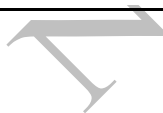
- 1.01 Rex Procter and Partners (RPP) have been appointed by Leeds City Council to appraise the costs presented by Weetwood Developments Ltd in respect of their proposed scheme for 127nr homes Build to Rent (BTR) across four buildings up to 6 storeys in height at the former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds under planning reference 22/06370/FU.
- 1.02 The parties have requested these costs are independently appraised by a Chartered Surveyor.
- 1.03 The appraisal has been undertaken by James Moss, a Chartered Quantity Surveyor with over 20 years' experience.
- 1.04 The construction costs submitted by Weetwood Developments Ltd via their agents Quod in September 2022, totalled £23,308,240.00. This has subsequently been updated to £30,300,717.00 based on a cost plan produced by Fox Lloyd Jones dated 15<sup>th</sup> May 2023. The Fox Lloyd Jones cost plan is what we have based our assessment on.
- 1.05 This report is limited to the assessment of the costs listed above, i.e. the construction costs of the dwellings and any abnormal costs presented as being necessary for this development.
- 1.06 RPP are not qualified to advise on the technical solutions adopted and costed – if comment is required on these aspects, then other suitably qualified Consultants would need to be appointed.

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**Report**  
Client: Leeds City Council  
Project: Weetwood Police Station  
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**2.00 DOCUMENTATION PROVIDED**

2.01 The following information has been provided to assist us in the analysis of the costs: -

- Financial Viability Assessment produced by Quod, dated September 2022 (Rev 002).
- Planning Report produced by Quod, dated September 2022.
- Indicative Cost Estimate (Redevelopment of Weetwood Police Station. 127 Unit Option) produced by Fox Lloyd Jones dated 15<sup>th</sup> May 2023.

2.02 In addition, RPP have utilised the drawings and relevant information on the Planning Portal.

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### 3.00 COMMENTARY ON COSTS

3.01 The project is for the construction of 4Nr residential blocks to provide 127 Nr apartments in a mixture of one bed, two bed and three bed units.

The project also includes the demolition and site preparation/ remediation of the former police station, common areas, car parking, pavings, landscaping, drainage and mains services.

3.02 The cost plan states a total GIA of 11,518m<sup>2</sup> (123,980ft<sup>2</sup>).

3.03 The cost plan dated 15<sup>th</sup> May 2023, has been prepared by Fox Lloyd Jones with 'current day' pricing and we assume is on the basis of a design and build form of contract.

3.04 No contract period has been stated and no allowance has been included for inflation to a mid-point of construction.

3.05 We carried out an arithmetical check of the cost plan and have identified an error within the external works and drainage section. It appears the cost of item 17 (Drainage infrastructure charges) of £63,500.00 is not included in the section total. This will therefore adjust the section total to £2,081,890.00 and the overall cost plan total to £30,379,626.

3.06 A high level summary of the cost plan (based on the adjusted figure as detailed in 3.05) is as follows: -

- Construction Cost £30,379,626
- Cost/m<sup>2</sup> (GIA) £2,638
- Cost/sqft (GIA) £245
- Cost/apartment £239,210

3.07 We have reviewed in detail the cost plan and associated assumptions and exclusions and note the following key observations: -

- Fees are excluded.
- Contingencies/risk allowances are excluded.
- No allowances included for removal of contaminated materials, asbestos, invasive species, enhanced sustainability requirements, works beyond the boundary of the site, CIL, service diversions and highway improvements.

3.08 The cost plan contains a number of lump sum allowances for items such as new statutory service connections, bridge link, landscaping, street furniture, external lighting, boundary treatments and drainage installation and attenuation.

3.09 The allowances included for main contractor preliminaries and overheads and profit at 12.5% and 5.5% are considered reasonable given current market conditions.

3.10 An allowance of 4.7% for uplifting costs to 'current day' is included, however, we would query the requirement for this, or at least the requirement for it to be 4.7%, as it appears the majority

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#### Report

Client: Leeds City Council

Project: Weefwood Police Station

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of the rates/costs are in line with our expectations without the need for additional uplift. This 4.7% uplift equates to an additional £1.36m on the total construction cost.

- 3.11 In the first instance, we have reviewed the costs against the information held on the Building Cost Information Service (BCIS) which indicates a mean of £1,877/m<sup>2</sup>, inclusive of preliminaries, but exclusive of demolition and external works, for a 6 storey or above new build apartment scheme.

The cost plan includes demolition, external works and utility connections at approximately £263/m<sup>2</sup> inclusive of preliminaries, OHP and inflation to Q2 2023. Even including the submitted allowance for external works, we note that the cost plan at £2,638/m<sup>2</sup> is significantly in excess of the BCIS (plus externals) cost/m<sup>2</sup>.

- 3.12 We would, however, note that the cost data that the BCIS averages are based on is a limited sample size for this size of development, and we would note that the BCIS averages noted above are not in line with our current expectations of developments of this nature.

- 3.13 In addition to reviewing the BCIS information, we have carried out a full assessment of the rates included within the cost plan provided by Fox Lloyd Jones and would comment that generally we are in agreement with the rates utilised, however we have set out below some areas where we consider the costs to be higher than we would anticipate.

- 3.14 While the rates for the structural frame and upper floors appear acceptable on first review, we have noted a further £1.26m of 'core partitions' under the internal walls element. We assume that these are structural walls and as such would normally be included within the frame element. If this £1.26m of structural walls was to be included within the frame, this would equate to a rate of £504/m<sup>2</sup>, which we would consider excessive as our expectations would be a rate in the region of £350/m<sup>2</sup>.

- 3.15 In addition to the standard structural frame inclusions, the cost plan also allows for forming the undercroft complete with transfer and podium structure, which adds circa £1m to the costs. The provision of the undercroft would be considered an abnormal and therefore a reason to explain an higher than expected overall £/m<sup>2</sup> rate.

- 3.16 Ceramic wall tiling is priced at £105/m<sup>2</sup> which we consider excessive. We would normally expect a rate in the region of £80/m<sup>2</sup> for wall tiling.

- 3.17 MDF skirtings are priced at a rate of £20/m, which is excessive. A rate of no more than £15/m would be more in line with our expectations.

- 3.18 There are a number of significant allowances/sums included within the externals/drainage elements, which may be excessive and will need to be reviewed as the design further develops. Such allowances include:-

- Bridge link to highway - £150k
- Steps to ground level - £75k
- Soft Landscaping - £75k
- Street furniture - £100k

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**Report**  
 Client: Leeds City Council  
 Project: Weetwood Police Station  
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- Raised planters - £50k
- Boundary treatment - £75k
- Drainage installation - £500k
- Drainage attenuation - £250k
- Utility connections - £250k

3.19 We would however note that there are some elements that are lower than we would anticipate, such as the mechanical and electrical installation, where both our internal cost data and pricing books would indicate a rate in the region of £450-500/m<sup>2</sup>, whereas the cost plan includes an allowance of £386/m<sup>2</sup>.

3.20 The passenger lift allowance of £65k per lift serving 6 floors also appears low and we would normally expect a cost in excess of £100k.

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**Report**  
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**4.00 CONCLUSION**

- 4.01 In conclusion, we consider the base build construction costs to be in the region of £5-£10/ff² higher than expectations based on other similar recent submissions and our own internal cost data, when considered against the specification that is shown on the drawings submitted in support of the application. A further reason we feel the costs to be in excess of expectations is the cost plan currently has no risk/contingency allowance included and also a number of abnormalities excluded, which will only increase the costs if at some stage they are included.
- 4.02 However, we would note that the costs are prepared on extremely limited information and without the benefit of surveys and therefore this explains the reason for the large number of allowances/sums and also some significant exclusions and therefore the costs must be viewed as indicative only and may explain the slightly inflated costs included elsewhere in cost plan.
- 4.03 We would also note that whilst we have identified some areas where we would have costed the information differently, it is not unusual for two cost consultants to have differences in opinion on items, particularly at this stage of cost planning where items are typically priced as composite items or with limited detail available.
- 4.04 The cost plan should be refined/updated as and when additional detail and information becomes available in order to reduce the number of allowances/sums included.

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**Report**  
Client: Leeds City Council  
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(iv) Redacted TOE



**Valuation Office  
Agency**

Steven Wilkinson  
Principal Planning Officer  
Planning Services,  
City Development  
Leeds City Council

**DVS** Property Specialists  
for the Public Sector

Valuation Office Agency  
7 Wellington Place  
Leeds  
LS1 4AJ

Our Reference :  
Your Reference : Skinner Street

Please ask for [REDACTED]  
Tel : 03000 [REDACTED]

E Mail : [REDACTED]

Date : 13<sup>th</sup> June 2023

Dear Mr Wilkinson

**Independent Review of Development Viability Assessment**

<b>Proposed Development</b>	Demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access.
<b>Subject of Assessment:</b>	Former Weetwood Police Station, 300 Otley Road, Weetwood, Leeds
<b>Planning Application Ref:</b>	22/06370/FU
<b>Applicant / Developer:</b>	Weetwood Developments Limited
<b>Applicant's Viability Advisor:</b>	Quod

I refer to your instructions and am pleased to confirm my Terms of Engagement in undertaking this commission for you.

This document contains important information about the scope of the work you have commissioned and confirms the terms and conditions under which DVS, as part of the VOA proposes to undertake the instruction.

It is important that you read this document carefully and if you have any questions, please do not hesitate to ask the signatory whose details are supplied above. Please contact them immediately if you consider the terms to be incorrect in any respect.

Please note that this Terms of Engagement document is confidential between our client, Leeds City Council, and the VOA. As it contains commercially sensitive and data sensitive information, it should not be provided to the applicant or their advisor without the explicit consent of the VOA. A redacted copy of these terms will be included as an appendix to our final report.

## **1. Client**

This instruction will be undertaken for Leeds City Council and the appointing planning officer is yourself, Steven Wilkinson.

## **2. Subject Property and Proposed Development**

It is understood that you require a viability assessment review of planning application ref: 22/06370/FU, Demolition of the existing buildings and construction of a new building for residential use (Use Class C3), provision of internal roads for vehicular and pedestrian access and servicing, car parking, landscaping, a substation, new pedestrian infrastructure and modifications to existing vehicular and pedestrian access.

## **3. Purpose and Scope**

To complete this assessment DVS will:

- a) Assess the Financial Viability Appraisal (FVA) submitted by / on behalf of the planning applicant / developer, taking in to account the planning proposals as supplied by you or available from your authorities planning website.
- b) Advise you on those areas of the appraisal which are agreed and those which are considered unsupported or incorrect, including stating the basis for this opinion.
- c) If DVS considers that the applicant's appraisal input and viability conclusion is incorrect, we will advise on the cumulative viability impact of the changes and in particular whether any additional affordable housing and / or s106 contributions might be provided without adversely affecting the overall viability of the development. This will take the form of sensitivity tests.

3.1 My report to you will constitute my final report if my findings conclude that the planning applicant / developer cannot provide more affordable housing and s106 payments than have been proposed.

3.2 However, if having completed my assessment, I conclude that the planning applicant / developer may be able to provide more affordable housing and s106 payments than have been proposed, I understand that my findings report may only constitute Stage One of the process as the report will enable all parties to then consider any areas of disagreement and potential revisions to the proposal.

3.3 In such circumstances, I will, where instructed, by you be prepared to enter into discussions on potential revisions to the applicant's proposals, and / or consider any new supporting information. Upon concluding such discussions, I will submit a new report capturing my subsequent determination findings on the potentially revised application; for convenience and to distinguish it, this report on a second stage assessment may be referred to as my Stage Two report.

#### 4. Date of Assessment

The date of the assessment is to be 30<sup>th</sup> June 2023.

#### 5. Confirmation of Standards to be applied

The DVS viability assessment review will be prepared in accordance with the following statutory and other authoritative requirements:

##### Mandatory provisions

- The '**National Planning Policy Framework**', which states that all viability assessments should reflect the recommended approach in the '**National Planning Practice Guidance on Viability**'. This document is recognised as the 'authoritative requirement' by the Royal Institution of Chartered Surveyors (RICS).
- RICS Professional Statement '**Financial viability in planning: conduct and reporting**' (effective from 1 September 2019) which provides the mandatory requirements for the conduct and reporting of valuations in the viability assessment and has been written to reflect the requirements of the PPG.
- RICS Professional Standards PS1 and PS2 in the '**RICS Valuation – Global Standards**'.

##### Best Practice provisions

Regard will be had to applicable RICS Guidance Notes:

- RICS GN 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' (effective 1 July 2021)
- RICS GN 'Valuation of Development Property'
- RICS GN 'Comparable Evidence in Real Estate Valuation'

Measurements stated will be in accordance with the RICS Professional Statement '**RICS Property Measurement' (2<sup>nd</sup> Edition)** and, where relevant, the **RICS Code of Measuring Practice (6<sup>th</sup> Edition)**.

Valuation advice, where applicable, will be prepared in accordance with the professional standards, in particular VPS 1 to 5 of the **RICS Valuation – Global Standards'** and with the '**UK National Supplement'**, which taken together are commonly known as the RICS Red Book. Compliance with RICS Professional Standards and Valuation Practice Statements (VPS) gives assurance also of compliance with the International Valuations Standards (IVS).

## 6. Agreed Departures from the RICS Professional Standards

As agreed by you, any office and / or residential property present has been reported upon using a measurement standard other than IPMS, and specifically Gross Internal Area has been used. Such a measurement is an agreed departure from '**RICS Property Measurement (2<sup>nd</sup> Edition)**'.

I understand that you requested this variation because this measurement standard is how the applicant has presented their data, is common and accepted practice in the construction / planning industry, and it has been both necessary and expedient to analyse the comparable data on a like with like basis.

RICS Red Book Professional Standards PS1 and PS2 are applicable to our undertaking of your case instruction. As our assessment may be used by you as part of a negotiation, compliance with the technical and performance standards at VPS1 to VPS 5 is not mandatory (PS 1 para 5.4) but best practice and they will therefore be applied to the extent not precluded by your specific requirement.

## 7. Bases of Value

**7.1 Benchmark Land Value (BLV)** Paragraph 014 of the NPPG for Viability states that Benchmark Land Value should:

- *be based upon existing use value.*
- *allow for a premium to landowners (including equity resulting from those building their own homes).*

- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.*

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

*In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*

*Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).*

**7.2 Existing Use Value (EUV):** Paragraph 015 of the NPPG for viability states that:

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).*

*Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.*

**7.3 Alternative Use Value (AUV):** Paragraph 017 of the NPPG for viability states that:

*For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.*

*Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up-to-date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.*

**7.4 Gross Development Value (GDV)** is defined in the Glossary of the RICS GN 'Valuation of Development Property' (February 2020) as:

*The aggregate Market Value of the proposed development on the special assumption that the development is complete on the date of valuation in the market conditions prevailing on the date. Where an income capitalisation approach is used to estimate the GDV, normal assumptions should be made within the market sector concerning the treatment of purchaser's costs. The GDV should represent the expected contract price.*

**7.5 Market Value (MV)** is defined by RICS VPS 4, paragraph 4 as:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

**7.6 Market Rent (MR)** is defined by RICS VPS 4, paragraph 5 as:

*"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

## **8. Special Assumptions**

On occasion, it may be agreed that a basis of value requires to be modified and a Special Assumption added, for example where there is the possibility of Special Value attaching to a property from its physical, functional, legal or economic association with some other property.

Any Special Assumptions agreed with you have been captured below under the heading Special Assumptions, in accordance with VPS 4, para 9 of the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement and will be restated in my report.

The following special assumptions have been agreed and will be applied:

- That the proposed development is complete on the date of assessment in the market conditions prevailing on the date of assessment.
- That your Council's Local Plan policies, or emerging policies, including for affordable housing are up to date.
- That the applicant's abnormal costs, where adequately supported, are to be relied upon to determine the viability of the scheme, unless otherwise stated in our report and / or otherwise instructed by your Council and that are no abnormal development costs in addition to those which the applicant has identified.

## **9. Extent of Valuer's Investigations, Restrictions and Assumptions**

An assumption in this context is a limitation on the extent of the investigations or enquiries that will be undertaken by the assessor.

The following agreed assumptions will apply to your instruction and be stated in my report, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer decides is professionally adequate and possible in the particular circumstance will be undertaken.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property will be undertaken. The Valuer will have regard to the apparent state of repair and condition and will assume that inspection of those parts that are not inspected would neither reveal defects nor cause material alteration to the valuation unless the valuer becomes aware of indication to the contrary.

The building services will not be tested, and it will be assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that



would only be apparent following such a detailed survey, testing or inspection. If the Valuer decides further investigation to be necessary, separate instructions will be sought from you.

- It will be assumed that good title can be shown, and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings.
- It will be assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- It will be assumed that all factual information provided by you or the applicant or their agent with regard to the purpose of this request and details of tenure, tenancies, planning consents and all other relevant information is correct. The advice will therefore be dependent on the accuracy of this information and should it prove to be incorrect or inadequate the basis or the accuracy of any assessment may be affected.
- Valuations will include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations) but will exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.
- No access audit will be undertaken to ascertain compliance with the Equality Act 2010 and it will be assumed that the premises are compliant unless otherwise stated by the applicant.
- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972 unless identified as pertinent by the applicant.

## **10. Nature and Source of Information to be relied upon by Valuer**

### **10.1 From the client**

Information that will be provided to the VOA by the client comprises the following material, which will be relied upon by the viability assessor without further verification.

- a) The Planning application details.
- b) Confirmation of Local plan policy requirement such as CIL / S106 / S278 planning obligations. In particular whether the applicant's

assumptions on these matters are correct, if they are incorrect then please provide the correct details.

- c) Details of any extant or elapsed consents relating to permitted Alternative Use.
- d) If the applicant has relied on an alternative use that is not permitted, a statement as to whether this alternative would be an acceptable development.
- e) If the applicant has applied vacant building credit, a statement as to whether this is agreed by your Council, if not the appropriate figure.
- f) A copy of the applicant's financial viability appraisal dated 19 April 2022 prepared by Savills.

## 10.2 Information from the applicant

### Site access

It is understood that the site is accessible or can be sufficiently viewed from the roadside and no appointment to inspect is required.

In particular it is understood there are no extraordinary health and safety issues to be aware of. If this is incorrect, please provide details of access arrangements and any PPE requirements.

### Viability assessment

The applicant should provide sufficient detail to enable DVS to assess their contention that the scheme would not be viable if the Policy requirements in the Local Plan were met.

The applicant's Viability Assessment is expected to meet the authoritative requirements of the NPPF and NPPG for Viability. Where completed by a member the RICS, it is also expected that the applicant's report will comply with RICS Professional Standards PS 1 and PS 2 and the **RICS Professional Statement 'Financial Viability in planning: conduct and reporting'**. In all cases the applicant's viability report is expected to include:

- a) A schedule of accommodation which accords with the planning application.
- b) A plan showing the respective boundaries and the site area.
- c) An appraisal compliant with the policy requirements of the Local Plan.
- d) A report with text and evidence in support of the:
  - (i) Gross Development Value adopted.
  - (ii) Benchmark Land Value, with reference to EUV and premium.
  - (iii) Gross Development Costs including any Abnormal Costs.
  - (iv) Profit assumptions.
  - (v) Finance assumptions.

(vi) Cash flow assumptions.

### **10.3 DVS Information**

DVS will make use of VOA held records and information. The sources of any other information used that is not taken from our records will be identified in the review report.

### **10.4 Information Outstanding**

I confirm I have in my possession a copy of the applicant's viability report / appraisal and to complete the assessment I require the following.

From your council:

A summary of Section 106 Costs applicable to the application.

A summary of CIL charges applicable to the application.

The report delivery date will be dependent upon timely receipt of this information.

### **11. Identity of Responsible Valuer and their Status**

It is confirmed that the valuation will be carried out by a RICS Registered Valuer, acting as an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the assessment competently.

The valuer responsible will be [REDACTED] and their contact details are as stated above in the letterhead.

Any graduate involvement will be detailed in the report.

### **12. Disclosure of any Material Involvement or Conflict of Interest**

In accordance with the requirements of the RICS standards, the VOA has checked that no conflict of interest arises before accepting this instruction.

It is confirmed that DVS are unaware of any previous conflicting material involvement and am satisfied that no conflict of interest exists. Should any such difficulty subsequently be identified, you will be advised at once and your agreement sought as to how this should be managed.

It is confirmed that the valuer appointed has no personal conflict undertaking this instruction.

### **13. Resignation of Independent Expert**

In the rare event of the independent expert becoming ill or otherwise incapable of conducting the determination, or where for any reason it would be improper to continue,

then they may have no alternative but to resign. In these circumstances, DVS would seek agreement with the parties as to the best way forward, such as through the appointment of another suitably qualified DVS surveyor. It is agreed that permission for this would not be unreasonably withheld by the parties in such special circumstances.

#### **14. Description of Report**

A side headed written report as approved by you for this purpose will be supplied and any differences of opinion will be clearly set out with supporting justification, where inputs are agreed this will be stated also. The DVS report will be referred to as a viability review assessment.

Further to the requirements of the RICS a non-technical summary will be included in the review assessment, together with sensitivity tests to support the viability conclusion.

Further to the requirements of the PPG a redacted version of the DVS viability review assessment detailing the final or agreed position will be supplied for transparency purposes.

#### **15. Report Date**

It is my intention to submit my review assessment by 30<sup>th</sup> June 2023.

If unforeseen problems arise that may delay my report, you will be contacted before this date with an explanation and to discuss the position.

In order to meet the above reporting date, it is essential that the information requested with section 10 of these terms is supplied by 20<sup>th</sup> June 2023.

#### **16. Validity Period**

The report will remain valid for 6 (six) months unless circumstances change, or further material information becomes available. Reliance should not be placed on the viability conclusion beyond this period without reference back to the VOA for an updated valuation.

#### **17. Restrictions on Disclosure and Publication**

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

#### **18. Limits or Exclusions of Liability**

Our viability advice is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our advice may not, without our specific written consent, be

used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report.

If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

## 19. Fee Basis

### Fixed fee quote

19.1 You have asked for a fixed fee quote for the viability appraisal. Having considered the initial details of this application, we have agreed a fixed fee basis of [REDACTED] plus VAT in order to complete the work set out above.

The personnel involved in this assessment will be as follows:

Personnel:	Role	Task
[REDACTED]	Principal Surveyor / Registered Valuer / Consultant	Viability review Report and Appraisal(s) Research and Valuation

19.2 This fixed fee proposal is for the provision of a report stating my findings on the development viability appraisal as initially provided by the planning applicant / developer. It will include a meeting with you to deal with initial issues. It may require revision if the information supplied by you or the applicant is not quickly forthcoming at our request or if the initial task is varied by you and in both cases, we would revert to you for advice on the way forward. Abortive fees would be based on work already carried out.

19.3 If there is a subsequent need following the delivery of my report to discuss issues with the planning applicant / developer or you, including the consideration of potential revised proposals, or to attend meetings, this will constitute a second stage requiring a Stage 2 report and we would need to charge on a time spent basis as an additional cost at hourly rates as shown in the table above for this Stage 2 work. I am able to reduce the amount of time I need to spend upon your work by delegating some functions to colleagues who have a lower cost, and this will be reflected in the invoice for this work.

Role	Task	Hourly Fee Excluding VAT
RICS Principal Valuer	Report, valuation and viability assessment, discussions, advice appeal work	[REDACTED]

RICS Senior Valuer	Report, valuation and viability assessment, discussions	■
RICS Graduate Surveyor	Research, valuation	■
Quantity Surveyor	Cost estimates, advice	■
RICS Principal Valuers	Formal case review / Quality Assurance	■
Administration	Typing/ Research	■

19.4 **Payer of fees:** With regard to the payment of fees, Homes and Communities Agency has issued a Good Practice Note: "Investment and Planning obligations - Responding to the downturn". In this GPN is a comment that it is common practice for developers to fund the cost of independent validation. The reasoning for this is that you have a planning policy which the applicant is seeking to vary. In order to assess the applicant appraisal, you need advice which it is reasonable for the applicant to bear in these circumstances. I understand that the planning applicant / developer has agreed to reimburse your reasonable costs incurred in this review.

Please note that you will be our named Client. As such, our contractual obligation is to you and not to the applicant and your authority will be responsible for payment of our fees. Any arrangement between your authority and the Applicant relating to payment of the fees would be a matter between yourselves.

Please note that that DVS minimum fee is £200 unless agreed otherwise as part of a contract or SLA.

## 20. Currency

All prices and values are stated in pounds sterling.

## 21. Fee Payment and Interim Billing

Our fees are payable by our client within 30 days from the receipt of our invoice whether or not the amount is disputed or is being passed on to a third party for reimbursement.

The VOA reserves the right, subject to prior notification of details of time spent, to invoice at suitable points during the financial year for work in progress undertaken but not yet formally reported. In order to ensure timely cash flows within the public sector, such interim bills may be issued at either monthly or two monthly intervals. You will be advised beforehand that any such bill is imminent.

Where a case is cancelled before completion, our fees will be calculated on a 'work done' basis with added reasonable disbursements unless alternative arrangements have been prior agreed.

Please note under HM Treasury Managing Public Money we are required to review our charging on a regular basis. The VOA reserves the right to undertake an annual review of our rates going forward.

## **22. Purchase Order Numbers**

If your organisation uses Purchase Order Numbers, and you have not already provided one with your originating instructions, please supply this number to us as soon as possible as I cannot proceed without this information.

## **23. Complaints**

The VOA operates a rigorous QA/QC system. This includes the inspection by Team Leaders of a sample of work carried out during the life of the instruction together with an audit process carried out by experienced Chartered Surveyors upon completion of casework. It also includes a feedback cycle to ensure continuous improvement.

The VOA has a comprehensive complaint handling procedure if you are not getting the service you expect. If you have a query or complaint it may be best to speak first to the person you have been dealing with or their manager. If you remain dissatisfied, you should be offered a copy of our brochure "Our Code of Practice on Complaints". If it is not offered to you, please request a copy or access it on our website [www.voa.gov.uk](http://www.voa.gov.uk).

## **24. Freedom of Information**

We take our duty of confidentiality very seriously and will keep any information gathered or produced during this instruction confidential unless you tell us otherwise.

Also, we will advise you of any Freedom of Information Act (FOIA) and / or Environmental Information Regulation (EIR) requests we receive in regard to information we 'hold' relating to this instruction.

The VOA, as part of HM Revenue and Customs, is subject to the Freedom of Information Act 2000. The VOA undertakes to make reasonable endeavours to discuss the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, with you prior to responding to any FOIA request. However, the VOA reserves the right to comply with its statutory obligations under the Act in such manner as it deems appropriate. If we receive a FOIA request that relates to you or a named member of your staff (legal or actual person) or they can be deduced from the disclosure of the information sought, we must have regard to section 18 (1) of the Commissioners for Revenue and Customs Act (CRCA) 2005 and apply the exemption at section 44 of the FOIA due to section 23 of the CRCA (as amended).

However, outside of FOIA we will seek your views about whether you wish to put the information sought in the public domain or authorise us to disclose it on your behalf.

In turn, the VOA requires you to make all reasonable endeavours to discuss with us the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, prior to your responding to any third-party requests which you receive for information provided to you by the VOA.

The VOA is subject to the Environmental Information Regulations (EIR) 2004. We will apply the same legal thought process as FOIA but will also need to seek your views on where the greater public interest lies and it may necessitate, upon request, the disclosure of information provided by you unless an exemption can be sustained.

## **25. Monitoring Compliance by RICS**

It is possible that the RICS may at some stage ask to see the valuation for the purposes of their monitoring of professional standards under their conduct and disciplinary regulations.

## **26. Revisions to these Terms**

Where, after investigation, there is in my judgement a need to propose a variation in these Terms of Engagement, you will be contacted without delay prior to the issue of the report.

For example, should it become apparent that the involvement of specialist colleagues would be beneficial, your consent will be sought before their involvement and we shall, if not included in the original fee estimate, provide an estimate of their costs.

The valuer will be grateful to receive at your earliest convenience brief written confirmation by email or letter that these terms and conditions are accepted and approved by you. If you have any queries, please do not hesitate to contact the valuer listed above.

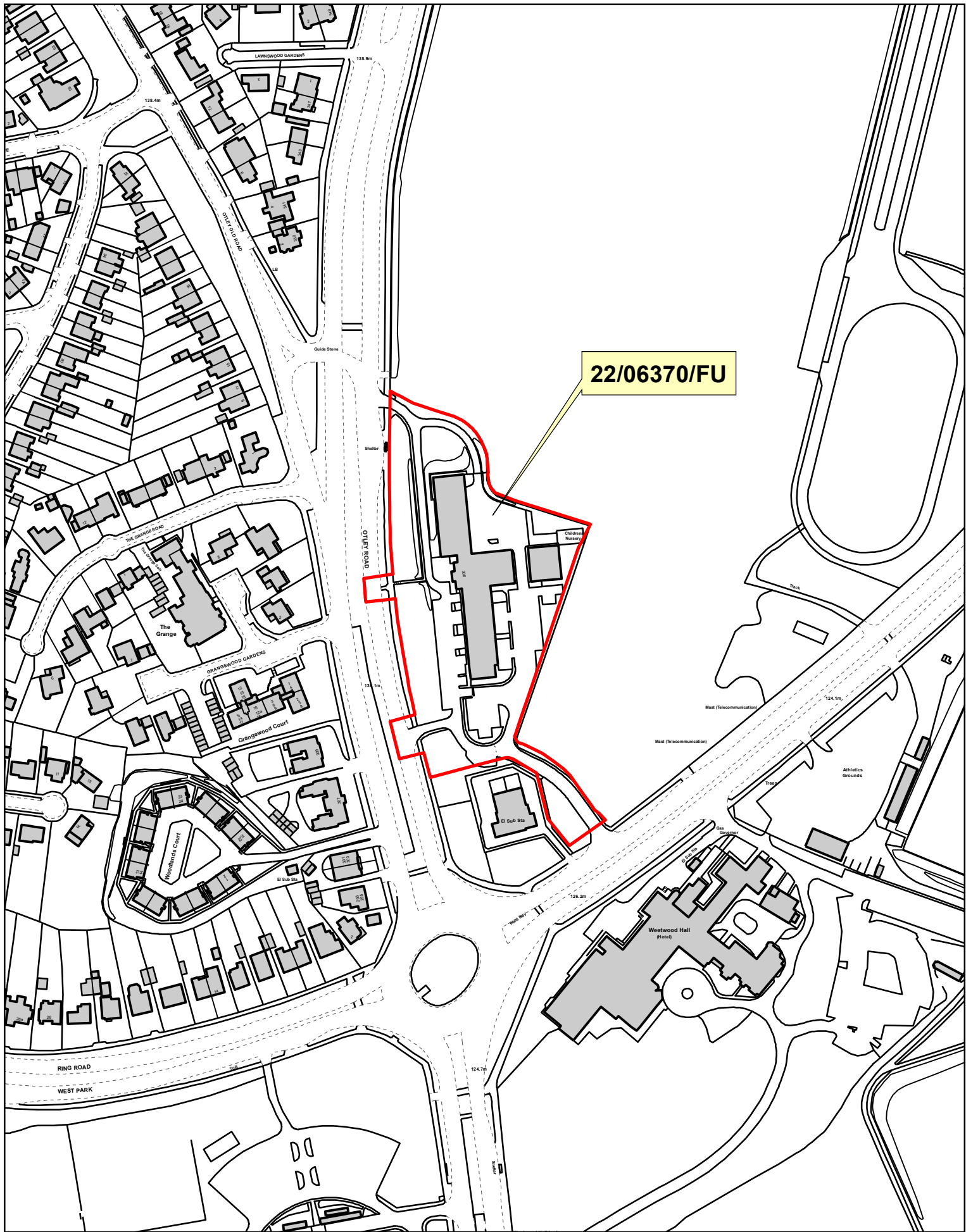
Yours Sincerely

[Redacted Signature]

Principal Surveyor  
RICS Registered Valuer  
DVS

Based in Leeds Valuation Office





22/06370/FU

# SOUTH AND WEST PLANS PANEL

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PRODUCED BY CITY DEVELOPMENT, GIS MAPPING & DATA TEAM, LEEDS CITY COUNCIL

SCALE : 1/2500





# PLANS PANEL PRESENTATION

SCALE 1:2500





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# PLANS PANEL PRESENTATION

SCALE 1:2500

