



Report of the Chief Planning Officer

CITY PLANS PANEL

Date: 7 January 2021

Subject: Planning Application 20/03428/FU for two residential blocks including access, parking provision, the drainage layout and landscaping at land off Flax Place, Richmond Street, Marsh Lane and East Street, Richmond Hill, Leeds.

APPLICANT

Galliford Try Investments Ltd

DATE VALID

15 June 2020

TARGET DATE

14 September 2020

Electoral Wards Affected:

Burmantofts & Richmond Hill

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

RECOMMENDATION: Defer and Delegate application 20/03428/FU to the Chief Planning Officer for approval, subject to the conditions at Appendix 1 and any others which the Chief Planning Officer considers appropriate and subject to the completion of a Section 106 agreement to secure the following:

1. Employment and training of local people
2. The provision of publicly accessible areas
3. The provision of affordable 11 units (3.14% of the total provision)
4. The provision of a travel plan fee of £4,774.00
5. Provision of one Leeds City Council Car Club provider parking space
6. Provision of a Residential Travel Plan Fund of £87,587.50
7. An off-site greenspace contribution of £93,743.00
8. A contribution for Traffic Regulation Orders to address potential overspill parking of up to £10,000.00
9. A contribution for biodiversity net gain of £ 48,864.00
10. A management 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 the applications shall be delegated to the Chief Planning Officer.

A list of draft Conditions for the application is provided in **Appendix 1** of this report.

1.0 INTRODUCTION:

- 1.1 The proposal is put before City Plans Panel as the development involves the creation of a significant number of new dwellings, vehicle and pedestrian access, parking, landscaping and associated works, the re-use of brownfield land and a major investment in an important site on the East Street corridor.

2.0 PROPOSAL:

- 2.1 Consent was granted in April 2018 (planning application 17/06296/FU) for a 300 unit residential development, with a retail unit, a health centre/GP surgery, car parking and a landscape scheme. The proposals now presented are intended as a reconsideration of this scheme. This has resulted in the current proposals being for a Build to Rent residential scheme of 350 dwellings with lower ground floor communal space and car parking, landscaping and associated works.

- 2.2 The dwellings would be in two stepped blocks of up to 11 storeys (East Block) and 15 storeys (West Block. These are currently proposed to be the following mix;

East Block

84 one bedroomed units

64 two bedroomed units.

A total of 148 units

West Block

113 one bedroomed units

84 two bedroomed units

5 three bedroomed units.

A total of 202 units.

This equates to 56.3% of the units being one bedroomed, 42.3% of the units being two bedroomed and 1.4% of the units being three bedroomed.

- 2.3 The previously proposed retail unit and health centre/GP surgery (under planning application 17/06296/FU) are no longer part of the intended development and in their place at lower ground floor/basement level, a lobby and communal space for the site's future residents is proposed. In addition, the scheme largely takes the same form as the previous approved scheme (planning reference 17/06296/FU) but has a series of design changes to the residential blocks resulting in some visual differences to the facades and a scale difference at the centre of each block when a portion of the block is extruded upwards by a further level.

- 2.4 Further to the above, changes are proposed to the basement car parking, with a reduction in car parking bays from the previously consented 78 spaces (including 6 accessible spaces) to 38 spaces (including 4 accessible spaces). All spaces now proposed would have electric vehicle charging points and 36 motorcycle spaces are now proposed. At ground floor level 10 visitor Sheffield cycle stands are proposed. Cycle parking provision is increased from 303 spaces on the consented scheme to 376 spaces. A car club space is also to be provided within the site at surface level.

3.0 SITE AND SURROUNDINGS:

- 3.1 The site is located within the defined City Centre and lies within the boundary covered by the recently adopted Aire Valley Leeds Area Action Plan (AVLAAP). The AVLAAP identifies the site for housing use under Policy AVL6. The western boundary of the site is marginally in Flood Zone 2.

3.2 The site is approximately 0.5 hectares and is currently an open, but overgrown, brownfield patch of land which sits in an area of changing character. Traditionally the surrounding area has had a mix of commercial industrial and residential uses, however in recent years this mix has changed introducing much more residential dwellings, in tall buildings, as well as some hotel and office uses. The site is to the south eastern edge of the City Centre on the junction of Marsh Lane and Richmond Street, and is bound by roads to 3 sides. The site is close to, but outside of the Eastern Riverside Conservation Area.

4.0 RELEVANT PLANNING HISTORY:

4.1 Approval was granted on 3 April 2018, for a mixed use development comprising of 300 residential dwellings, a retail unit, a health care centre, vehicle and pedestrian access, parking, landscaping and associated works at the land off Flax Place, Richmond Street and Marsh Lane, Leeds, LS9 8HG, planning application 17/06296/FU. This scheme has not been implemented.

5.0 HISTORY OF NEGOTIATIONS:

5.1 The proposals have been the subject of pre-application discussions since January 2020. These discussions have focused on scale, massing and design, opportunities for green landscape features, parking and the proposed change in uses at the site. It was intended by the Applicant to present the scheme to Plans Panel at pre-application stage. Unfortunately this was at the point that the Covid 19 lockdown was implemented and the Applicant subsequently took the decision to submit the planning application without a pre-application presentation.

6.0 PUBLIC/LOCAL RESPONSE:

6.1 Ward Members were consulted on 24 June 2020. Officers provided Ward Members with a briefing on 13 July 2020 in which Ward Members expressed concerns regarding the increase in the height of the blocks, its façade treatment, the loss of the potential GP surgery, and the light and privacy impacts on existing residents in Saxton Gardens.

Responses: These matters will be addressed in the appraisal below.

6.2 One letter of comment received from Leeds Civic Trust stating as follows;

1. That the proposal retains the general arrangement of the previous approval, so they do not object to that in principle, but neither can they support it as there are certain differences which have significantly reduced its quality.
2. That the external façade treatment has been "dumbed down" from the well-expressed modelling and classic framing of the original to a flatter, blander treatment.
3. That the apartments are reasonably well sized, but that they have concerns post-Grenfell, whether 1 escape stairs per block is a wise decision, particularly when combined with long dead-end corridors and internal apartment arrangements (where escape from some bedrooms goes through the fire-risk kitchen area).
4. The level of larger apartments fails to consider a possible future demographic in the city centre.
5. That the available open space has been reduce to less than half that approved on the previous scheme, even though the number of apartments has increased by 16 and no roof gardens are proposed.
6. That the sustainability and energy statement is completely non-committal as to what measures will be used.

Response:

Points 1, 2, 4, 5 and 6 will be addressed in the appraisal below.

In respect of Point 3 the Applicant has stated as follows *“OFR, as fire engineers for the Flax Place scheme, have developed the outline fire strategy with the design team to ensure a suitable level of life safety in compliance with the Building Regulations will be achieved. The guidance of Approved Document B (ADB) has been adopted with BS 7974 (framework for fire safety engineering) where bespoke solutions have been required. It should be noted that the MHCLG undertook a consultation on the guidance provided by ADB post-Grenfell and whilst changes have been made to the guidance the design philosophy of single stair and ‘stay put’ strategy has not changed. The changes to guidance and the regulations have occurred during our involvement in this scheme and the design has been subsequently amended to reflect the latest regulations. Our involvement with the scheme will continue through the remaining design stages and construction to oversee the fire safety design and implementation.*

The fire safety design is robust, ensuring the escape corridors and stairs will be usable in the event of a fire within an apartment. This is will be achieved by the inclusion of sprinklers within the apartments in conjunction with compartmentation between apartments limiting the spread of fire. Furthermore, smoke ventilation systems, to be verified by computational modelling, are incorporated in the escape corridors that will facilitate occupants being able to evacuate from all apartments and protect the escape stair from the spread of smoke.

The apartment’s layouts have been individually assessed for means of escape to ensure suitable escape routes away from cooking appliances is available from all areas. This assessment has involved detailed thermal radiation calculations determining the safe escape distance from the appliances”.

6.3 Letters of objection received (1 on 15 July, 1 on 23 July, 1 on 18 August 2020, 1 on the 28 October 2020, 1 on 3 November 2020 and 1 on 11 November 2020) stating as follows;

1. That they have concerns that the scheme proposed more residential units than previously approved schemes at the site.
2. That the parking provision is insufficient for the proposed development and that there are already issues for parking permit holders on Flax Place due to illegal parking in permit only spaces, causing danger to pedestrians and vehicle uses, with vehicles regularly mounting and parking on pavements and that there are concerns regarding the potential impact on emergency vehicles accessing the route to and from the nearby ambulance station.
3. That the removal of the potential doctor’s surgery and retail unit is of concern
4. That there has not been sufficient community engagement.
5. That the site is currently poorly maintained.
6. That the proposals will block sunlight to nearby residences.
7. That the proposal will overlook nearby residences.
8. That the scheme should not come forward if is not viable.
9. That the building design is lacking in colour and imagination and is ugly.
10. That the scheme being Built to Rent means it will bring transient residents not those that will invest in the community of the area.
11. That not all car bays show to have electric vehicle charging points
12. That the number of motorcycle spaces is insufficient
13. That there needs to be a mix of the type of cycle rack and numbers are insufficient.

Responses:

Points 1, 2, 3, 7, 8, 9, 10, 11, 12 and 13 will be addressed in the appraisal below.

In respect of Point 4 the Applicant has stated as follows;

Full details of our community engagement are included within the Statement of Community Involvement (SCI) section of our Planning Statement, however in

summary a full pre-application consultation programme was undertaken, with letters and leaflets sent out to all properties neighbouring the application site including neighbouring businesses to the north, the reception/managers of One Mill Street student accommodation, residents on Flax Place and those in the East Point, Gateway and Trinity One developments which border the site. In addition, leaflets were provided to other residents who would not be directly impacted by the development including those at Saxton Gardens. All of the Ward Councillors and the Saxton Gardens Residents Association (SGRA) were also contacted and provided details of the proposed development. Over 600 addresses were sent letters and leaflets as part of the consultation programme.

In addition, a public consultation website was made available on the DPP website (www.dppukltd.com/flaxplace) which has remained live for the duration of the planning application, details of which were included on all of the consultation material.

19 responses were received in response, details of which are included in the SCI. While physical consultation events were not possible due to the Covid restrictions in place during the summer, we consider that the consultation process undertaken thus far has been thorough and appropriate given the circumstances. As mentioned above, the consultation website has remained live throughout the planning process, but no further comments have been received in response to the consultation since submission of the application. We have also worked to resolve issues raised by the local community through Ward Councillors, for example through the site clearance and hoarding works which were completed in November.

In respect of the Point 5, the current state of the land is not a material planning consideration however the Applicant has stated that they have now cleared and secured the site.

7.0 CONSULTATIONS RESPONSES

- 7.1 **District Valuer** Affordable housing is to be provided on site. However the applicant has submitted a viability appraisal to demonstrate that they cannot meet the Council's full affordable housing requirement. This has been independently reviewed by the District Valuer (DV). The DV has concluded that he concurs with the viability appraisal analysis that the scheme can provide 11 affordable units, this being 3.14% of the total provision.
- 7.2 **Yorkshire Water** state that if planning permission is granted Conditions are required to control any impact on a nearby public sewer, for foul and surface water drainage and for dealing with piped water.
Response: Such Planning Conditions will be applied.
- 7.3 **Environment Agency** state that have no concerns in respect of the development provided the Applicant follows their standing advice.
Response: the Applicant will be directed to do so via an Informative.
- 7.4 **Health Partnerships** state the cost of any new GP/Health clinic space is the budgetary responsibility of the Clinical Commissioning Group (CCG) and this is controlled in line with their financial flow from NHS England/Department of Health. Consideration by the CCG as to whether it would look to commission a new GP practice in the future needs to be informed and evidence based, looking much wider than a single development. There are other developments planned in this vicinity, and the city centre more widely. There is work currently underway developing a proposal for a new health centre (replacing an existing facility, as well as extending the range of services) at Lincoln Green which is not far from this side of the city centre. However, the Council is intending to work with the CCG and undertake

research to look at housing growth across the city centre as a whole, with the intended output then being to ensure sufficiency of primary care capacity for all residents. This work had been planned for 2020 however the pandemic meant this was not possible and it is hoped that this work can commence in January 2021.

- 7.5 **Highways Team** state that Conditions are required to cover footpath crossings, the areas to be laid out for vehicles, details of the parking provision, disabled parking, electric vehicle charging, cycle and motorcycle parking, construction management and provision for contractor's vehicles and plant, the control of on street parking, off site highways works, waste and recycling management that new access gates should not open over the highway and the support of the highway during construction and that the S106 obligations should cover cycling / active travel measures.

Response: Such Planning Conditions will be applied and a Residential Travel Fund contribution will be addressed via the S106 legal agreement.

- 7.6 **Environmental Health (air pollution)** state that the submitted air quality report concludes that air quality is expected to meet the annual mean objective levels at all relevant exposure locations across the proposed development, and that there will be insufficient traffic generation for any exceedance of air quality objective levels elsewhere in the city. Details of the energy strategy are not yet finalised and therefore have not been included in the air quality modelling undertaken as part of the assessment although the preferred option is for heating and hot water to be via connection to the district heating scheme.

However, due to the uncertainty of the energy strategy a Condition is required for further air quality assessment to be undertaken once the energy source choice has been finalised.

Response: Such Planning Condition will be applied.

- 7.7 **Environmental Health (noise and amenity)** state that the submitted details are sufficient to not require a sound insulation scheme, but Conditions are required to cover the hours of construction, the control of noise, dust, mud via a Statement of Construction Practice and lighting.

Response: Such a Planning Conditions will be applied.

- 7.8 **Flood Risk Management** state that that on the basis of the information submitted thus far, the development can be adequately and safely drained provided Planning Conditions are applied to cover the details of foul drainage, surface water drainage, construction phase drainage and maintenance.

Response: Such Planning Conditions will be applied.

- 7.9 **West Yorkshire Police** have provided guidance on security in accordance with Secure by Design.

Response: Such guidance has been sent to the Applicant and is to be provided again as an Informative and the Applicant has stated that they intend to include the following measures;

- CCTV provided on all access points, within the cycle storage and the undercroft car park.
- Access control to be designed at the next stage of the development
- Video intercom to apartments to be provided
- Mail delivery method to be mail boxes within the reception area and a separate post room for larger items.

- 7.10 **Influencing Travel Behaviour Team** state that a Travel Plan Review Fee of £4,774 is required, a Residential Travel Plan Fund of £87,587.5 and a plan showing the location of a car club bay.
Response: Such matters will be addressed via obligations in the S106 legal agreement.
- 7.11 **Contaminated Land Team** state that Conditions should be applied to cover a Phase 2 site investigation, remediation, verification and the importing of soils.
Response: Such Planning Conditions will be applied.
- 7.12 **Environmental Studies Transport Strategy Team** state that provided the recommended window and ventilation specifications in the submitted Noise Assessment are incorporated into the design then acceptable internal noise levels should be achieved.
- 7.13 **Access Officer** states that the M4 (3) wheelchair adaptable dwellings require the following specifications;
1. The kitchen worktop needs to be a minimum of 4330mm if the unit has 2 bed spaces, and larger if 3 or 4 bed spaces
2. One of the bathrooms needs to have a level shower installed.
Response; The plans have been amended to these kitchen worktop dimensions and level shower access. The full details of the accessible units will be addressed via a Planning Condition and Informative.
- 7.14 **Local Plans** state that the principle of housing development is supported however the scheme over provides 1 bed flats and 2 bed flats fall short of the council's housing mix target by 7%. The provision of 3 bed flats significantly falls short of the 30% target. As such further consideration of the level of 3 bed flats is required by the Applicant.
That 7% affordable housing provision is required.
That an open/green space contribution is required to respond to Core Strategy Policy G5.
Response: The Applicant's response on housing mix is addressed in the appraisal below. The required affordable housing and green space obligations are to be secured in the S106 legal agreement.
- 7.15 **Landscape Team** state that there are concerns regarding the quality and usability of the landscaped areas but that Conditions should be applied to cover the submission of full landscape details, including tree pit details and any imported soils.
Response; Such Planning Conditions will be applied.
- 7.16 **Nature Conservation Officer** states that a biodiversity net gain contribution of £48,864 is required as well as Conditions to cover the removal of trees outside of bird nesting season, bat and bird boxes, the removal of Giant Hogweed and a Biodiversity & Landscape Enhancement & Management Plan.
Response; the contribution will be addressed via the S106 legal agreement and such Planning Conditions will be applied.
- 7.17 **Tobermory – Wind Consultants** state the Computational Fluid Dynamics wind study conducted by the Applicant has demonstrated that whilst the Development would cause a small increase in the windiness around the site, that this is of a level that would have no impact on wind safety conditions, either on-site or off-site. As such, there are no areas where wind mitigation is required, since the report did not find any areas where pedestrian comfort or pedestrian safety criteria were breached.

8.0 RELEVANT PLANNING POLICIES:

- 8.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires the application to be determined in accordance with the development plan unless material considerations indicate otherwise.
- 8.2 The Development Plan for Leeds currently comprises the following documents:
11. Core Strategy 2014 (as amended by the Core Strategy Selective Review 2019)
 2. Saved Leeds Unitary Development Plan Policies (Reviewed 2006), included as Appendix 1 of the Core Strategy
 3. The Natural Resources & Waste Local Plan (NRWLP, Adopted January 2013) including revised policies Minerals 13 and 14 (Adopted September 2015).
 4. Leeds Site Allocation Plan 2019
 5. Aire Valley Leeds Area Action Plan (Adopted November 2017)
 6. Any Neighbourhood Plan, once made.
 7. Site Allocations Plan ('SAP') (adopted July 2019)
- 8.3 **Core Strategy**
- 8.4 The Core Strategy sets out strategic level policies and vision to guide the delivery of development investment decisions and the overall future of the district. Relevant Core Strategy policies are as outlined below.
- 8.5 Spatial Policy 1: Location of Development states that;
- (i) The majority of new development should be concentrated within urban areas taking advantage of existing services, high levels of accessibility and priorities for urban regeneration and an appropriate balance of brownfield and Greenfield land
- 8.6 Spatial Policy 3: Role of Leeds City Centre states that the importance of the City Centre as an economic driver for the District and City Region will be maintained and enhanced by:
- (iv) Comprehensively planning the redevelopment and re-use of vacant and under-used sites and buildings for mixed use development and new areas of public space;
- 8.7 Spatial Policy 5: Aire Valley Leeds Urban Eco-settlement
Aire Valley Leeds (Urban Eco-Settlement) is identified as a strategic location, providing a minimum of 6,500 new homes, at least 250 hectares of land for employment uses (including research and development, industrial, and warehouse development) and new retail services of an appropriate scale.
- 8.8 Spatial Policy 11: Transport Infrastructure Investment Priorities states that the delivery of an integrated transport strategy for Leeds will be supported, which takes account of:
- (iv) Expansion of the Leeds Core Cycle Network to improve local connectivity;
 - (v) Improved facilities for pedestrians to promote safety and accessibility, particularly connectivity between the 'Rim' and the City Centre;
- 8.9 Policy CC1: City Centre Development
The City Centre will be planned to accommodate at least the following:
- (iii) 10,200 dwellings.
 - b) Encouraging residential development including new buildings and changes of use of existing providing that it does not prejudice the town centre.

- 8.10 Policy EN1: Climate Change – Carbon Dioxide Reduction states that all developments of over 1,000 square metres of floorspace, (including conversion where feasible) whether new-build or conversion, will be required to:
- (i) Reduce total predicted carbon dioxide emissions to achieve 20% less than the Building Regulations Target Emission Rate and,
 - (ii) Provide a minimum of 10% of the predicted energy needs of the development from low carbon energy.
- 8.11 Policy EN2: Sustainable Design and Construction states that Non-residential developments of 1,000 or more square metres (including conversion) where feasible are required to meet the BREEAM standard of 'excellent'. Residential developments of 10 or more dwellings (including conversion) where feasible are required to meet a water standard of 110 litres per person per day.
- 8.12 Policy EN4: Where technically viable, appropriate for the development, and in areas with sufficient existing or potential heat density, developments of 1,000 sqm or more or 10 dwellings or more (including conversions where feasible) should propose heating systems.
- 8.13 Policy EN5: Managing Flood Risk states that the Council will manage and mitigate flood risk:
- (iii) Requiring flood risk to be considered for all development commensurate with the scale and impact of the proposed development and mitigated where appropriate.
 - (iv) Reducing the speed and volume of surface water run-off as part of new build developments.
 - (v) Making space for flood water in high flood risk areas.
- 8.14 Policy EN6: Strategic Waste Management states that to manage waste and recycling:
- (i) Development will be required to demonstrate measures to reduce and re-use waste both during construction and throughout the life of the development; and
 - (ii) Sufficient space will be provided within all new developments (including conversions) to enable separation, storage, and collection of recyclable materials to take place.
- 8.15 Policy EN8: Electric Vehicle Charging Infrastructure states;
- All applications for new development which include provision of parking spaces will be required to meet the minimum standard of provision of electric vehicle charging points. This requires:
- i) Residential: 1 charging point per parking space and 1 charging point per 10 visitor spaces
- 8.16 Policy G5: Open Space Provision in the City Centre states that within the City Centre, open space provision will be sought for sites over 0.5 hectares.
- 8.17 Policy G9: Biodiversity Improvements;
- Development will be required to demonstrate:
- (i) That there will be an overall net gain for biodiversity commensurate with the scale of the development, including a positive contribution to the habitat network through habitat protection, creation and enhancement, and
 - (ii) The design of new development, including landscape, enhances existing wildlife habitats and provides new areas and opportunities for wildlife, and
 - (iii) That there is no significant adverse impact on the integrity and connectivity of the Leeds Habitat Network.

8.18 Policy H4: Housing Mix states:

Developments should include an appropriate mix of dwelling types and sizes to address needs measured over the long term taking into account the nature of the development and character of the location.

Type*	Max %	Min %	Target %
Houses	90	50	75
Flats	50	10	25
Size*	Max %	Min %	Target %
1 bed	50	0	10
2 bed	80	30	50
3 bed	70	20	30
4 bed+	50	0	10

*Type is applicable outside of City Centre and town centres; Size is applicable in all parts of Leeds

8.19 Policy H5 incorporates Targets and Thresholds for affordable housing. In this case 7% of the total units to be provided on site must be affordable housing.

8.20 Policy H9 – Minimum Space Standards states:
All new dwellings should comply with Minimum Space Standards.

8.21 Policy H10 Accessible Housing Standards states:
New build residential developments should include the following proportions of accessible dwellings:

- 30% of dwellings meet the requirements of M4(2) ‘accessible and adaptable dwellings’ of Part M Volume 1 of the Building Regulations.
- 2% dwellings meet the requirement of M4 (3) ‘wheelchair user dwellings’, of Part M Volume 1 of the Building Regulations

8.22 Policy P12: Landscape states that: The character, quality and biodiversity of Leeds’ townscapes and landscapes, including their historical and cultural significance, will be conserved and enhanced to protect their distinctiveness through stewardship and the planning process

8.23 Policy P10: Design states that: New development for buildings and spaces, and alterations to existing, should be based on a thorough contextual analysis to provide good design appropriate to its scale and function.
New development will be expected to deliver high quality innovative design that has evolved, where appropriate, through community consultation and which respects and enhances the variety of existing landscapes, streets, spaces and buildings according to the particular local distinctiveness and wider setting of the place, contributing positively towards place making and quality of life and be accessible to all.

8.24 Policy T1: Transport Management states that support will be given to the following management priorities:
c) To support wider transport strategy objectives for sustainable travel and to minimise congestion during peak periods.

8.25 Policy T2: Accessibility Requirements and New Development states that new development should be located in accessible locations that are adequately served by existing or programmed highways, by public transport and with safe and secure access for pedestrians, cyclists and people with impaired mobility:

(i) In locations where development is otherwise considered acceptable new infrastructure may be required on/off site to ensure that there is adequate provision for access from the highway network, by public transport and for cyclists, pedestrians and people with impaired mobility, which will not create or materially add to problems of safety, environment or efficiency on the highway network.

- 8.26 **Leeds Unitary Development Plan Review 2006 - Retained Policies**
Policy ARC6 (Conditions required with regard to preservation of archaeological details by record)
Policy GP5 (All planning considerations)
- 8.27 **Leeds Natural Resources and Waste DPD 2013 including revised policies Minerals 13 and 14 (Adopted September 2015).**
- 8.28 The plan sets out where land is needed to enable the City to manage resources, like 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. Policies regarding land use, energy, coal recovery, drainage, flood risk and waste will be relevant to this proposal.
- 8.29 **Aire Valley Leeds Area Action Plan (AVLAAP)**
- 8.30 The AVLAAP identifies the site for housing use under Policy AVL6.
- 8.31 The site is on the edge of the Richmond Hill Green Infrastructure Corridor as identified in the AVLAAP where the key functions/indicators identified are open space, biodiversity, landscape, food production, health, accessibility, recreation, the quality of the environment, land and property values and economic growth.
- 8.32 **Supplementary Planning Guidance**
- 8.33 Tall Buildings Design Guide Supplementary Planning Document (Spring 2010)
- 8.34 Parking Policies and Guidelines Supplementary Planning Document (January 2016)
- 8.35 Street Design Guide Supplementary Planning Document (August 2009)
- 8.36 Travel Plans Supplementary Planning Document (February 2015)
- 8.37 Achieving Net Gain for Biodiversity – Guidance for Developers Option 2
- 8.38 **The Site Allocations Plan (Adopted July 2019)**
- 8.39 The Site Allocations Plan was adopted in July 2019. Following a statutory challenge, Policy HG2, so far as it relates to sites which immediately before the adoption of the SAP were within the green belt, has been remitted to the Secretary of State and is to be treated as not adopted. All other policies within the SAP remain adopted and should be afforded full weight. The Site Allocations Plan (SAP) states that Leeds City Centre is the main retail and service centre for the city. This site has no specific designation in the SAP.
- 8.40 **National Planning Policy Framework (NPPF)**

- 8.41 The National Planning Policy Framework (NPPF) was revised and adopted in February 2019 and sets out the Government's planning policies for England and how these should be applied.
- 8.42 Paragraph 110 of the NPPF states that priority should be given to pedestrian and cycle movements; the needs of people with disabilities and reduced mobility addressed; creation of safe, secure and attractive spaces; allow for the efficient delivery of goods; and be designed to enable use by sustainable vehicles.
- 8.43 Paragraph 124 of the NPPF states that the creation of high quality buildings and places is fundamental to what the planning and development process should achieve. 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

9.0 MAIN ISSUES

1. Principle of the use
2. Affordable Housing
3. The impact on the character and visual amenity of the host site and surrounding area
4. Residential Amenity
5. Vehicle Parking, Sustainable Transport and Travel Planning
6. Landscape Proposals
7. Climate Change and Sustainability Measures
8. Wind Study
9. Access & Inclusion
10. Section 106 Legal Agreement

10.0 APPRAISAL

- 10.1 Principle of the Use
- 10.2 The scheme is put forward for a residential development of 350 apartments in two blocks of up to 11 and 15 storeys and involves the redevelopment of the brownfield site at Flax Place (which has been vacant and undeveloped for over 10 years). The surrounding area has had a significant change in character over recent years with a high number of conversions and new built residential schemes replacing former industrial and commercial uses. The adopted Leeds Aire Valley Area Action Plan allocates the site for housing.
- 10.3 The Developer has stated that the previously consented scheme (under planning reference 17/06296/FU) is not a viable, fundable, development proposition. The proposal therefore, now put forward is for a residential Build to Rent (BTR) scheme for the 350 apartments only. This means that the convenience shopping A1 Use Class retail unit and the D1 Use Class health centre/GP surgery approved on application 17/06296/FU, which would have fronted the site at street level to the Marsh Lane/East Street/Richmond Street corner, are no longer proposed.
- 10.4 Unlike the traditional build for sale product, BTR avoids costs associated with sales and marketing focusing instead on longer term investment return associated with holding the investment rather than initial development profit. BTR generally tends towards high density development, aimed at young professionals and non-family housing, such as apartment blocks (typically 150 plus units) to reduce management costs. Objectors have raised concerns that this means transient rather than long-

term residents. The Applicant has advised that according to the July 2018 Ministry of Housing, Communities and Local Government report - Overcoming the Barriers to Longer Tenancies in the Private Rented Sector, the average length of residence in the private rented sector is 3.9 years. As such they state that they anticipate that the tenancy periods for the flats would be similar to this national average

- 10.5 The proposals would provide the following mix of accommodation types;
197 one bedroomed units,
148 two bedroomed units and
5 three bedroomed units.
This equates to 56.3% of the units being one bedroomed, 42.3% of the units being two bedroomed and 1.4% of the units being three bedroomed. The number of 3 bedroomed apartments proposed is significantly lower than the percentage aimed for under Policy H4. The mix of accommodation is being driven by the financial viability considerations in this case which have been verified by the District Valuer. This has resulted in the Applicant putting forward a scheme with a very low number of 3 bedroomed apartments, due to the fact that providing a higher level would impact on the scheme's viability. Failure to comply with Policy H4 in itself not a reason for refusal of the application when balanced against the benefits of bringing forward the development of this longstanding vacant site. Therefore although less than what has been achieved on other BTR schemes in the city centre context it is considered acceptable, in this case.
- 10.6 The Developer has confirmed that they will accord with and exceed the requirements of the National Space Standards, which have been adopted locally under Core Strategy Policy H9. As such apartments are proposed to be the following sizes;
1 bed, 1 person (minimum 39m²) will be provided at a minimum of 46.4m²
2 bed, 4 person (minimum 70m²) will be provided at a minimum of 70.8m²
3 bed, 5 person (minimum 86m²) will be provided at a minimum of 95m²
Therefore, Officers consider the proposed residential units to be appropriately sized.
- 10.7 Comments from Ward Member and Objectors raise concerns regarding the loss of the potential A1 retail unit in this current scheme. In respect of the decision not to provide the previously proposed A1 retail unit the Applicant has stated that there are a number of schemes in the vicinity of the site, including Land at Ellerby Lane (planning application reference: 19/02081/FU) and at the former Marsh Lane Former Goods Yard (19/04471/FU) which propose to incorporate A1 retail units. In addition the site is within 150m of an existing convenience store at The Gateway development and within 5 minutes walking distance of Leeds city centre. As such the need for such a unit is met elsewhere in existing and proposed provision.
- 10.8 Concerns were also raised by Objectors and Ward Members with regard to the Applicant's decision not to provide the D1 health centre/GP surgery space. The Applicant has liaised with the NHS and Leeds Community Ventures (who work with health providers, health commissioners, GPs and primary care, Local Authorities and investors and funders to bring forward health and social care facilities) who have stated that they have no plans for new/further doctor's surgery in this area of the city. However, it is the case that a proposal is currently being developed for a new health centre (replacing an existing facility, as well as extending the range of services) at Lincoln Green, not far from this side of the city centre. In addition the Council is intending to work with the Clinical Commissioning Group to undertake research to look at housing growth across the city centre as a whole, with the intended output then being to ensure sufficiency of primary care capacity for all

residents. This work had been planned for 2020 however the pandemic meant this was not possible and it is hoped that this work can commence in early 2021.

- 10.9 In the space now not to be used for the A1 retail unit and the D1 health centre/GP surgery, the Applicant proposes a resident's amenity space, housing a lobby, post room and concierge service, a gym and resident's lounge. In addition an external landscaped resident's courtyard is proposed.
- 10.10 The loss of the potential A1 retail and D1 health centre/ GP surgery uses from the site is regrettable, however the use of the site for residential dwellings only does comply with relevant Planning Policies and is considered to be an appropriate use for the site.
- 10.11 Affordable Housing
- 10.12 Core Strategy Policy H5 states that the council will seek affordable housing provision on site. The development lies within zone 4 and thus 7% provision the requirement under Policy H5. This policy also identifies that applicants may choose to submit individual viability appraisals to verify that the affordable housing target cannot be met. In such cases affordable housing provision may be reduced accordingly.
- 10.13 The applicant has submitted a viability appraisal which has been independently reviewed by the District Valuer (DV). The DV has provided a report which concludes that this scheme can viably provide the whole of the required CIL/Section 106 contributions and a sub-compliant amount of on-site affordable housing of 3.14%, as 11 on-site affordable units (see Appendix 2 for the full DV's report). The units would be provided at the Council's adopted affordable benchmark rents and proportionally reflect the mix of accommodation type and unit sizes proposed within the overall development.
- 10.14 The Applicant has accepted this appraisal. As such the proposed affordable housing is put forward to be 11 on-site affordable units, this being 3.14% of the total provision.
- 10.15 Whilst the full provision of affordable housing cannot be delivered it is clear from Policy H5 and also government guidance that where a viability case is verified, affordable housing provision can be reduced, and accordingly the DV's conclusions should be accepted.
- 10.16 The impact on the character and visual amenity of the host site and surrounding area
- 10.17 The scheme consented under planning reference 17/06296/FU was designed to be two stepped blocks of up to 10 and 14 storeys. The façades on the approved scheme were to be calm modernist architecture, where the crispness of building lines and deep modelling of the grid pattern were important for achieving quality and gravitas. The current proposal is also divided in to two stepped blocks, one that steps up to 11 storeys and the other up to 15 storeys. The blocks would be positioned such that their wings would visually slide out against each other.
- 10.18 The site is a transition, rather than a gateway location, and is within an area with a wide variety of building styles and eras. As such the design, scale and positioning of the blocks reflects the need for a scheme which can comfortably sit alongside a broad mix of buildings from differing architectural periods. Therefore, following the

approach taken on the previous planning application, a modernist approach remains the architectural style for the scheme. However, there are a number of design changes to the appearance and detailing of the block facades.

- 10.19 Therefore, the scheme, whilst being designed to have clean lines and simple detailing controlled with a limited material panel, would have a balance of horizontal and vertical emphasis in the arrangement of the windows and solid façade. Horizontal extruded bands in a lighter toned brickwork to the main façade would be introduced and between these vertical infill brickwork panels of a darker brick would be positioned. Windows would be recessed behind the line of the brickwork, with grey coloured flashings to their perimeters. The bricks would be two contrasting colours to give this visual depth to the materials palette and are proposed as white and a warm grey.
- 10.20 The additional storey to each block in the current scheme does not cover the full footprint of each block and only rises to the new level at the middle of each block. As such it is considered that the heights of the propose blocks do largely reflect the mixture of building heights that already exist in the wider area, where buildings range from 2 storeys up to 14 storeys. The orientation of the blocks reflects the strong rhythm established in the blocks within Saxton Gardens to the rear of the site, as well as responding positively to the alignment of East Street, Marsh Lane and Flax Place.
- 10.21 The overall design is of a high quality, contemporary, appropriately scaled and positioned scheme that would be appropriate for this site and would make a positive aesthetically appropriate contribution to the context of the wider area
- 10.22 Residential Amenity
- 10.23 The proposal is to be sited in a location surrounded by buildings already operating as residential, office, hotel, commercial and industrial uses. The scheme would be positioned a minimum of 19.6 metres from the boundary of the residencies at the Saxton Gardens buildings to the east of the host site, at least 16.7 metres from the dwellings in the residential development in the nearby former College of Technology to the south of the proposal's site. In addition the development would be a minimum of 22.8 metres from the existing residential and hotel blocks at the Gateway to the west and generally 6 metres (although down to some 3.8 metres at one corner) from the industrial units to the north of the site. As such there would be no loss of privacy as a result of the proposals.
- 10.24 Concerns have been raised by Objectors that the scheme will result in overshadowing of existing dwellings within nearby Saxton Gardens. A daylight and sunlight assessment based on Building Research Establishment Report BR209 Site Layout Planning for Daylight and Sunlight good practice guidance, has been undertaken by the applicant in respect of the surrounding sites identified above in paragraph 10.23. This document concludes that access to daylight would be acceptable for the majority of surrounding buildings although a section of walling to the side of two windows (one ground floor and one first floor) in the façade of Saxton Gardens to the east of the development would have a reduction below the BR209 held threshold of Vertical Sky Component of 14%. In respect of sunlight the report concludes that some areas of the facade to The Gateway hotel building (covering 10 windows) have reduced direct sunlight. As such the report concludes that the impact on daylight and sunlight for nearby existing buildings would be minor and that would include impacts on external amenity areas.

10.25 Vehicle Parking, Sustainable Transport and Travel Planning

- 10.26 Objectors have expressed concern regarding the levels of car and motorcycle parking. The proposal site is within walking distance of the City Centre and transport links within it (an average of 5 minutes to the bus station and approximately 15 minutes to the train station). As such the proposal will aim to promote sustainable transport. The current proposals would therefore provide only 38 car parking spaces, 4 of which would be disabled parking bays, in the lower ground floor/basement of the development. All of the 38 car bays would have electric vehicle charging points. 36 motorcycle spaces are also proposed. Due to the proximity of the site to the city centre, a number of bus stops, the main city centre bus station and bus interchanges and the train station. A car club space is also to be provided at ground floor level within the site. Officers consider these parking levels have been justified by the Applicant.
- 10.27 Concerns have been raised by Ward Members and Objectors that the scheme could impact adversely on the existing on street residents parking and the ability for vehicles to access the nearby ambulance station. As such a S106 obligation will be required to provide up to £10,000.00 to pay for Traffic Regulation Order amendments to prevent unacceptable overspill parking on existing residential streets.
- 10.28 Secure cycle parking provision would also be set out within the lower ground floor/basement of the scheme, for 316 long stay secure cycle parking spaces and 34 short stay spaces. At ground floor level 10 visitor Sheffield cycle stands are proposed. Objectors have expressed concern re the type of cycle rack and lack of choice. A mixture of two-tier and Sheffield stands are proposed and full details of the cycle and motorcycle parking will be required to come forward under a Planning Condition.
- 10.29 A Travel Plan has been submitted which includes the following measures and targets:
- 23.0% (or below) of residents' journeys to be made to work by single occupancy car trips, within 3 years of initial occupation of the development.
 - 20.0% (or below) of children taken to school by car, within 3 years of initial occupation of the development.
 - 2.5% increase in the proportion of journeys made to/from the site by walking compared to the initial travel survey, within 3 years of initial occupation of the development.
 - 2.5% increase in the proportion of journeys made to/from the site by cycling compared to the initial travel survey within 3 years of initial occupation of the development.
 - Convenient and level access to the site for pedestrians and cyclists from the public highway;
 - Notice boards for travel information in foyers or other communal areas where practicable;
 - Provision of a Leeds City Council Car Club parking space (lined and signed and protected for sole use by the Leeds City Council Car Club provider) at an accessible ground floor location, available 24/7 to both site occupants and other members of the car club; and
 - Secure and convenient cycle parking and storage for residents.
 - Provision of travel-related information to new residents as part of a welcome pack
 - Encouraging car sharing and the use of electric vehicles;
 - Provision of puncture repair kits / cycle maintenance training; and

- Provision of up-to-date travel information on notice boards and intranet sites where practicable.

The Travel Plan will form part of the approved documents on the decision for the Planning Application, as well as being controlled via the Section 106 legal agreement.

- 10.30 The scheme will house an internal bin store within the lower ground floor/basement area. In addition, a new lay-by will be created on the western side of Flax Place to allow refuse, delivery and servicing vehicles to pull into a safe place away from the heavily trafficked Marsh Lane side of the site.
- 10.31 On the basis of the information as set out above, the proposals are considered to comply with the Council's transport and access policies T1 and T2 of the Core Strategy.
- 10.32 Landscape Proposals
- 10.33 The scheme proposes to layout open areas at ground floor level and, due to the change in levels across the site, lower ground floor level. The landscaping is proposed as a mix of hard and soft landscape features. At the lower ground level the space between the buildings would be approximately 21 metres wide and would be laid out as paved with a grassed areas with some small tree planting and would be edged to its eastern side with a planted area, as green 'buffer' zone where the landscaping is against the windows of habitable rooms. External seating would be provided in this courtyard area. At ground floor level the same approach to landscaping is proposed with a mix of hard and soft landscape, including tree planting, across the open areas of the site.
- 10.34 Due to the levels change across the site from adjacent footway, the orientation and layout of the scheme, and whilst the majority of the spaces at ground floor level are intended to be open access, it would be difficult to give them an appearance of being publicly permeable. In addition the adjacent site is a series of industrial and commercial units on to which there is no public access. Therefore, there is not an opportunity to create a connected route through the site to the adjacent industrial site. As such, an off-site contribution for public open greenspace of £93,743.00 will be required. This will be secured via the Section 106 legal agreement. The approach taken to the provision of on-site and off- site landscaping and public open greenspace is in accordance with all relevant policies.
- 10.35 The existing site has become greened via natural seeding and as such has biodiversity value. The proposal will remove this existing natural planting and although some soft/green landscaping is proposed, it will not be of the same magnitude or type of planting. As such existing habitats be lost. Therefore, the scheme will be required to deliver biodiversity offsetting (off-site), through a commuted sum, to achieve 10% Biodiversity Net Gain. This would come forward as a S106 obligation for £48,864.00. The approach taken to the provision of Biodiversity Net Gain is in accordance with all relevant policies.
- 10.36 Climate Emergency and Sustainability Measures
- 10.37 Members will be aware that the Council has recently declared a Climate Emergency. Existing planning policies seek to address the issue of climate change by ensuring that development proposals incorporate measures to reduce the impact of non-renewable resources.

- 10.38 Concerns have been raised that the sustainability aims of the proposals are non-committal. The proposals aim to meet the requirements of planning policies EN1 and EN2 to reduce total predicted carbon dioxide emissions to achieve 20% less than the Building Regulations Target Emission Rate and provide a minimum of 10% of the predicted energy needs of the development from low carbon energy. As such the proposal incorporates a variety of sustainability measures including;
- A fabric first approach with low U-values
 - Highly efficient LED lighting systems where possible.
 - Connection to a District Heating Network (DHN) via heat distribution centre at Saxton Gardens, if viable.
 - The apartments will be designed to meet a water efficiency standard of 110 litres per person per day.
 - The apartments will be designed to meet a minimum energy efficiency of 25% reduction in CO2 emissions over a 2010 Part L1A compliant building
 - Potential for roof top Building Integrated Photovoltaics panels.
 - Consideration of the use of air source heat pumps.
- To respond to Policy EN4 the Applicant is in discussions with the Council regarding, the above stated, opportunity to connect their scheme to the District Heating Network. Such sustainability measures will require more comprehensive design work as the scheme is progressed through all of the required detail design stages and as such the full details of the measures for carbon dioxide reduction and to minimise energy use will come forward via a Planning Condition.
- 10.39 To address Policy EN8 the scheme incorporates Electric Vehicle (EV) Charging Points and the use of EVs is promoted via the Travel Plan. The addition of electric vehicle charging points will also be controlled via a Planning Condition.
- 10.40 Wind Study
- 10.41 A wind study was submitted as part of the application which considers the impact on the prevailing winds as a result of the development and any creation of localised wind focused micro-climates. The Lawson distress criteria is an industry standard and as such this has been employed in the wind study. This criteria states that a wind speed greater than 15 metres-per-second occurring for more than two hours per year is classified as unsuitable for the general public and represents a wind speed with the potential to destabilise the less able members of the public such as the elderly, cyclists and children. Able-bodied users are those determined to experience distress when the wind speed exceeds 20 metres-per-second for two hours per year.
- 10.42 The wind study assessed wind patterns across all areas of the site under two scenarios: (i) existing baseline scenario of the currently derelict brownfield site; and (ii) the proposed development with existing surroundings. The two scenarios have been tested for the calmest (summer) and windiest (winter) seasons. To achieve this a 500 m radius cylindrical computational domain was used for this study and 400 m for surrounding study area. Mean wind speed profiles were calculated for 36 wind directions using industry standard Descriptions. The wind study concluded that wind comfort and safety within the site was good and suitable across all areas but that negligible to minor adverse effects would occur on Marsh Lane adjacent to the site. However it is concluded that the effect would be so minor in nature that it would not require any wind mitigation measures.
- 10.43 The wind study has been peer reviewed and is considered to be robust, to be of a suitable quality and to provide realistic result, consistent with the reviewer's expectations. The peer review also advises the study concludes that whilst the

buildings would cause a small increase in windiness around the site, it is not of a level to cause any significant impact on wind safety conditions, either on-site or off-site. Therefore, the suitability of wind conditions means that no wind mitigation measures are required.

10.44 Access & Inclusion

10.45 In respect of accessible homes the Developer has stated that the following can be provided:

353 apartments are to be Part M4 (2) compliant - 100%

6 apartments are to be Part M4 (3) complaint - 1.7%, this being 5 one bedroomed and 1 two bedroomed apartments. Although slightly below the 2% required the Access Officer has accepted this as it is marginally under the aimed for percentage of Policy H10 by only 0.3%.

In addition, flat and level access will be provided in to the entrance lobby of the blocks and lift access is provided to all floors.

A Planning Condition will be applied to control the final details of the accessible apartments.

10.46 Section 106 Legal Agreement

10.47 A legal test for the imposition of planning obligations was introduced by the Community Infrastructure Levy Regulations 2010. These provide that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is -

(a) Necessary to make the development acceptable in planning terms,

(b) Directly related to the development; and

(c) Fairly and reasonably related in scale and kind to the development.

10.48 There is a requirement for the following obligations that sit outside the Community Infrastructure Levy regime:

1. Employment and training of local people

2. The provision of publicly accessible areas

3. The provision of affordable 11 units (3.14% of the total provision)

4. The provision of a travel plan fee of £4,774.00

5. Provision of one Leeds City Council Car Club provider parking space

6. Provision of a Residential Travel Plan Fund of £87,587.50

7. An off-site greenspace contribution of £93,743.00

8. A contribution for Traffic Regulation Orders to address potential overspill parking of up to £10,000.00

9. A contribution for biodiversity net gain of £ 48,864.00

10. A management fee

10.49 The proposed obligations have been considered against the legal tests and are considered necessary, directly related to the development and fairly and reasonably related in scale and kind to the development. Accordingly this can be taken into account in any decision to grant planning permission for the proposals.

10.50 The development is Community Infrastructure Levy (CIL) liable and is estimated to be in the region of £156,219.15 CIL is generally payable on the commencement of development. The payment of CIL is not material to the determination of the planning application. Accordingly, this information is presented simply for Members information

11.0 **CONCLUSION**

11.1 In conclusion it is considered that the proposal is an appropriate use, scale, design and style for this site which would result in a high quality, appropriate development. The scheme would bring much needed housing as well as adding to the vibrancy and vitality to the area and furthering its regeneration to the benefit of both the existing and emerging community in the wider area. Therefore the proposal is in accordance with the Development Plan and is considered to be acceptable and is recommended for approval, subject to the conditions set out in Appendix 1 and the planning obligations set out at the head of this report.

Background Papers:

17/06296/FU

PREAPP/19/00638

20/03428/FU



Appendix 1 - Draft Conditions

CITY PLANS PANEL

Subject: Planning Application 20/03428/FU for two residential blocks including access, parking provision, the drainage layout and landscaping at land off Flax Place, Richmond Street, Marsh Lane and East Street, Richmond Hill, Leeds

1) The development hereby permitted shall be begun before the expiration of three years from the date of this permission.

Imposed pursuant to the provisions of Section 91 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

2) The development hereby permitted shall be carried out in accordance with the approved plans listed in the Plans Schedule.

For the avoidance of doubt and in the interests of proper planning.

3) No above ground building works shall take place until details and samples of all external walling and roofing materials have been submitted to and approved in writing by the Local Planning Authority. Samples shall be made available on site prior to the commencement of building works, for inspection by the Local Planning Authority which shall be notified in writing of their availability. The building works shall be constructed from the materials thereby approved.

In the interests of visual amenity.

4) No surfacing works shall take place to the hard surfaced and landscaped areas until details and samples of all surfacing materials to the said hard surfaced and landscaped area have been submitted to and approved in writing by the Local Planning Authority. The surfacing works shall be constructed from the approved materials.

In the interests of visual amenity.

5) No above ground building works shall take place until full details of the following have been submitted to and approved in writing by the Local Planning Authority-

(i) 1 to 20 scale drawings of the detail of roof line treatments and ground floor treatments

- (ii) 1 to 20 scale section drawings of each type of window detail and the depths of the reveals
 - (iii) 1 to 20 scale section drawings of all new external doors and entrances
 - (iv) 1 to 20 scale section drawings of the junctions of different materials
- The works shall be carried out in accordance with the details thereby approved.

In the interests of visual amenity.

- 6) No development shall take place until a Statement of Construction Practice has been submitted to and approved in writing by the Local Planning Authority. The Statement of Construction Practice shall include full details of:
- a) the methods to be employed to prevent mud, grit and dirt being carried onto the public highway from the development hereby approved;
 - b) measures to control the emissions of dust and dirt during construction;
 - c) location of site compound and plant equipment/storage and contractor's vehicles and access and egress points
 - d) details of access, storage, parking, loading and unloading of all contractors' plant, equipment, materials and vehicles (including workforce parking) and
 - e) how this Statement of Construction Practice will be made publicly available by the developer.

The contractor must ensure compliance with current legislation on noise and dust control including the Environmental Protection Act 1990 and the Control of Act 1974. Relevant Codes of Practice set out procedures for dealing with the control of noise on construction and demolition sites are contained in BS5228: 2009 Noise and Vibration Control on Construction and Open Sites.

The approved details shall be implemented at the commencement of work on site, and shall thereafter be retained and employed until completion of works on site. The Statement of Construction Practice shall be made publicly available for the lifetime of the construction phase of the development in accordance with the approved method of publicity.

In the interests of the amenity of occupants of nearby buildings.

- 7) The hours of construction including deliveries and waste collection shall be restricted to 08:00 to 18:00 hours Monday to Friday, 08:00 to 13:00 hours Saturdays, with no construction activities on Sundays and Bank Holidays.

In the interests of the amenity of occupants of nearby buildings.

- 8) Development shall not commence until details and a method statement for interim and temporary drainage measures during the demolition and construction phases have been submitted to and approved in writing by the Local Planning Authority. This information shall provide full details of who will be responsible for maintaining such temporary systems and demonstrate how the site will be drained to ensure there is no increase in the off-site flows, nor any pollution, debris and sediment to any receiving watercourse or sewer system. Where temporary discharges to a sewer are proposed, written confirmation from the sewer owner that these have been accepted shall be provided. The site works and construction phase shall thereafter be carried

out in accordance with approved method statement, unless alternative measures have been subsequently approved by the Planning Authority

To prevent flooding offsite in accordance with the NPPF.

9) There shall be no discharges of foul water from the development until a foul drainage scheme including details of provision for its future maintenance (e.g. adoption by the Water Company) has been implemented in accordance with details to be submitted to and approved in writing by the Local Planning Authority. In addition, written confirmation shall be provided from Yorkshire Water or any other third party involved to allow the laying of any sewer across third party land and discharge of the design foul flows to the sewer.

To ensure satisfactory drainage and pollution prevention in accordance with adopted Leeds UDP Review (2006) policy GP5.

10) Before development commences, the detailed SuDS based Drainage Scheme based on the principles of The SUDS Manual (C753) with design criteria as set out within the Council's Minimum Development Control Standards for Flood Risk should be submitted and approved in writing by the Local Planning Authority. The application should provide suitable drainage drawings, summary calculations and results of all investigations detailing the surface water drainage works as set out below. The maximum rate of discharge, off-site, shall not exceed 5 l/s and be in line with the drainage strategy as set out within Roscoe Consulting Engineers Drg No NE8604-ROS-ZZ-XX-DR-C-001 Rev P1 and shall be consistent with the council's Minimum Development Control Standards for Flood Risk and the LLFA's requirements for Major Development unless otherwise agreed with the LPA. The works shall be implemented in accordance with the approved scheme before the development is brought into use, or as set out in the approved phasing details.

The detailed design drawings, calculations and supporting information shall include the following:

- (i) Model Information (Micro Drainage or similar approved) to include a plan showing pipework model numbering and network details,
- (ii) Results: Summary of Results showing all the modelling criteria and summary network results for critical 1 in 2 year, 1 in 30 year and 1 in 100 year plus 40% CC storm events showing maximum water level, flow and velocity and details of any surface flooding anticipated.
- (iii) A drawing showing the proposed impermeable areas, suitably annotated.
- (iv) Calculations and any supporting survey and investigations to justify and demonstrate the existing and proposed discharge rate.
- (v) Drainage Plan showing drainage layout, manholes including cover and invert levels, proposed levels, pipe sizes and gradients, all on -line controls, on and off line storage structures and outfall details.
- (vi) Plan showing overland exceedance routes in the event of a failure of the drainage system or storm event in excess of the 1 in 100 + 40% CC storm event.
- (vii) Summary Drainage Report setting out the Drainage Strategy and results of the calculations demonstrating compliance with the above.
- (viii) Where third party agreements to construct sewers and to discharge flows are required, then written evidence of these two agreements shall be provided.

(ix) A timetable for implementation of the drainage works including an assessment of any phasing of the development.

(x) Demonstrating that adequate water quality of the off-site surface water flows in accordance with the Simplified Index Approach as set out within Section 26 of the SUDS Manual (C753) can be achieved during all phases of the development

(xi) Where SUDs are only proposed in part or not at all, then a full justification statement shall be provided to demonstrate why it is not considered appropriate or reasonable.

(xii) Demonstrating that discharging to the public sewer network would be at a maximum rate of 5.3 litres a second.

To ensure sustainable drainage and flood prevention in accordance with NRWLP policy Water 7 and GP5 of the UDP.

11) No construction works in the relevant area (s) of the site shall commence until measures to protect the public sewerage infrastructure that is laid within the site boundary have been implemented in full accordance with details that have been submitted to and approved by the Local Planning Authority. The details shall include but not be exclusive to the means of ensuring that access to the pipe for the purposes of repair and maintenance by the statutory undertaker shall be retained at all times. Furthermore no trees shall be planted within 5 meters of any live sewer located within the site.

In the interest of public health and maintaining the public sewer network.

12) Prior to the occupation of the first unit, details shall be provided in respect to the management, inspection and maintenance of any non-adopted drainage features. The details shall identify the responsible parties and set out how these will be funded and managed and provide a schedule of the proposed inspections and annual maintenance for the lifetime of the development. The plan shall be submitted to and approved in writing with the Local Planning Authority prior to first occupation and the development shall thereafter be maintained at all times in accordance with the approved details.

To ensure the development is adequately maintained for the lifetime of the development.

13) The approved Phase I Desk Study report indicates that a Phase II Site Investigation is necessary, and therefore development shall not commence until a Phase II Site Investigation Report has been submitted to, and approved in writing by, the Local Planning Authority.

Where remediation measures are shown to be necessary in the Phase II Report and/or where soil or soil forming material is being imported to site, development shall not commence until a Remediation Statement demonstrating how the site will be made suitable for the intended use has been submitted to, and approved in writing by, the Local Planning Authority. The Remediation Statement shall include a programme for all works and for the provision of Verification Reports.

To ensure that the presence of contamination is identified, risks assessed and proposed remediation works are agreed in order to make the site 'suitable for use'.

14) If remediation is unable to proceed in accordance with the approved Remediation Statement, or where significant unexpected contamination is encountered, the Local Planning Authority shall be notified in writing immediately and operations on the affected part of the site shall cease. An amended or new Remediation Statement shall be submitted to, and approved in writing by, the Local Planning Authority prior to any further remediation works which shall thereafter be carried out in accordance with the revised approved Statement.

To ensure that any necessary remediation works are identified to make the site suitable for use.

15) Remediation works shall be carried out in accordance with the approved Remediation Statement. On completion of those works, the Verification Report(s) shall be submitted to the Local Planning Authority in accordance with the approved programme. The site or phase of a site shall not be brought into use until such time as all verification information has been approved in writing by the Local Planning Authority.

To ensure that the remediation works are fully implemented as agreed and the site has been demonstrated to be suitable for use.

16) Any soil or soil forming materials brought to site for use in garden areas, soft landscaping, public open space or for filling and level raising shall be tested for contamination and suitability for use. A methodology for testing these soils shall be submitted to, and approved in writing by, the Local Planning Authority prior to these materials being imported onto site. The methodology shall include information on the source of the materials, sampling frequency, testing schedules and criteria against which the analytical results will be assessed (as determined by risk assessment). Testing shall then be carried out in accordance with the approved methodology. Relevant evidence and verification information (for example, laboratory certificates) shall be submitted to, and approved in writing by, the Local Planning Authority prior to these materials being imported onto the site.

To ensure that contaminated soils are not imported to the site and that the development shall be suitable for use.

17) No development shall take place until details of a further Air Quality assessment, which includes the impact of the final energy strategy and the identification of mitigation measures as necessary, has been submitted to the satisfaction of and approved in writing by the local planning authority. The use hereby approved shall not commence until any specified measures required have been implemented, and any such measures as may be approved shall be retained thereafter.

In the interests of amenity.

18) No development shall take place until a scheme detailing the method of storage and disposal of litter and waste materials, including recycling facilities, has been

submitted to and approved in writing by the Local Planning Authority. The details shall include a description of the facilities to be provided including, where appropriate, lockable containers, details of recyclable materials and details on collection, including timescales. The approved scheme shall be implemented before the development is brought into use and no waste or litter shall be stored or disposed other than in accordance with the approved scheme.

In the interests of residential amenity and to promote recycling.

19) No installation of externally mounted plant or equipment shall take place until details of the installation and/or erection of any air conditioning or extract ventilation system, flue pipes, window cleaning equipment or other excrescences proposed to be located on the roof or sides of the building, including details of their siting, design, noise attenuation, and external appearance have been submitted to and approved in writing by the Local Planning Authority. Works shall be carried out in accordance with the approved details and retained as such thereafter.

Plant and machinery operated from any commercial premises shall limit noise to a level at least 5dBA below the existing background noise level (L90) when measured at the nearest noise sensitive premises with the measurements and assessment made in accordance with BS4142:1997.

In the interests of amenity and visual amenity, in accordance with Saved Unitary Development Plan Policies GP5, BD2 and BD4, Leeds Core Strategy policy P10 and the NPPF.

20) Prior to the commencement of development a Sustainability Statement shall be submitted to and approved in writing by the Local Planning Authority which will include a detailed scheme to demonstrate compliance with Core Strategy policies EN1 and EN2 and comprising:

- (i) a recycle material content plan (using the Waste and Resources Programme's (WRAP) recycled content toolkit);
- (ii) a Site Waste Management Plan (SWMP) for the demolition and construction phases.

Within 6 months of the first occupation of the residential blocks a post-construction review statement shall be submitted to and approved in writing by the Local Planning Authority. The development shall be maintained and any repairs shall be carried out in accordance with the approved detailed scheme and post-completion review statement.

To ensure the adoption of appropriate sustainable design principles in accordance with Core Strategy Policies EN1 and EN2, Leeds Sustainable Design and Construction SPD and the NPPF

21) Notwithstanding the details on the hereby approved plans and to avoid doubt, deliveries, collections and servicing shall not take place Monday to Friday between 7.00am and 10.00am or between 4.00pm and 7.00pm with no deliveries or collections on Saturdays, Sundays and Bank Holidays.

In accordance with the loading restrictions in the area and in the interests of amenity and highway safety, saved UDPR policy GP5, Core Strategy policy T2 and advice within the NPPF.

22) Notwithstanding the details on the hereby approved plans, hard and soft landscape works shall not take place until full details of both hard and soft landscape works have been submitted to and approved in writing by the Local Planning Authority.

Hard landscaping works shall include

- (a) proposed finished levels and/or contours,
- (b) means of enclosure,
- (c) car parking layouts,
- (d) vehicle and pedestrian access and circulation areas,
- (e) hard surfacing areas,
- (f) minor artefacts and structures (eg, furniture, play equipment, refuse or other storage units, signs, lighting etc.),
- (g) proposed and existing functional services above and below ground (eg. drainage, power cables, communication cables, pipelines etc., indicating lines, manholes, supports etc.).

Soft landscape works shall include

- (h) planting plans,
- (i) written specifications (including cultivation and other operations associated with plant and grass establishment),
- (j) schedules of plants noting species, planting sizes and proposed numbers/densities,
- (k) soil volumes for tree pits and planted beds
- (l) implementation programme.

Hard and soft landscaping works shall be carried out in accordance with the approved details prior to the occupation of any part of the development in accordance with the programme agreed with the Local Planning Authority and to a reasonable standard in accordance with the relevant provisions of British Standard BS 4428:1989 Code of Practice for General Landscape Operations or other recognised codes of good practice.

To ensure the provision and establishment of acceptable landscape in accordance with adopted Leeds Core Strategy Policy P12, Saved Leeds Unitary Development Plan Review (2006) policies GP5 and LD1, Leeds Natural Resources and Waste DPD, and the National Planning Policy Framework.

23) No hard or soft landscape works shall take place until a plan, schedule and specification for long term landscape management has been submitted to, and approved in writing by, the Local Planning Authority. This shall include reference to planting and hard landscaped areas, including paving, fencing and other features. The schedule shall identify the frequency of operations for each type of landscape asset and reflect the enhanced maintenance requirement of planted areas during the establishment period. It shall provide for an annual inspection during late summer for any areas of failed tree or shrub planting, and the identification of the replacements required in the autumn planting season. Prior to planting, all landscaped areas shall be cultivated and maintained in a weed free condition by mechanical cultivation or

chemical control. Maintenance shall be carried out thereafter in accordance with the approved management plan.

To ensure the provision and establishment of acceptable landscape in accordance with adopted Leeds Core Strategy Policy P12, Saved Leeds Unitary Development Plan Review (2006) policies GP5 and LD1, Leeds Natural Resources and Waste DPD, and the National Planning Policy Framework.

24) If within a period of five years from the date of the planting of any tree/hedge/shrub that tree/hedge/shrub, or any replacement, is removed, uprooted or destroyed or dies, or becomes, in the opinion of the Local Planning Authority, seriously damaged or defective, another tree/hedge/shrub of the same species and size as that originally planted shall be planted in the same location as soon as reasonably possible and no later than the first available planting season, unless otherwise agreed in writing by the Local Planning Authority.

To ensure maintenance of a healthy landscape scheme, in accordance with adopted Leeds Core Strategy Policy P12, retained Leeds Unitary Development Plan Review (2006) policies GP5 and LD1, the Leeds Natural Resources and Waste DPD, and the National Planning Policy Framework.

25) a) No works or development shall commence until full details of the load bearing cell type rooting zone using proprietary structures has been submitted and approved in writing by the local planning authority. Details shall be fully in accordance with LCC guidance on urban tree planting (available on Landscape Planning website). Details shall include:

- proprietary soil cell structures to support paving over extended sub-surface rooting areas
- Soil cell volume /soil volume calculations
- specification of topsoil including additives and conditioners
- Tree grilles and guards and means of anchoring root balls. Built-in Root Irrigation Pipe system with end cap and aeration system.
- Passive and / or active irrigation including directed use of grey water / roofwater or surface water infiltration to benefit planted areas. Details of distribution system and controls
- Tree grill details
- drainage system for tree pits.
- Where applicable -details of protection measures for statutory utilities and drainage
- Works shall then be carried out in accordance with the approved details.
- Confirmation of Manufacturer supervision on site (free service)

b) To ensure full compliance, a brief report on the installation of the rooting zone system, including supporting photographic evidence, shall be submitted to the LPA when the works are still "open" to allow LPA inspection prior to any finish surfacing works. Seven days written notice shall be given to the Local Planning Authority that the rooting zone structures are in place to allow inspection and approval of them as installed. Confirmation is required that the installation has been overseen by the manufacturer of the system

NOTE-this item cannot be discharged until post inspection approval is confirmed.

c) A three year irrigation programme for the trees (in accordance with BS 8545-2014

Trees from Nursery to Independence) shall be submitted to the LPA for approval in writing. Confirmation of irrigation compliance shall be submitted to the LPA on a quarterly basis for the full three year programme period

To ensure the provision of amenity afforded by appropriate landscape design and its cultural requirements are integrated into the development scheme

26) No development shall take place until plans of the site showing details of the existing and proposed ground levels have been submitted to and approved in writing by the Local Planning Authority. The development shall thereafter be carried out in complete accordance with the details so approved and shall be retained thereafter as such.

To ensure that the works are carried out at suitable levels in relation to adjoining properties and highways in the interests of visual amenity and in accordance with retained Leeds Unitary Development Plan Review (2006) Policy GP5 and the National Planning Policy Framework.

27) No above ground building works shall take place until plans of the site showing details of the proposed floor levels, levels of any paths, parking areas and the height of any retaining walls within the development have been submitted to and approved in writing by the Local Planning Authority. The development shall thereafter be carried out in complete accordance with the details so approved and shall be retained thereafter as such.

To ensure that the works are carried out at suitable levels in relation to adjoining properties and highways in the interests of visual amenity and in accordance with retained Leeds Unitary Development Plan Review (2006) Policy GP5 and the National Planning Policy Framework.

28) No works to or removal of trees or shrubs shall take place between 1st March and 31st August inclusive, unless a competent ecologist has undertaken a careful, detailed check of vegetation for active birds' nests immediately before (within 24 hours) the works commence and provided written confirmation that no birds will be harmed and/or that there are appropriate measures in place to protect nesting bird interest on site. Any such written confirmation should be submitted to the Local Planning Authority within 3 days of such works commencing.

To protect nesting birds in vegetation in accordance with the Wildlife & Countryside Act 1981 (as amended) and BS 42020:2013.

29) Prior to the commencement of development, a Plan shall be submitted to and approved in writing by the Local Planning Authority of: integral bat roosting and bird nesting features (for species such as House Sparrow and Swift) within buildings. The agreed Plan shall show the number, specification of the bird nesting and bat roosting features and where they will be located, together with a timetable for implementation and commitment to being installed under the instruction of an appropriately qualified bat consultant. All approved features shall be installed prior to first occupation of the dwelling on which they are located and retained thereafter.

To maintain and enhance biodiversity in accordance with Core Strategy Policy G9, NPPF, and BS 42020:2013

30) Prior to the commencement of development a Method Statement for the control and eradication of Giant Hogweed (hereafter referred to as the Target Species) shall be submitted to and approved in writing by the LPA. The Method Statement will include post-treatment monitoring of the site to ensure a continuous 12-month period of time occurs where none of the Target Species is identified growing on the whole site, if any Target Species is identified as growing on-site during the 12-month monitoring period then treatment shall resume and continue until a continuous 12-month period with no Target Species occurs. The agreed Method Statement shall thereafter be implemented in full.

To control the spread of non-native invasive plant species in accordance with the Wildlife & Countryside Act 1981 (as amended) and BS 42020:2013.

31) Prior to the commencement of development a Biodiversity & Landscape Enhancement & Management Plan (BLEMP) shall be submitted to and approved in writing by the Local Planning Authority. The Plan shall include details of the following:

- a) Description and evaluation of features to be managed and enhanced, to include 0.34 Biodiversity Units
- b) Extent and location/area of proposed enhancement works on appropriate scale maps and plans
- c) Ecological trends and constraints on site that might influence management
- d) Aims and Objectives of management
- e) Appropriate management Actions for achieving Aims and Objectives
- f) An annual work programme (to cover an initial 5 year period)
- g) Details of the specialist ecological management body or organisation responsible for implementation of the Plan
- h) Ongoing monitoring programme and remedial measures
- i) For each of the first 5 years of the Plan, a progress report sent to the Local Planning Authority reporting on progress of the annual work programme and confirmation of required Actions for the next 12 month period
- j) The Plan will be reviewed and updated every 5 years and implemented for perpetuity

The Plan shall include details of the legal and funding mechanisms by which the long-term implementation of the Plan will be secured by the developer with the specialist ecological management body or organisation responsible for its delivery. The Plan shall also set out (where the results from the monitoring show that the Aims and Objectives of the BLEMP are not being met) how contingencies and/or remedial action will be identified, agreed and implemented so that the development still delivers the Objectives of the originally approved Plan. The approved Plan will be implemented in accordance with the approved details.

To ensure the long-term protection and enhancement of biodiversity in accordance with Core Strategy Policy G8 and G9, NPPF and BS 42020:2013.

32) Notwithstanding the details on the hereby approved plans, and prior to commencement of the development full details of electric car charging points within

the car park, including the number and locations, shall be submitted to and agreed in writing by the Local Planning Authority. The electric car charging points so approved shall be made available prior to first use of the relevant part of the development and thereafter maintained, unless otherwise agreed in writing by the Local Planning Authority.

In the interests of highway safety, sustainable transport.

33) The cycle and motorcycle parking shown on the approved plans shall be laid out prior to the first occupation of the development and thereafter retained for the life of the development, unless otherwise agreed in writing by the Local Planning Authority

In the interests of highway safety.

34) Prior to the commencement of the development the applicant will submit for approval by the Local Planning Authority construction details of the proposed footway crossings and reinstatement to full height footway of any redundant existing crossing along the site frontage at Flax Place and Richmond Street. The crossings and reinstatement must be constructed in accordance with the approved details and be fully implemented prior to the first occupation of the development to the satisfaction of the Local Planning Authority.

In the interests of the free and safe use of the highway

35) The disabled parking shown on the approved plans shall be laid out prior to the first occupation of the development and retained for the life of the development, unless otherwise agreed in writing by the Local Planning Authority

In accordance with Core Strategy policy T2 and the Leeds Parking Policy.

36) Development shall not be occupied until details of measures to control on-street parking in the vicinity of the site comprising modifications to address the loading and unloading Traffic Regulations Order required for Flax Place and timescales for implementation have been submitted to and approved in writing by the Local Planning Authority. The approved measures shall be implemented and retained in accordance with the approved timescales.

To ensure highway and pedestrian safety.

37) Prior to the commencement of the off-site highways works full details of the said off-site highways works details as follows:

- a) New Access - Flax Place
- b) Reinstatement of footway at the existing access on Flax Place
- c) Layby and footway on Flax Place
- d) TRO loading and unloading
- e) Modification to any lines and signs
- f) Land dedication Marsh Lane and Flax Place
- g) Footway widening construction and installation of a shared cycle / pedestrian facility on Marsh Lane

h) Upgrading of crossings to Toucan type on East Street / Marsh Lane / Richmond Street

i) Camera to reduce right turn violations at East Street / Richmond Road. shall be submitted to and approved in writing by the Local Planning Authority. These off site highways works shall be carried out prior to first occupation of the residential dwellings, retail unit or health care centre.

To ensure that priority is given to the introduction of new transport infrastructure by supporting public transport.

38) Development shall not be occupied until all areas shown on the approved plans to be used by vehicles have been fully laid out, surfaced and drained such that surface water does not discharge or transfer onto the highway. These areas shall not be used for any other purpose thereafter.

To ensure the free and safe use of the highway.

39) Development shall not commence until a plan showing details of all vehicle parking for the retail and medical units have been submitted to and approved in writing by the Local Planning Authority. The approved plan shall be implemented and parking made available for use prior to occupation of the development. The parking shall be retained for the lifetime of the development.

To ensure the free and safe use of the highway in accordance with adopted Leeds UDP Review (2006) policy T2 and T24.

40) Notwithstanding the details on the hereby approved plans and as illustrated on the approved plan no. 1158/GA/03 Rev A, indicating the approximate extent of land to be safeguarded for the widening of the footway to form a shared cycleway and pedestrian path on Marsh Lane, and approved plan no. 1010 Rev 00 indicating widening to provide layby and adjoining footway on Flax Place, all development on the Application Site including any boundary walls or fences shall be set back behind the site boundary lines indicated on these plans.

To ensure that the development accommodates these facilities in accordance with Core Strategy, Policy T2.

41) Prior to the commencement of any relevant substantial phase of construction works (including demolition and site clearance, but excepting other enabling works) that may affect the stability of the highway, details of the proposed method of temporary and permanent structural support of the highway to enable the construction of that phase of the development and for the lifetime of the development shall be submitted to and approved in writing by the local planning authority. The approved works shall be completed to an agreed programme to maintain continual structural support to the highway.

To ensure the free and safe use of the highway

42) Notwithstanding the details on the hereby approved plans, no door shall open outwards

over the highway.

In the interests of highway safety to accord with Core Strategy, Policy T2.

43) No external lighting shall be installed unless a scheme has previously been approved in writing by the Local Planning Authority. No lighting fitment shall be installed on the site in such a way that the source of light is directly visible from nearby residential properties or is a hazard to users of adjoining or nearby highways. The scheme shall be installed and retained thereafter in accordance with the approved details.

In the interests of amenity.

44) Following completion of at least 50% of the dwellings within the development as a whole and secondly at the stage of the final completion of the remaining 50% of the dwellings, a post-construction Accessible Housing Certification Table containing confirmation of the full details of the following matters shall be submitted to and approved in writing by the Local Planning Authority;

- Which and how many dwellings within the development have satisfied M4(2)* accessible and adaptable dwellings standards

- Which and how many dwellings within the development have satisfied M4(3)* wheelchair adaptable dwellings standards

- Which and how many dwellings within the development have satisfied M4(3)* wheelchair accessible dwellings standard.

*contained within Part M volume 1 of the Building Regulations.

The accessible dwellings shall be implemented and retained thereafter unless otherwise agreed in writing by the Local Planning Authority.

In the interests of disabled people and access for all



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

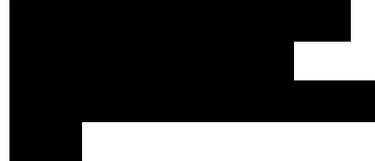
Viability Report for
Land at Flax Place
Marsh Lane
Lee Street
Richmond Hill
Leeds
LS9 8HF

Report for:



Leeds City Council

Prepared by:



Case Number: 1747232

Client Reference: 20/03428/FU

Date: 19th November 2020

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1. Executive Summary

This report provides an Independent Review of a Financial Viability Appraisal in connection with:

Proposed Development	Two residential blocks comprising 350 Build to Rent apartments.
Subject of Assessment:	Land Flax Place, Richmond Street, Marsh Lane and East Street, Richmond Hill, Leeds
Planning Ref:	20/03428/FU
Applicant:	Galliford Try Investments Ltd
Applicant's Viability Advisor:	Aspinall Verdi

The proposed development is for 350 Build to Rent residential apartments within two apartment blocks. The west block consists of 201, 1, 2 and 3 bedroom apartments and the east block consists of 149, 1 and 2 bedroom apartments. Across the lower ground floor there will be a total of 7 wheelchair accessible units, 4 in the west block and 3 in the east block.

It is understood that Leeds City Council Planning Authority require an independent opinion on the viability information provided by Aspinall Verdi 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.

This report gives an overview of the applicant's viability appraisal, then provides advice on those areas of the appraisal which I consider to be incorrect, along with justifications where appropriate. A summary of the key differences of opinion and impact is also provided.

This is our Stage 2 report which sets out our conclusions regarding viability.

This report explains that it is my independent conclusion that a scheme fully compliant with planning policy is not viable

It is my independent opinion that this scheme can viably provide the whole of the required CIL/Section 106 contributions and a sub-compliant amount of on-site affordable housing of 3.14% (11 units).

Non-Technical Summary of Viability Assessment Inputs

Policy Compliant Inputs	Agent Viability conclusion Build to Rent Scheme	DVS Viability Review Build to Rent Scheme	Agreed with DVS (Y/N)
Assessment Date	Report dated June 2020 with addendum appraisals dated 20 th August 2020	2 nd September 2020	Y
Scheme, Gross Internal Area, Site Area	25,992m ² / 1.24 acres	25,938m ²	Y
Development Period	25 months	25 months	Y
Gross Development Value	£54,073,604	£64,964,845	Y
Affordable Housing	NIL	11 Units (3.14%)	Y
Planning Policy / S.106 Total	CIL £155,667 Section 106 contribution £218,197	CIL £145,494 Section 106 contribution £270,194	Y
Construction Cost inc. Prelims, External Works Total and £/m ²	£44,640,880 £1,720 per m ²	£44,640,880 £1,720 per m ²	Y
Abnormal Cost	£1,570,000	£1,570,000	Y
Contingency	3% (£1,339,226)	3% (£1,339,226)	Y
Professional Fees	6% (£2,678,453)	6.4% (£2,678,453)	Y
Finance Interest and Sum	5% (£1,914,192)	5% (£2,440,730)	Y
Other Fees			
Marketing Fees	£Nil	£Nil	Y
PRS Investment Agency Fees	£Nil	£454,236	Y
PRS Legal Fees	£Nil	£302,824	Y
Land Acquiring Prof Fees	£Nil	£23,402	Y
Acquisition Stamp Duty	£NIL	£17,420	
Profit Target %	10% profit on cost	8% profit on cost	Y
EUV	Not stated	£1,018,182	Y
EUV Premium to BLV	Not stated	Not applicable	Y
Benchmark Land Value	£1.24 million	£1,018,182	Y
Purchase Price (if relevant)	Not stated	Not stated	N/A
Alternative Use Value	Not stated	£1,018,182	N/A
Viability Conclusion Planning Compliant Scheme	Not Viable	Fully Viable	N/A
Deliverable Scheme	No Affordable	3.14% (11 Units)	Y

2. Introduction

Further to your instructions dated 28 July 2020, I am pleased to submit my “Stage 2” report which concludes discussions with the applicants advisors.

My comments are based upon a viability assessment submitted by Aspinall Verdi dated June 2020 and submitted to the Local Authority.

I have inspected the site I am pleased to report to you as follows.

A copy of my Terms of Engagement dated 4 August 2020 are attached within the Appendices.

Identification of Client

Leeds City Council.

Purpose of Assessment

It is understood that Leeds City Council Planning Department require an independent opinion on the viability information provided by Aspinall Verdi , 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.

Subject of the Assessment

Land at Flax Place, Marsh Lane, East Street, Richmond Hill, Leeds, LS9 8HF.

3. Date of Assessment / Date of Report

The date of viability assessment is 19th September 2020.

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.

4. Viability Methodology / Professional Guidance

The review of the applicant's viability assessment has been prepared in accordance with the recommended practice set out in the National Planning Policy Framework; the NPPG on Viability (July 2018, updated May 2019, September 2019) and the Royal Institution of Chartered Surveyors (RICS) Professional Statement, Financial Viability in Planning (**FVIP: Conduct and Reporting**) (effective from 1st September 2019) and the RICS (**FVIP**) Guidance Note (1st Edition) (GN 94/2012), where applicable.

The Residual appraisal methodology is established practice for viability assessments. In simple terms the residual appraisal formula is:

Gross Development Value less Total Development Cost (inclusive of S106 obligations, abnormal development costs and finance) less Profit, equals the Residual Land Value.

The Residual Land Value is then compared to the Benchmark Land Value as defined in the Planning Practice Guidance on Viability. Where the Residual Land Value produced from an appraisal of a policy compliant scheme is in excess of the Benchmark Land Value the scheme is financially viable, and vice versa:

Residual Land Value > Benchmark Land Value = Viable
Residual Land Value < Benchmark Land Value = Not Viable

The appraisal can be rearranged to judge the viability of a scheme in terms of the residual profit, which is compared to the target profit:

Residual Profit > Target Profit = Viable
Residual Profit < Target Profit = Not Viable

For this case the DVS appraisal produces a Residual Land Value which is then compared to the Benchmark Land Value as defined in the Planning Practice Guidance on Viability

5. RICS Financial Viability in Planning Conduct and Reporting

In accordance with the above professional standard it is confirmed that:

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.

The professional fee for this report is not performance related and contingent fees are not applicable.

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.

The appointed valuer, [REDACTED] BSc Hons, MRICS 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.

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.

DVS are employed to independently review the applicant's financial viability assessment, and can provide assurance that the review has been carried out with due diligence and in accordance with section 4 of the professional standard. It is also confirmed that all other contributors to this report, as referred to herein, have complied with the above RICS requirements.

6 Restrictions on Disclosure / Publication

The report has been produced for Leeds City Council only. DVS permit that this report may be shared with the applicant and their advisors as listed above, as named third parties.

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 who may seek to rely on the content of the report.

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 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 one report is accepted a redacted version will be produced, void of personal and confidential data, and that this approved document will be available for public consumption.

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.

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.

7. Validity

This report remains valid for 6 (six) months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

8. Limits or Exclusions of Liability

Our viability assessment is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our viability assessment 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 viability report. If we do provide written consent to a third party relying on our viability assessment, 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.

9. Confirmation of Standards

The viability assessment review has been prepared in accordance with paragraph 57 of the National Planning Policy Framework, which states that all viability assessments should reflect the recommended approach in the National Planning Practice Guidance on Viability, (July 2018, updated May 2019 and September 2019).

The viability assessment review report has been prepared in accordance with the Professional Statement Financial Viability in Planning: Conduct and Reporting (effective from 1st September 2019). Regard has been made to the RICS Guidance Note "Financial Viability in Planning" 1st Edition (GN 94/2012), where applicable.

Valuation advice (where applicable) has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

Whilst professional opinions may be expressed in relation to the appraisal inputs adopted, this consultancy advice is to assist you with your internal decision making and for planning purposes, and is not formal valuation advice such as for acquisition or disposal purposes. It is, however, understood that our assessment and conclusion may be used by you as part of a negotiation, therefore RICS Red Book professional standards PS1 and PS2 are applicable to our undertaking of your case instruction, compliance with the technical and performance standards at VPS1 to VPS 5 is not mandatory (PS 1 para 5.4) but remains best practice and they will be applied to the extent not precluded by your specific requirement.

Where relevant measurements stated will in accordance with the RICS Professional Statement 'RICS Property Measurement' (2nd Edition) and, the RICS Code of Measuring Practice (6th Edition).

I have departed from the measuring standards and I am providing a report based on the areas measured and provided by the applicant.

The viability assessment has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

As specifically requested by you, any office 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 (2nd Edition)'. I understand that you requested this variation because we are basing our conclusions on the method of measurement adopted by the applicant for consistency.

10. Conflict of Interest

In accordance with the requirements of RICS Professional Standards, DVS as part of 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 is satisfied that no conflict of interest exists.

It is confirmed that the valuer appointed has no personal or prejudicial conflict in undertaking this instruction. It is confirmed that all other valuers involved in the production of this report have also declared they have no conflict assisting with this instruction. Should any conflict or difficulty subsequently be identified, you will be advised at once and your agreement sought as to how this should be managed.

11. Engagement

I have been in contact with Aspinall Verdi to seek clarification in respect of figures adopted in their appraisal.

12. Status of Valuer

It is confirmed that the viability assessment has been carried out by [REDACTED] BSc (Hons) 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. [REDACTED] is referred hereafter and in redacted correspondence as 'the DVS Valuer.

As part of the DVS Quality Control procedure, this report and the appraisal has been peer reviewed by [REDACTED] MRICS, Principal Surveyor, Registered Valuer, who has the appropriate knowledge, skills and understanding necessary to complete this task.

Other Contributors

There are no other contributors.

13. Assessment Details

The proposed development is for 350 Build to Rent with residential apartments split into two blocks. The West Block consists of 201, 1, 2 and 3 bedroom apartments and the East Block consists of 149, 1 and 2 bedroom apartments. Across the lower ground floor there are a total of 7 wheelchair accessible units, 4 in the West Block and 3 in the East Block.

Location / Situation

The site is situated on the edge of Leeds City Centre, central business district. Located in an area which has been subject to extensive redevelopment over the past 15 years, focused around East Street, one of the main southeast arteries into the city.

Flax Place fronts directly onto East Street/Marsh Lane which is the main arterial road in and out of the city. The front is of East Street/North Lane overlooks a development site known as the Gateway with social housing blocks immediately to the north.

Site Area

1.24 acres and 0.5 hectares.

14. Date of Inspection

A drive by inspection was undertaken on 5th August 2020.

15. Planning Policy / Background

The site has extant planning consent (Reference No 17/06296/FU) for a mixed use development comprising 300 build to rent residential dwellings, retail unit, healthcare centre, vehicle and pedestrian access, parking, landscaping and associated works. Full planning consent was granted on 3 April 2018, however it has not been implemented. Records show that a financial viability review was not undertaken in relation with the planning application.

Consent was granted and requires the provision of 5% on site affordable units (15 units) with CIL and Section 106 costs totalling approximately £303,474.

16. Local Plan Policy Scheme Requirements / S106 Costs

Policy H5 also sets out the requirements for Build to Rent developments;

On-site affordable housing, according to national policy advice, should be delivered comprising 20% of all units 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

Alternatively on-site affordable housing can be based on published transfer rates for Build to Rent properties, the percentage of affordable housing is specified for zones 1-4 and a mix of intermediate and social rented types of affordable housing. In this instance the policy requirement for Flax Place is 7% affordable units (25 Units)

Finally a commuted sum in lieu of on-site provision of affordable housing can be accepted.

In this instance the applicant has chosen to apply on-site, intermediate and social rented types of affordable housing based on published transfer rates.

Table 2 below sets out affordable rent benchmarks. These apply in situations where a Private Rented Scheme Provider and the City Council have agreed that affordable housing provision will be provided on-site, or in buildings off-site. Management companies responsible for administering the rental of dwellings would be expected to rent the affordable dwellings at rents that accord with the benchmarks subject to arrangements agreed with the City Council.

Table 2: Affordable Rents for PRS Schemes

Dwelling Type	Affordability	Benchmark £/sqm/week	Benchmark £/sqm/mth
Apartment	Lower Decile	1.34	5.82
	Lower Quartile	1.73	7.49

The benchmarks apply to the gross internal floorspace of dwellings.

17. Development Scheme Assumptions and Special Assumptions

The following assumptions and special assumptions have been agreed with the Council and applied:

- My viability report assumes that all known costs are contained within the applicant's viability appraisal.

Scheme Floor Areas

Summarised below is a summary of the gross internal area of all Build to Rent apartments planned within the extracted from the applicant's viability report.

One Bedroom Apartment	6,146.87 m ²
Two Bedroom Apartment	7,335.96 m ²
Three Bedroom Apartment	565.58 m ²
One Bedroom Apartment (AR)	421.82 m ²
Two Bedroom Apartment (SO)	549.35 m ²
One Bedroom Apartment	4,771.43 m ²
Two Bedroom Apartment	5,314.68 m ²
One Bedroom Apartment - AR	482.08 m ²
Two Bedroom Apartment - SO	366.23 m ²
Totals	25,992.00 m²

(Source: Aspinall Verdi Report Addendum Aug 2020)

Mineral Stability

The site is not within a Development High Risk Area defined by the Coal Authority

The property is not in an underground mining area and a Mining Subsidence Report has not been obtained.

Environmental Factors Observed or Identified

The site has been cleared with no buildings present on site. The applicant's agents makes no specific reference to contamination.

Tenure

Freehold.

Easements and Restrictions

I have not been provided with a report in title and no reference has been made in the report to any restrictions or easements affecting the site.

Services

My report assumes that all services are available with the capacity and the full cost of connecting services is accounted for in the applicant's viability appraisal.

Access and Highways

My assessment assumes the site is accessible from the adjoining highways network and any cost associated with access to site is fully accounted for in the applicant's viability appraisal.

18. Development Scheme information

I set out below a comparison between the inputs adopted by the applicant's adviser and those considered reasonable DVS.

I confirm whether the figures adopted by the applicant are accepted or not accepted and provide supporting evidence if I disagree with the applicant's advisers conclusions.

Gross Development Value (GDV)

I set out below the rental values which AV have attributed to the 1, 2 and 3 bedroom apartments within the scheme by the applicant.

Block A - West

	Unit	No of units	NIA (sqm)	Benchmark £ psm / per month	Rental Value £ PCM
MS	1 Bedroom Apartment	103	4791.80		£750
MS	2 Bedroom Apartment	80	5643.30		£975
MS	3 Bedroom Apartment	5	435.50		£1,200

Block B - East

	Unit	No of units	NIA (sqm)		Market Rental Value £ PCM
MS	1 Bedroom Apartment	79	3,674.00		£750
MS	2 Bedroom Apartment	58	4,092.30		£975

(Source: Aspinall Verdi Report June 2020)

I disagree with the rents adopted by the applicant's advisor as I have agreed rents for viability purposes at numerous other properties schemes in the city centre including developments directly adjoining Flax Place which have been agreed with developers at higher rental values for 1, 2 and 3 bedroom units.

The applicant advisor has also relied on rental evidence from conventional buy to let apartments which does not reflect the "turnkey" offering with associated on site services and support offered by a Build to Rent Landlord/Operator.

I have had regard to previous agreements with PRS/Build to rent developers when determining rental values for this scheme which, in my opinion, carry more weight than the information provided by the applicant's adviser.

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 (M2 & £/sq m)	1 bed(M2 & £/sq m)	2 bed(M2 & £/sq m)	3 bed(M2 & £/sq m)
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	37.13 / £228.11	45.6 / £210.73	67.81 / £221.75	92.15 / £210.97

In light of the above evidence I have adopted the following gross rents for the market value apartments within Flax Place:

	Rent Rate m ²	MRV/Unit
One Bedroom Apartment	199.90	9,300
Two Bedroom Apartment	174.37	12,300
Three Bedroom Apartment	179.10	15,600

The rents adopted in my appraisal for 1 bed apartments are £300 per annum higher than the applicant, £600 per annum higher for 2 bedroom apartments and £1,200 per annum higher for 3 bedroom apartments.

Gross to Net Adjustment on Rents (Leakage)

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 and general management of communal areas.

The rental value of each apartment represents the gross revenue for the after which it is important to make a deduction to the gross rent for the ongoing management of the apartment block and internal and external communal areas including cleaning, maintenance, utilities costs. Insurance, bad debt and voids.

I summarise below the applicant's surveyor's allowance for running costs within the scheme which totals 24%:

Gross Inc PA	Operation Void @ 2.5%	Bad Debt @ 0.5%	Council tax void @ 1%	Void Utilities @ 1.5%	Operational Expenditure @ 9.5%	Management Fees @ 9%	Net Income £PA
£9,000	£225	£45	£90	£135	£855	£810	£6,840
£11,700	£293	£59	£117	£176	£1,112	£1,053	£8,892
£14,400	£360	£72	£144	£216	£1,368	£1,296	£10,944

The applicant has subsequently allowed for a deduction to gross rents of 24% which covers site staff, building operations, tenancy operational expenditure and management fees.

I have adopted a lower percentage for calculating the net rental income of 23% which is based on agreements with other Build to Rent operators in the City for similar schemes. I refer you to Section 25.6 of this report which summarises agreed inputs for Build to Rent schemes in Leeds City Centre.

DVS Gross to Net Rental Adjustment

Operation Voids	2.5%
Bad Debt	0.5%
Council Tax Voids	1%
Void Utilities	1.5%
Management Fees	9% inclusive of VAT
Operational Expenditure	8.5%
Total	23%

I refer you to Section 25.6 of this report which summarises agreed inputs for Build to Rent schemes in Leeds City Centre.

Capitalisation Yield

Following a deduction for operational costs a valuer is then required to capitalise the net rent to arrive at a value at which the completed scheme will be sold. The applicant's advisor has adopted an initial yield of 4.75% which I consider unreasonable.

I have, as explained above, assessed numerous Build to Rent schemes within the city centre and agreed appraisals at a yields between 4.50% to 4.65% to capitalise the net rental income. In the case of Flax Place the applicant's advisor has adopted a yield of 4.75% with little or no evidence to support their conclusions other than reference to one scheme at Ellerby Road Leeds.

I consider previous agreements on Build to Rent developments in the city centre to carry greater weight as each developer was represented by the full suite of advisers including valuers and viability consultants.

I refer you to Section 25.6 of this report which summarises agreed inputs for Build to Rent schemes in Leeds City Centre, including adjustments for operational cost.

Gross Development Value

Based on the appraisal inputs adopted by DVS the gross development value of a sub-compliant scheme is £61,689,371 which is higher than the value in the applicant's appraisal of £54,073,604.

Developers Profit

The applicant's adviser have concluded that a developer's return of 10% of gross development costs is appropriate for assessing viability. I do not consider this conclusion to be unreasonable.

The applicant's advisor states profit for build to rent residential development typically ranges between 10% -15% of cost.

The applicant's advisors conclusion is not supported by comparable data. I have, assessed numerous Build to Rent schemes within the city centre and agreed appraisals at a profit on gross development cost at 8%.

I consider profit margins at this level is well supported by other similar PRS developments, and refer you to Section 25.6 of this report which summarises agreed inputs for Build to Rent schemes in Leeds City Centre.

Build Cost

The applicant has adopted a base build cost of £1,720 per m² which has been provided by the applicant Galliford Try. I consider that the build cost adopted is reasonable and accepted based on benchmark construction costs I have seen for similar schemes in the Leeds city centre.

In addition, I consider the allowance for abnormal costs at £1,570,000 to be accepted, however, I would not necessarily agree that the basement excavation is an abnormal cost. Nonetheless it is considered that the figure is reasonable and consistent when compared to other schemes in the city centre which have been appraised and reviewed by DVS.

Other Development Costs

I agree with the adoption of 3% contingency as well as professional fees at 6%. In addition I consider 5% is a fair reflection of the finance interest rate and should be adopted.

The applicant has not included any costs for marketing and letting fee of the PRS unit as this is included within the gross to net adjustment for operating the Build to Rent scheme.

However, I believe it is appropriate to include an agent's fee for introducing the completed scheme to an investor which I have accounted for within my appraisal by allowing 0.75% of gross development value and a further 0.5% for legal fees associated with financing and transferring land and novating contracts to an investor/purchaser of the completed scheme. This assumption is consistent with other schemes in the city centre which have been appraised and reviewed by DVS.

19. Benchmark Land Value (BLV)

Applicant's Benchmark Land Value BLV

The applicant's surveyor has adopted a Benchmark Land Value of £1,240,000 by referencing the Leeds City Council economic viability study 2018 prepared by GVA Grimley.

The applicant's advisor states the principle of land value for city centre sites set at £750,000 an acre is low and not appropriate in this instance. Their applicant's advisor has referred to a previous viability appraisal reviewed by DVS at Saxton Lane, Leeds where the Benchmark Land Value for the consented scheme was agreed at £1,000,000 per acre where a scheme of 349 build to rent units was granted consent on a site occupied by relatively modern industrial premises.

Given the location of the site the applicant states that the Benchmark Land Value for the subject site should be in the order of £2,470,000 per hectare (£1 million per acre) which equates to a Benchmark Land Value for the subject site of £1,240,000.

Existing Use Value (EUV)

The applicant has made no reference to the Existing Use Value for the site and therefore I cannot comment. This is considered unusual and against best practice.

By virtue of the fact the site has planning consent for a 300 unit built to rent scheme. I have approached the BLV using the AUV (Alternative Use Value). This figure represents the EUV at the assessment date

Premium (EUV)

The applicant has made no reference to a premium to the Existing Use Value for the site. This is considered unusual and against best practice. My opinion of EUV is equal to the AUV (Alternative Use Value) and I refer you to my comments below in section 19.6.

Purchase Price

No information is provided in respect of the purchase price.

The PPG and the RICS encourage the reporting of the purchase price to improve transparency and accountability.

RICS FVIP (1st edition) 2012 guidance states at para 3.6.1.2 "It is for the practitioner to consider the relevance or otherwise of the actual purchase price, and whether any weight should be attached to it, having regard to the date of assessment and the Site Value definition.."

However, the NPPG on viability very much dissuades the use of a purchase price as a barrier to viability this is reinforced at several places in the PPG: *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 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.

DVS would welcome confirmation of the purchase price and payment schedule ahead of the final report.

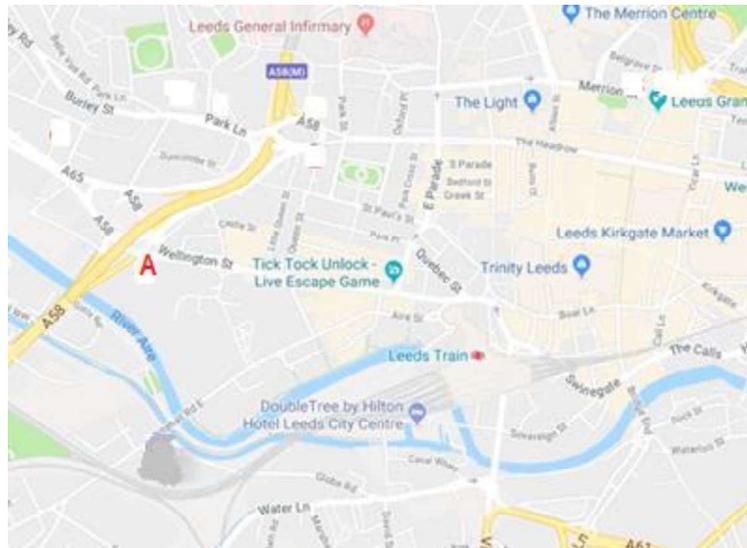
Market Transactions

At Para 14 the NPPG states that:

Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. 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.

Due to the complex nature of how large city centre schemes are developed it is often difficult to obtain appropriate evidence and then correctly analyse it.

This is recognised in the RICS FVIP GN at 3.4.5 *Site Value will be based on market value, which will be risk-adjusted, so it will normally be less than current market prices for development land for which planning permission has been secured and planning obligation requirements are known.*



Location Plan Comparable and Sale

Site A identified on the plan above, was a mixed commercial site. The site now has planning consent for the construction of private rented apartments within Phase 1. The site was originally purchased by the current owner, without planning permission for PRS, in 2014 for £[REDACTED]. For a site extending to 1.90 hectares and the sale price was equivalent to £[REDACTED] per acre.

Phase 1 of the regeneration project was granted consent in early 2017, which I understand was fully policy compliant and it was reported that a block of 242 build to rent apartment units have been forward sold to Grainger, the UK's largest residential landlord and build to rent specialist.

In conclusion, I consider the comparable site as informative and a helpful starting point in order to determine the subject site BMLV.

Alternative Use Value (AUV)

The site already has planning permission for the development of build to rent apartments with a ground floor medical centre and retail unit. The permitted development is summarised below.

Reference	Description	Outcome
17/06296/FU	Mixed use development comprising of 300 residential dwellings, retail unit, health care centre, vehicle and pedestrian access, parking, landscaping and associated works.	Full planning permission was granted on 3 rd April 2018. This application has not been implemented.

Source: Leeds. Gov, May 2020

The applicant has not considered the alternative use value for the site but I regard the "AUV" to be the most appropriate method to assess the site's benchmark land value. The DVS valuer has considered approaching the AUV land value by carrying out a residual valuation of the consented scheme (Application

17/06296/FU.) and reflected upon whether the residual sum represents a fair return to the land owner.

NPPG guidance Para 17 states:

“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.”

I refer you to Section 25.7 of this report which details my Alternative Use Value residual appraised based on the consent for 300 Apartments. I summarise the appraisal inputs as follows:

All appraisal inputs are informed by details in the proposed 350 unit scheme, detailed in section 18 of this report but adjusted for 300 units and by adopting the gross internal area of as set out in the design and access statement for Application 17/06296/FU reflecting the 5% affordable housing requirement £218,197 S 106 costs and CIL of 145,475.

The DVS residual appraisal concludes the alternative use residual land value, is £1,018,182. My BLV is set at £1.02 million, which equates to £1,993,000 per gross hectare (£806,450 per gross acre).

This is lower than the benchmark land value of £1.24 million adopted by the applicant's adviser.

Other Evidence

I refer you to Section 25.6 of this report which summarises agreed inputs for Build to Rent schemes in Leeds City Centre including other benchmark land values adopted by DVS and agreed with other applicant's and their advisors.

The Economic Viability Study Update 2018 prepared by GVA for Leeds City Council adopted a Benchmark Land Value of £1.853m per Ha (£750,000 per ac) for the City Centre. This was net of an abnormal costs allowance of £82,800 per Ha. The applicant's advisor has also referred to an agreed BMLV determined by DVS, acting for Leeds City Council at Saxton Lane at £2.47m per Ha (£1.0m per ac) for a scheme comprising 349 apartments and 59 car parking spaces which I agree is a relevant comparable which was agreed as part of a viability assessment review. However this delivered 4.25% (15 units) affordable units which was below the policy requirement of 7% (24 units).

Benchmark Land Value Considerations

The reasonableness of the applicant's £1.24 million Benchmark Land Value has been considered against:

- i. The (enhanced) EUV £1,018,182
- ii. Alternative use value £1,018,182

- iii. Benchmark Land Values (BLV) adopted in local plan studies produced under public scrutiny to inform policy for viability purposes £930,00
- iv. Benchmark land values adopted and agreed between DVS and an applicant's advisor. This evidence ranges from £335,000 to £1 million per acre with moderate weight given to £1 million per acre, Saxton Lane, Leeds, a sub policy scheme.
- v. Market evidence adjusted for planning policy compliance has not provided reliable conclusions upon which DVS cannot rely upon.

20. Viability Assessment Conclusion

Whilst the matter of premium to the EUV is ultimately a matter for your Council as the decision maker, it is my balanced and professional opinion having considered all of the above case greatest weight has been applied to the AUV and a fair and reasonable BLV would be £1,020,000.

21. Conclusions

It is my independent opinion that this scheme can viably provide the whole of the required CIL £145,494 / Section 106 £270,194 contributions and 3.14% (11 units) on site for affordable housing.

22. Sensitivity Analysis and Testing

As set out in the RICS Professional Standard 'Financial viability in planning: conduct and reporting' (effective from 1st September 2019), I have carried out sensitivity tests to test the robustness of the stage 2 viability conclusion described above.

I have varied a number of the most sensitive inputs of the development appraisal relating to capitalisation yield, and base construction costs. I have adjusted the capitalisation yield in upward steps of 1.25% from the base conclusion

	0.0000% 4.6500%	+0.1250% 4.7750%	+0.2500% 4.9000%
-5.000% 1,649.20 /m ²	(£3,230,357) 8.019%	(£1,981,678) 8.019%	(£796,701) 8.019%
-2.500% 1,692.60 /m ²	(£2,124,280) 8.018%	(£875,594) 8.019%	£339,343 8.019%
0.000% 1,736.00 /m ²	(£1,018,193) 8.019%	£255,863 8.019%	£1,519,583 8.036%
+2.500% 1,779.40 /m ²	£104,999 8.018%	£1,434,676 8.034%	£2,705,889 8.049%
+5.000% 1,822.80 /m ²	£1,281,605 8.030%	£2,620,758 8.047%	£3,896,423 8.066%

The results show the revised Residual Land Value which can be compared against Benchmark Land Value (BLV) and Target Developers Profit of 8 %.

The base position is highlighted blue

The sensitivity analysis above demonstrates that changing the capitalisation yield from 4.65% to 4.775% that the scheme is less viable in the event build costs stay the same or move 5%.

Further sensitivity tests can be provided at your request

23. In the Event of Incorrect Assumptions of Inputs

If any of the assumptions stated herein this report and/or in the attached appraisal are incorrect the matter should be referred back to DVS as a re-appraisal may be necessary.

I emphasise that my appraisal embraces the costs and revenues appropriate to the review date and is therefore valid only if the building construction work commences within 12 months and proceeds at a rate consistent with achieving sales in the market.

If commencement of the works were to be delayed and is then undertaken at some other time when market conditions may be different, then I believe a re-appraisal will be required adopting the costs and revenues then obtaining.

Market Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property there is a shortage of market evidence for comparison purposes, to inform opinions of value. However, I have concluded viability assessments which have been agreed in line with pre pandemic metrics including revenues and costs.

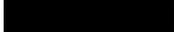
Furthermore, the RICS Material Valuation Uncertainty Leader Forum (UK) advised members that reporting material valuation uncertainty may no longer be appropriate for build to rent residential property of institutional grade, which is professionally managed.

Our valuation and viability conclusions are **not** subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

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.

Yours sincerely



 MRICS
Principal Surveyor
RICS Registered Valuer
DVS

Reviewed by:

 BSc (Hons) MRICS
Principal Surveyor
RICS Registered Valuer
DVS

24. Appendices

24.1 Terms of Engagement

24.2 Location Plan

24.3 Site Layout Plan

24.4 DVS Viability Conclusion Appraisal

24.5 Agreed Viability Inputs for PRS Schemes in Leeds City Centre

24.1 Terms of Engagement



DVS Property Specialists
for the Public Sector

Valuation Office Agency
6th Floor, Castle House
31 Lisbon Street
Leeds
LS1 4DR

[REDACTED]
Principal Planner
Central Team
Planning Services,
City Development
Leeds City Council

Our Reference : 1747232
Your Reference : 20/03428/FU

Please ask for : [REDACTED]
[REDACTED]

E Mail : [REDACTED]@voa.gsi.gov.uk

Date : 4th August 2020

Dear [REDACTED]

Review of Development Viability Appraisal Address: Flax Place, Leeds

I refer to your instructions dated 28th July 2020 I 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 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.

1. Client

This instruction will be undertaken for Leeds City Council and the appointing planning officer is yourself, [REDACTED].

2. Subject Property and proposed development

The land or property (properties) subject to the review is land at Flax Place Leeds

It is understood that the development has:

- a site area of 0.5 hectares
- a total GIA of 20,075 sq m
- the proposed schedule of accommodation is as follows:

Rental Area Summary

	Units	m ²
One Bedroom Apartment	110	5,116.60
Two Bedroom Apartment	86	6,066.30
Three Bedroom Apartment	5	435.50
Car Parking	19	19.00
One Bedroom Apartment	87	4,045.20
Two Bedroom Apartment	62	4,374.30
Car Parking	19	19.00
Totals	388	20,075.90

3. Purpose and Scope

To complete this assessment DVS will:

- 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.
- 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.
- 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 1 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 2 report.

4. Date of Assessment

The date of the assessment is to be agreed

5. Confirmation of Standards to be applied

The viability assessment will be prepared in accordance with paragraph 57 of 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 was revised in May 2019.

The viability assessment review report will be prepared in accordance with the professional statement Financial Viability in Planning: Conduct and reporting (effective from 1st September 2019).

Regard will be made to the RICS Guidance Note "Financial viability in planning" 1st Edition (GN 94/2012), where applicable.

Valuation advice (where applicable) will be prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

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

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 Net Internal Area has been used. Such a measurement is an agreed departure from 'RICS Property Measurement (2nd 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/ residential 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 but 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) and they will only be applied to the extent not precluded by your specific requirement.

7. Basis of Value

7.1 Benchmark Land Value. Paragraph 014 of the NPPG (May 2019) 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).

See related policy: National Planning Policy Framework [paragraph 57](#)
Paragraph: 014 Reference ID: 10-014-20190509
Revision date: 09 05 2019

7.2 Existing Use Value: the NPPG (May 2019) explains Existing Use Value at para 15 as follows:

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.

See related policy: National Planning Policy Framework [paragraph 57](#)
Paragraph: 015 Reference ID: 10-015-20190509.
Revision date: 09 05 2019.

7.3 Gross Development Value (GDV)

GDV is the cumulative total of the market values of the entire development, as detailed in the schedule of accommodation.

Market Value (MV) RICS VPS 4, para 4 defines MV 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.”

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.

8. Special Assumptions

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 QS 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.

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 outgoing.
- 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 S106 / S278 planning obligations triggered by the scheme. In particular whether the applicant's assumptions on these matters are correct, if they are incorrect then please provide the correct details.
- c) A copy of, or a link to, the relevant planning policy applicable to the site, including current designation (and emerging designation if applicable).
- d) Details of any extant or elapsed consents relating to permitted Alternative Use.
- e) 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.
- f) If the applicant has applied vacant building credit, a statement as to whether this is agreed by your Council, if not the appropriate figure.
- g) A copy of the applicant's financial viability appraisal prepared by Aspinall Verdi dated June 2020.

10.2 Information from the applicant

Site access

It is understood that the site is accessible 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

With regards to the applicant's financial viability appraisal the applicant should provide sufficient detail to enable DVS to assess the applicant's contention that the scheme would not be viable if the requirements for affordable housing and other public realm contributions were met as stated in the Local Plan.

To support the contention, the applicant's FVA should include a report with the following details:

- a) A planning policy compliant viability assessment, if completed by a member the RICS this should be prepared in accordance with the Financial Viability in planning: conduct and reporting Professional Statement (effective from 1 September 2019). The follow details are required:
- b) Site area -and schedule of accommodation the gross developable area and net developable area should be stated together with an illustrative plan showing the respective boundaries (or reference to the appropriate planning document with this information)
- c) Development programme assumptions, to detail the anticipated period involved in development, including pre- build, build period and marketing period.
- d) Gross Development Value:
 - (i) Market evidence in support of the sales values adopted
 - (ii) Tenure assumptions and Values for affordable housing
- e) Land Value
 - (i) The Benchmark Land Value should be clearly stated with reference to:
 - i. EUV (as defined in the Viability PPG para 015)
 - ii. Premium (see PPG para 016)
 - iii. Market evidence (suitably adjusted in accordance with PPG para 016)
 - (ii) Alternative use value for the site such be provided, where it exists. (see para 17 of the PPG).

- (iii) The Purchase Price (or expected price as agreed through a conditional or optional agreement) should be reported for transparency. Where this is below the assessment of BLV a brief explanation of the reasoning should be provided.
- f) Gross Development Costs
 - (i) Build Cost assessment - the evidence should include a full build cost estimate, showing how the costs have been estimated.
 - (ii) Abnormal Costs total - Supporting reports for site abnormalities should be provided, together with the calculation adopted
- g) Cash flow. Either in the form of an accessible viability toolkit (Argus developer or HCA DAT) or as a Microsoft Excel unprotected document.

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

We have reviewed the viability information already supplied and can confirm that we have most of the information to complete this case with the exception of 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. Description of Report

A side headed written Stage 1 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.

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

14. Report Date

It is my intention to submit the stage 1 report of my findings by 4th September 2020

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 14th August.

15. Validity Period

The report will remain valid for 6 months unless circumstances alter 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.

16. 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.

17. 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.

18. Fee Basis

18.1 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]	Development Consultant Residential and commercial Valuer	Report and Viability Residential and commercial research and Valuation

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.

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 + VAT
RICS Lead Development Consultant	Report and viability discussions	[REDACTED]
RICS Residential and commercial Valuers	Residential and commercial research and Valuation	[REDACTED]

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.

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 my minimum fee is [REDACTED] unless agreed otherwise as part of a contract or SLA.

19. Currency

All prices or values are stated in pounds sterling.

20. 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.

21. 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.

22. 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 complaints 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.

23. Freedom of Information

We will do all that we can to keep any information gathered or produced during this assignment confidential. The Freedom of Information Act 2000 or Environmental Information Regulations 2004, and subordinate legislation, may apply to some or all of the information exchanged between yourself and the VOA under this engagement. Therefore the VOA's duty to comply with the Freedom of Information Act may necessitate, upon request, the disclosure of information provided by you unless an exemption applies.

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 third party requests. However, the VOA reserves the right to comply with its statutory obligations under the Act in such manner as it deems appropriate.

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 for information provided to you by the VOA.

24. 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.

25. 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.

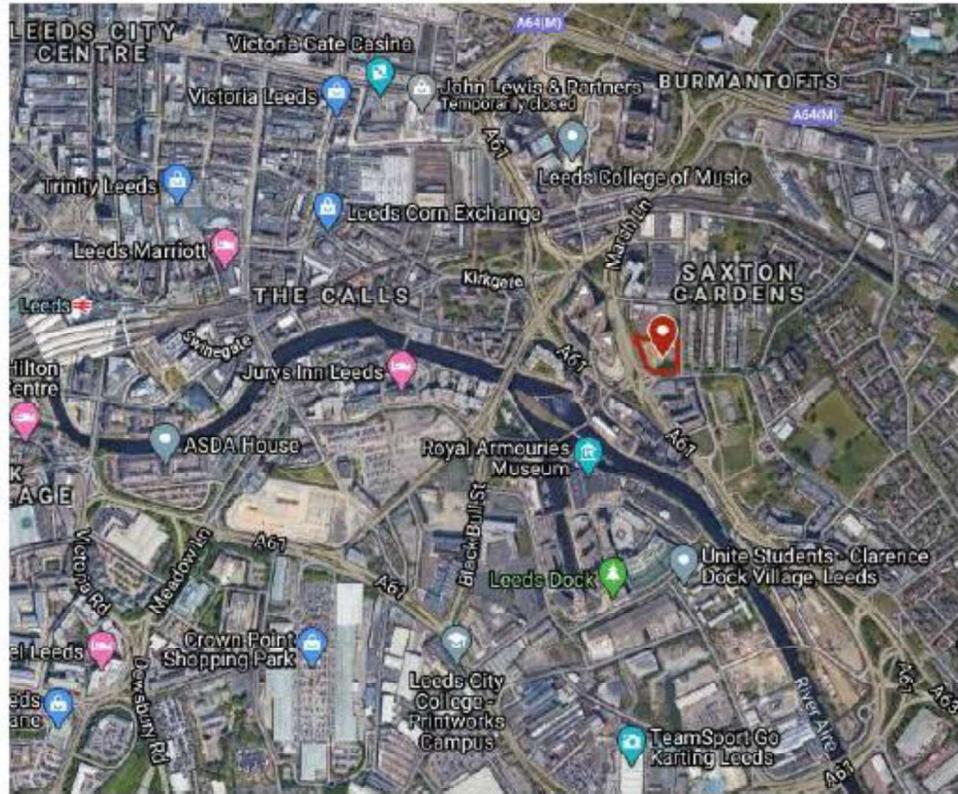
The valuer will be grateful to receive at your earliest convenience brief written confirmation by email or letter that these terms and conditions are accepted and approved by you. If you have any queries please do not hesitate to contact the valuer listed above.

Yours sincerely



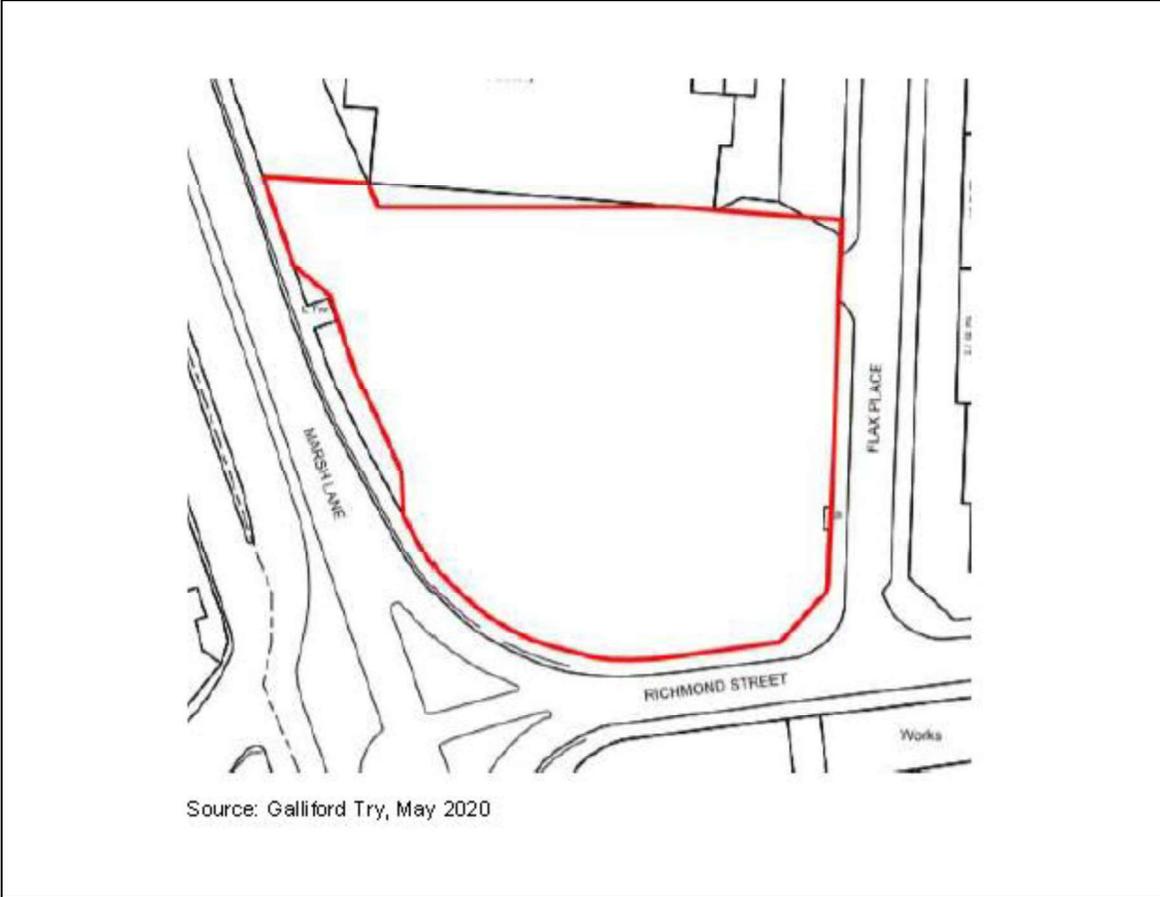
██████████ MRICS
Principal Surveyor
RICS Registered Valuer
DVS

24.2 Location Plan



Source: Google My Maps, April 2020

24.3 Site Development Plan



24.4 DVS Planning Compliant Development Appraisal

APPRAISAL SUMMARY

LICENSED COPY

DVS Build to Rent
Flax Place, Leeds

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary

	Units	m ² Rent	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
One Bedroom Apartment	107	4,977.89	199.90	9,300	766,227	995,100	766,227
Two Bedroom Apartment	83	5,854.92	174.37	12,300	786,093	1,020,900	786,093
Three Bedroom Apartment	5	435.50	179.10	15,800	60,060	78,000	60,060
One Bedroom Apartment (LD)	3	139.20	69.84	3,241	7,486	9,722	7,486
Two Bedroom Apartment (LQ)	3	211.50	89.88	6,337	14,637	19,010	14,637
Car Parking	19	19.00	1,500.00	1,500	25,650	28,500	25,650
One Bedroom Apartment	85	3,953.04	199.97	9,300	608,685	790,500	608,685
Two Bedroom Apartment	59	4,162.96	174.33	12,300	558,789	725,700	558,789
One Bedroom Apartment - LD	4	185.60	69.84	3,241	9,981	12,962	9,981
Two Bedroom Apartment - LQ	1	70.50	89.88	6,337	4,879	6,337	4,879
Car Parking	19	19.00	1,500.00	1,500	25,650	28,500	25,650
Totals	388	20,029.01			2,868,137	3,715,230	2,868,137

Investment Valuation

One Bedroom Apartment							
Current Rent	766,227	YP @	4.8500%	21.5054	16,478,000		
Two Bedroom Apartment							
Current Rent	786,093	YP @	4.8500%	21.5054	16,905,226		
Three Bedroom Apartment							
Current Rent	60,060	YP @	4.8500%	21.5054	1,291,613		
One Bedroom Apartment (LD)							
Current Rent	7,486	YP @	4.8500%	21.5054	160,983		
Two Bedroom Apartment (LQ)							
Current Rent	14,637	YP @	4.8500%	21.5054	314,783		
Car Parking							
Current Rent	25,650	YP @	4.8500%	21.5054	551,613		
One Bedroom Apartment							
Current Rent	608,685	YP @	4.8500%	21.5054	13,090,000		
Two Bedroom Apartment							
Current Rent	558,789	YP @	4.8500%	21.5054	12,016,968		
One Bedroom Apartment - LD							
Current Rent	9,981	YP @	4.8500%	21.5054	214,645		
Two Bedroom Apartment - LQ							
Current Rent	4,879	YP @	4.8500%	21.5054	104,928		
Car Parking							
Current Rent	25,650	YP @	4.8500%	21.5054	551,613		
							61,680,371

GROSS DEVELOPMENT VALUE

61,680,371

Purchaser's Costs

(1,079,406)

Effective Purchaser's Costs Rate

1.75%

(1,079,406)

NET DEVELOPMENT VALUE

60,600,964

NET REALISATION

60,600,964

OUTLAY

ACQUISITION COSTS

Residualised Price (0.50 Ha - 2,036,385.50 pHect)

1,018,193

1,018,193

Stamp Duty

17,420

Agent Fee

1.00%

15,766

Legal Fee

0.75%

7,636

40,822

CONSTRUCTION COSTS

Construction

	m ² Build	Rate m ²	Cost
One Bedroom Apartment	6,385.58	1,736.00	11,085,373
Two Bedroom Apartment	7,611.06	1,736.00	13,212,798
Three Bedroom Apartment	565.58	1,736.00	981,847
One Bedroom Apartment (LD)	180.78	1,736.00	313,834

APPRAISAL SUMMARY

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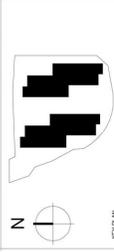
**DVS Build to Rent
Flax Place, Leeds**

Two Bedroom Apartment (LQ)	274.67	1,736.00	476,836	
One Bedroom Apartment	5,133.82	1,736.00	8,912,306	
Two Bedroom Apartment	5,406.31	1,736.00	9,385,358	
One Bedroom Apartment - LD	241.04	1,736.00	418,445	
Two Bedroom Apartment - LQ	91.56	1,736.00	158,944	
Totals	25,928.40		44,945,741	44,945,741
Contingency		3.00%	1,348,372	
CIL			145,494	
Provisional Bio-Diversity (TBC)			48,964	
Travel Plan			87,587	
Travel Plan Review			20,000	
POS			93,743	
Traffic Regulation Order			20,000	
Surplus Statutory/LA Payment			10,805	
				1,774,865
Other Construction				
Abnormal Development Costs			785,000	
Furniture £2,000 per unit	195.00 un	2,000.00 /un	390,000	
Abnormal Development Costs			785,000	
Furniture £2000 per unit	144.00 un	2,000.00 /un	288,000	
				2,248,000
PROFESSIONAL FEES				
Professional Fees		6.40%	2,876,527	
				2,876,527
DISPOSAL FEES				
Sales Agent Fee		0.75%	454,507	
Sales Legal Fee		0.50%	303,005	
				757,512
FINANCE				
Debit Rate 5.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				2,440,731
TOTAL COSTS				56,102,392
PROFIT				4,498,573
Performance Measures				
Profit on Cost%		8.02%		
Profit on GDV%		7.29%		
Profit on NDV%		7.42%		
Development Yield% (on Rent)		5.11%		
Equivalent Yield% (Nominal)		4.65%		
Equivalent Yield% (True)		4.79%		
IRR		13.07%		
Rent Cover		1 yr 7 mths		
Profit Erosion (finance rate 5.000)		1 yr 7 mths		

24.5 Agreed Viability Appraisal Inputs for PRS/Build to Rent Schemes, Leeds City Centre

REDACTED

Not for Publication



NOTES

1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

4. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

5. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

6. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

7. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

8. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

9. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

10. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

KEY:

- 1 Bed apartment
- 2 Bed apartment
- 3 Bed apartment
- Circulation

NO.	REVISION	DATE	BY	DESCRIPTION	CHKD.

GallifordTry

PROJECT: Flax Place, Leeds

ARCHITECT

CLARKE TAYLOR

STRUCTURAL ENGINEER

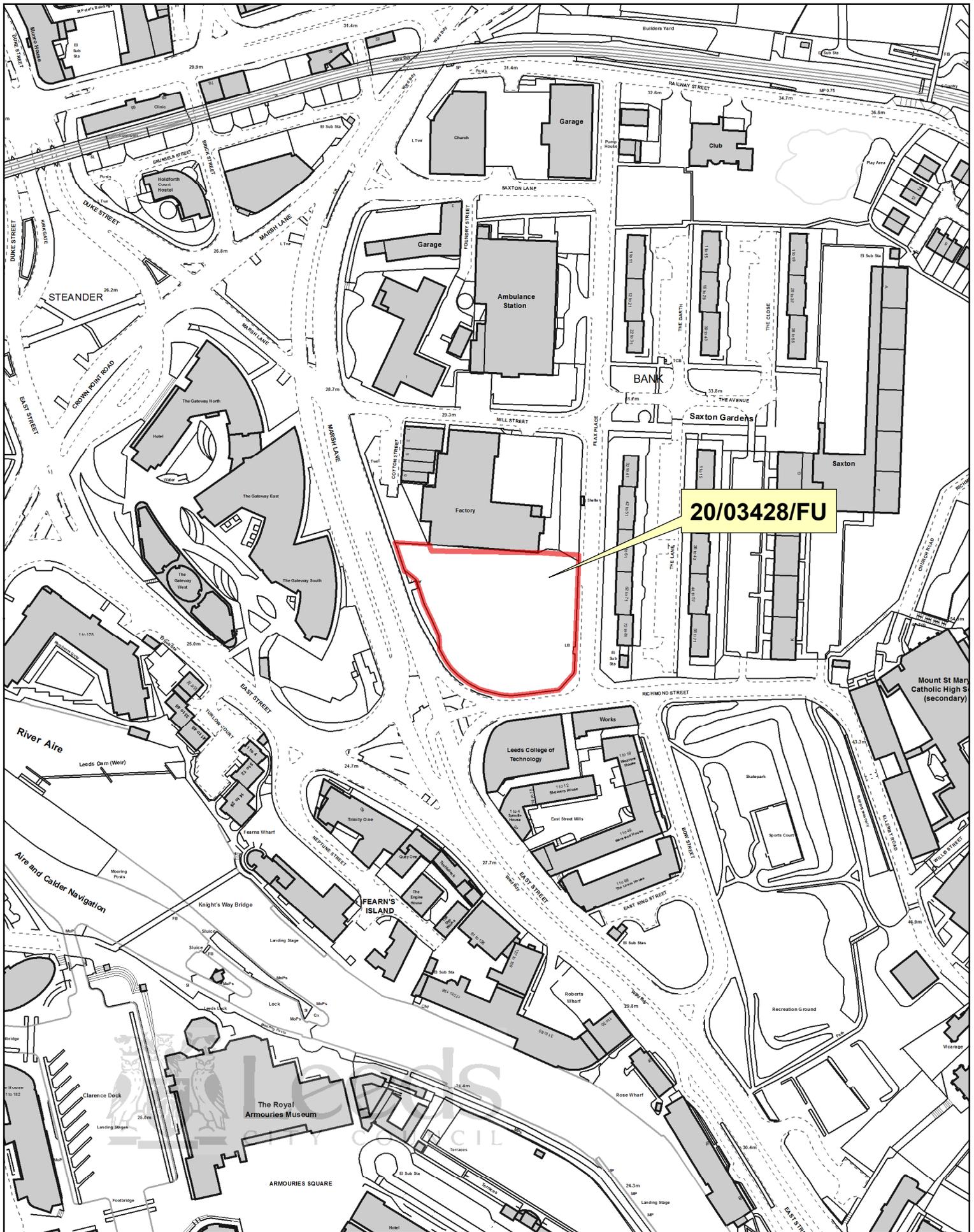
Roscoe

ENGINEERING

CAPITA

PROJECT TITLE: Flax Place Level 01
 General Arrangement
 DATE: 2019-01-01
 DRAWING NO: NE8604_CTA_XX_01_DR_A_1002_P1





CITY PLANS PANEL

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

SCALE : 1/2500

