



## Report of the Chief Planning Officer

### City Plans Panel

Date: 23<sup>rd</sup> March 2023

**Subject: 22/04400/FU Hybrid Planning Application for Full planning permission for construction of 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d), partial demolition and extension to existing public house, landscaping, access road and other associated works; Outline application for mixed use development comprising a maximum of 900 dwellings (Use Class C3), a maximum of 7,000sqm of office space (Use Class E (g) and a maximum of 200sqm of commercial floorspace (Use Classes E (a, b, d, e and f) and Sui Generis (drinking establishment)) at Sweet Street West, Holbeck Leeds.**

**Applicant: Platform Leeds**

#### Electoral Wards Affected:

**Beeston and Holbeck**

Yes

Ward Members consulted

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

**RECOMMENDATION: DEFER and DELEGATE to the Chief Planning Officer for approval subject to the specified conditions set out in Appendix 1 (and any amendment to or addition of others which he might consider appropriate) and the completion of a Section 106 agreement to include the following obligations:**

- o Affordable Housing provision is subject to viability as explained in section 11.2 of the report and Appendix 2: 6.5% 82 affordable private rent. The affordable rents will be 80% of market rents and the mix of dwelling sizes will be proportionate to the mix of sizes throughout the scheme].
- o City Centre Transport Package financial contribution £368,280

- Bath Road Improvements financial contribution £896,000
- Nineveh Road pedestrian crossing improvement £70,000
- Travel Plan Monitoring Fee of £19,688 subject to an annual increase for inflation
- Residential Travel Plan Fund of £100,000
- Traffic Regulation Order Costs of £10,000
- Greenspace –0.79ha of Public Open Space to be publicly accessible according to an agreed drawing.
- Tree replacement. A financial contribution may be required based on CAVAT assessment of tree removal if the replacement of trees according to planning policy cannot be achieved on site
- Clawback obligation for a payment to the City Council if a greater number of car parking spaces yield income than anticipated in the Viability Review Report
- A monitoring fee

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

## **1. Introduction**

- 1.1. This report to March 23<sup>rd</sup> Panel follows deferral of the item to the 23<sup>rd</sup> February City Plans Panel as requested by the applicant.
- 1.2. As a large brownfield development site forming part of the Temple Works Mixed Use allocation (MX35) in the Site Allocations Plan the proposal has the potential to make a significant contribution towards the regeneration of this part of the South Bank. The proposed scheme is being reported to Panel due to its significance and potential impact in accordance with the scheme of delegation.
- 1.3. The applicant has submitted a financial viability case which is addressed in detail at section 11.2 below. This has been independently reviewed by the District Valuer who has confirmed that the development cannot meet all the Council's planning obligation requirements and full affordable housing policy requirements in this case. At section 11.9 of the report Officers have set out two options in which the planning obligations could be requested, Officer recommendation is that option 2 is agreed as this maximises on site affordable housing provision and also enables the developer to take a longer term view on the current market conditions and viability position and offer an additional 12 affordable housing units than would otherwise be achieved.

## **2. Proposal**

- 2.1. The proposal involves full and outline applications. The applicants submitted a phasing plan with 4 phases, but for simplicity in the remainder of this report the full application element is referred to as Phase 1 and the outline element is referred to as Phase 2.

#### Full Application (Phase 1)

- 2.2. The full application is for three new buildings and partial development of the existing public house. Facing Sweet Street West, a 15 storey residential building of 451 dwellings known as “Resi 1” is proposed. The ground floor has a mix of dwellings, commercial and community space and servicing facilities whilst the upper floors are entirely residential. The residential is proposed as build-to-rent with a mix of 225 x 1 bed units (50% of total), 181 x 2 bed units (40%) and 45 x 3 bed units (10%). The commercial space falls under the new Class E, and the applicant has specifically requested uses E(a) retail, E(b) hot food & drink for consumption on the premises, E(c) financial or professional services, E(d) indoor sport and fitness, E(e) medical or E(f) creche. In other words, the only use excluded from Class E is Class E(g) which is for office, R&D and light industry, the former B1 use class.
- 2.3. The residential building comprises three linked towers stepping up in height from east to west. The east tower has 10 residential floors above ground, the central tower has 12 residential floors above ground and the west tower has 14 residential floors above ground. The towers are linked by blocks facing Sweet Street West with 5 residential floors above ground. To the rear (south) the west and central towers have garden courtyards and the east tower opens onto a public square behind the Commercial Inn public house and pavilion. Pedestrian permeability is provided with double height tunnel walkways from Sweet Street through to the courtyards.
- 2.4. The public house on the corner of Sweet Street West and Marshall Street is largely retained and refurbished, with later additions demolished to make way for a two storey extension to the south and west. As well as a main entrance off Marshall Street the rear of the pub would open onto the new public square. A south facing rear terrace is also proposed at first floor level.
- 2.5. From the public house on the corner running down Marshall Street would be the 4 storey detached pavilion building followed by an eight storey office building.
- 2.6. The pavilion has an irregular 7 sided polygon floor plan. Food and beverage use is proposed on the ground floor, resident’s gym on the 1st floor, co-working space on the 2nd floor and bar on the 3rd floor. The west facing walls at 2nd and 3rd floor levels are set back leaving terraced areas for social interaction.
- 2.7. The office building provides 14,863sqm of office floor space and is 76m long and 31m wide at its northern end. It has a double height reception space in the centre of the building opening onto Marshall Street. In terms of height it drops down from 8 storeys to 5 at the southern end to respect the scale of the Holbeck Library listed building.

## Outline Application (Phase 2)

- 2.8. The outline application is for a maximum of 900 dwellings, a maximum of 7,000sqm of office floorspace and a maximum of 200sqm of commercial floorspace.
- 2.9. An indication of the layout and scale of the outline proposals are given on the Proposed Ground Floor Site Plan and Vertical Limits of Deviation Plan. The area of the outline application is the rear part of the site that backs onto the railway line. Four separate buildings are shown:
- 2.10. The Resi 2 building would sit in the centre of the site, with four sides around a courtyard. It would have up to 14 storeys (80m)
- 2.11. The Resi 3 building would sit at the north west corner of the site where the railway crosses Sweet Street West. It would have up to 30 storeys (125m)
- 2.12. The Resi 4 building would sit half way along the railway frontage in an L shape footprint. It would have up to 14 storeys (80m)
- 2.13. The Office 2 building would sit at the southern end of the site where Nineveh Road rises to cross the railway, adjacent to Holbeck Library listed building. It would have up to 6 storeys (60m).
- 2.14. The application is supported with the following documents:
  - i. Scaled Drawings
  - ii. Design and Access Statement + Addendum
  - iii. Design and Access Statement Addendum
  - iv. Air Quality Assessment
  - v. Arboricultural Impact Assessment
  - vi. Drainage Strategy
  - vii. Drainage Strategy and Surface Water Management Plan
  - viii. Drainage Inspection Report
  - ix. Drainage Strategy Design Note
  - x. Ecological Assessment
  - xi. Energy Statement
  - xii. Fire Statement
  - xiii. Flood Risk Assessment
  - xiv. Historic Environment Assessment
  - xv. Housing Needs Assessment
  - xvi. Landscape maintenance and management plan
  - xvii. Landscape specification
  - xviii. Noise assessment
  - xix. Planning and Tall Building Statement
  - xx. Sand and Coal Recovery Report
  - xxi. Statement of Community Involvement
  - xxii. Sustainability Statement
  - xxiii. Dwelling SAP Ratings
  - xxiv. BRUKL reports for commercial buildings
  - xxv. Travel Plan
  - xxvi. Wind Microclimate Reports

- xxvii. Design Principles
- xxviii. Landscape Design and Access Statement
- xxix. Geoenvironmental Desk Study
- xxx. Townscape Visual Impact Assessment
- xxxi. Transport Assessment
- xxxii. Highways Response Technical Note
- xxxiii. Viability Report + cost reports
- xxxiv. Biodiversity Report and Metric 3.0
- xxxv. Railway Solar Glare Report

### **3. Site and Surroundings:**

- 3.1. The cleared brownfield site of 3.1ha in size is bounded by Sweet Street West to the north, Marshall Street to the east, a bit of Nineveh Road to the south and the railway line running diagonally to the west. It is roughly triangular in shape with The Commercial public house (now vacant but formerly owned by Peter Lorimer) at the 90° corner of Sweet Street West and Marshall Street within the site. But the site boundary excludes the separately owned grade 2 listed Holbeck library which has an elevated position on the corner of Marshall Street and Nineveh Road.
- 3.2. There are listed buildings to the north of the site. Buildings associated with the grade 1 listed Temple Works including the Drapers Yard building are on the north side of Sweet Street West opposite the site. The Grade 2 listed Marshall Mills is further north on Marshall Street.
- 3.3. The site is within the City Centre boundary and also within the City Centre Housing Market Characteristic Area. The Commercial public house is the only part of the site that lies within the Holbeck Conservation Area which covers land predominantly to the north of Sweet Street West.
- 3.4. The site is within the scope of the Holbeck Neighbourhood Plan and both the South Bank Leeds and Holbeck South Bank Supplementary Planning Documents.
- 3.5. A high pressure gas main runs east-west along Sweet Street West.

### **4. Relevant Planning History**

- 4.1. In August 2007 outline permission (20/304/05/OT) was given for a major development of 66,160m<sup>2</sup> of residential floorspace (approximately 830 apartments), 14,357m<sup>2</sup> of office floorspace, 2,987m<sup>2</sup> of B1 workspace, a community and medical centre (700m<sup>2</sup>) and creche and gym (1,665m<sup>2</sup>). This was followed up by a reserved matters approval for internal roads and footways (10/03383/RM) in October 2010. An extension of time (12/02031/EXT) for the outline permission was approved 9/4/13, but none of these permissions were ever implemented.
- 4.2. An idea for the site to be developed as a factory for the manufacture of designer clothing was never followed up with any planning applications.

### **5. History of Negotiations**

- 5.1. Pre-application meetings took place and a presentation to Plans Panel on the initial and further iteration of the proposals before the planning application was submitted in June 2022.
- 5.2. At Plans Panel on 27/1/22, Members raised the following issues:
- Members were of the opinion that the principle of the development was acceptable
  - This is a big strategic site and a high-quality scheme needs to be brought forward, including carbon zero development
  - There is a need to create the right urban environment with lots of trees and greenspace that is reflective of the aspirational images presented
  - The housing mix for this site is an important element
  - There will be a significant number of residents on this site and it is important that the necessary facilities are provided/ available
  - It is important to understand how office workers would travel to and from the site. The development needs to take into account aspirations for mass transit travel
  - There were mixed views on the proposed 27 storey apartment building with one Member not convinced by the proposed height whilst another was supportive
  - The proposed 6 storey office block would be overbearing/ dominate the former Public Library building
  - The Commercial Pub is too isolated, needs to be brought more into the development by perhaps facing into the site
  - A substantial buffer is required between the railway line and the residential blocks
  - Members were supportive of the proposed mix of uses
  - Members were generally supportive of the emerging design, scale and layout of the development, but further details were required to address the detailed comments above
  - Members supported the approach to residential and office car parking provision in this location
- 5.3. A further presentation to Plans Panel of 19/05/22 concentrated on design changes, including agreement to provide 10% three bedroom units, stepping down of the office blocks toward the listed library building on the structural grid of each block, opening the rear of the Commercial Inn to integrate with the proposed public square, and increase in public open space from 23% to 30%. More detailed landscaping proposals were presented. In response members welcomed the changes to the plans and the design for a cohesive neighbourhood with provision of greenspace. One member questioned the need for supermarket provision as there is one quite close to the site.
- 5.4. The main revisions to the planning application submitted in June 2022 have included pulling back the building line of the Resi 3 building to 10m from the centre line of Sweet Street West in order to be consistent with the Resi 1 building and accord with guidance of the Draft Temple Quarter Brief to safeguard land for a mass transit route along Sweet Street and Sweet Street West. As a consequence of this the height of Resi 3 as set by the parameter

plans for the outline elements of the application has been increased by 3 storeys to 30 storeys (125m). The green buffer alongside the railway line has been widened and detailed design improvements have been agreed to the street frontage of the Resi 1 building and the Pavilion.

## **6. Public/Local Response**

6.1. Planning application publicity consisted of:

- i. Leeds City Council Public Access Website posted 27/6/22
- ii. Site Notices posted 7/7/22
- iii. Yorkshire Evening Post published 15/7/22

6.2. Nearby landowner developer CEG commented on the proposed scheme. It is supportive of the proposed quantum and mix of development in principle but makes the following points:

- Concern about the impact on the Draper's Yard building on the north side of Sweet Street West, that CEG expect to be occupied by LAB Corp who will be undertaking delicate medical procedures.
  - i. To avoid unacceptable impacts from construction activity CEG propose a condition be applied to any permission that requires a construction management plan be approved by LCC that sets out how consultation with LabCorp will take place on appropriate mitigation measures to ensure they are not unduly impacted by the construction activities.
  - ii. LabCorp also require two "blue light" routes for emergency vehicles. CEG request that any highways works undertaken in support or associated with the Sweet Street West Masterplan are planned to allow for at least two blue light routes to Draper's Yard to remain open at all times, this is inclusive of, but not limited to routes along Sweet Street and Marshall Street.
  - iii. Drapers Yard may be affected by loss of daylight and sunlight from the proposed development. CEG request a Daylight/Sunlight/Overshadowing assessment to assess the impact on the amenity of the area. This would be consistent with the Draft Temple Planning Brief (paras 6.14.17-24) and Policy BD5 of the UDPR and Tall Building SPD.
- Given that much of the development will be car free, CEG expects the applicant to accommodate the greater number of development generated trips through non-car modes. This should include provision beyond the site frontage and include contributions toward large-scale schemes in the area.
- Is the applicant aware of LCC's plans for an Active Travel Scheme through an Experimental Traffic Regulation Order (ETRO)? Are proposals for Sweet Street West consistent? Will the proposed contraflow cycle lane on Sweet St and the eastbound one-way system for vehicles on Sweet St

work effectively if on-street parking is provided on the south side of Sweet Street West? And will servicing of Draper's Yard be compromised? Does the widening of the public highway offer opportunity to use the additional width to secure appropriate access to Drapers Yard alongside new active travel infrastructure?

- CEG would welcome discussion on these points.
- 6.3. In response it can be noted that a Construction Management Plan has been submitted, revised and agreed and the applicant has committed to work with the main contractor to ensure that relevant parties are consulted, including both CEG and LabCorp, to ensure that any potential operational impacts are minimised and appropriate temporary mitigation is implemented as necessary. The applicant has also said it does not believe full road closures will be required to facilitate the construction of the development, but this will be considered noting the various routes that are available to access the neighbouring site.
- 6.4. It is considered that the width of Sweet Street West plus set back of buildings as proposed means that there will not be excessive loss of sunlight/daylight or overshadowing to Drapers Yard, given the city centre context. The main part of the LabCorp building faces the two storey public house whose height will not change; the element of the proposed Resi 1 building closest to the LabCorp building would be 6 storeys in height and is approximately 25m away.
- 6.5. In terms of contributions to active travel infrastructure in the South Bank area, the development will deliver a dedicated two way cycle path on Marshall Street, wide footpaths on Marshall St and Sweet St West and pedestrian permeability through the site. Contributions are also being made to off-site transport improvements, including Bath Road, the City Centre Package and a new pedestrian crossing facility at Nineveh Road.
- 6.6. The Leeds Civic Trust gave a favourable response to the pre-application proposals, but raises more detailed design comments on the current proposal:
- i. In terms of the potential of the scheme to improve links and accessibility it makes no mention of the direct bridge link over the railway which is an aspiration of the Holbeck Neighbourhood Plan (HNP) and the South Bank Planning Framework (SBPF). Also, the proposed footprint of the L shaped tower [Resi 3 building] impedes potential for improved access to west Holbeck under the railway and prevents continuation of the boulevard of trees along Sweet Street West, contrary to the HNP and SBPF.
  - ii. The massing of the development, including the excessively tall north west tower [Resi 3 building] could be harmful to mid-distance views of listed buildings Temple Works and Marshall Mills
  - iii. The housing mix fails to prioritise 4 bed dwellings as expected by the HNP

- iv. The reasonable amount of public space is hemmed in and over shadowed by blocks. Occasional seating and playground structures fail to give a convincing impression of spaces for people to dwell.
  - v. The character of the Commercial Inn has been masked. Its architectural identity - albeit modest and hybrid - ought to be a stronger contribution to the scheme.
- 6.7. In response it is considered that the aspiration for a bridge from Marshall St over the railway to Nineveh Parade (Policy T4 of Holbeck Neighbourhood Plan) could not be viably delivered by this development. However, a new pedestrian crossing over Nineveh Road will be provided just to the west of the junction with Marshall Street.
- 6.8. The development proposals have been revised to pull back the building line to the Resi 3 building thereby continuing the boulevard of trees along Sweet St West. It is considered that the height of Resi 3, revised to 30 storeys, would be acceptable in this location which is sufficiently distant from sensitive listed buildings.
- 6.9. Regarding housing mix, during the pre-app process Members pressed for an increase in the mix of 3 beds to 10% which has been achieved in the Resi1 building of Phase 1. The Housing Needs Assessment submitted with the application believes that proposed housing mix is acceptable given the location of the site within the city centre and the demand for accommodation within the Build to Rent sector.
- 6.10. It is considered that there is sufficient space between and around buildings overall (see Landscape comments below) and the quantity of public open space required by Policy G5 at 0.79ha (25% of site area) is sufficient.
- 6.11. It is considered that the character of the Commercial Inn is retained in terms of removal of later additions and subordinate linear extensions. Also, a condition will require the potential to remove the render to street elevations (thus revealing original brickwork) to be explored.
- 6.12. An objection was received from the occupier of the former public library on the corner of Marshall Street and Nineveh Road. The objections are:
- i. The proposed development would be detrimental to their grade II listed library building which is important because its architectural and historical significance for Holbeck and Leeds
  - ii. The height and proximity of the proposed development would overshadow their building. It would have an overbearing oppressive impact and breach their right to light
  - iii. The new development needs to be planned to take into account the drainage soakaway that their building relies upon for drainage. Otherwise their building could suffer flooding.

- 6.13. An appraisal of the impact of the development on the former library listed building is made in the appraisal section below. The Council's drainage engineers and Yorkshire Water have expressed their satisfaction with the drainage plans for the development.
- 6.14. A neighbour of the nearby Candle House, Wharf Approach, supports the proposal in principle, but feels that with an increase in residents there is a need for improved public service provision, particularly local health services. Could a GP or larger supermarket be provided?
- 6.15. In response it is understood that the applicant is in negotiations to secure the presence of a 350sqm supermarket within the commercial space. As an out-of-centre location, planning policy only allows for up to 372sqm of convenience retail space in locations such as these. Further space would be available for a GP surgery if there were interest from health providers.

## 7. Consultation Response

### Statutory

#### Coal Authority

- 7.1. The Coal Authority raises no objection based on the Phase 1 Geoenvironmental Desk Study of Ramboll UK Ltd 22/7/22.

#### Health and Safety Executive (HSE)

- 7.2. The HSE concludes that it is "content" with the proposal. It recommends conditions applicable to the outline element of the scheme, 1) that satisfactory fire statement submitted with any reserved matters application and 2) that HSE be consulted on any reserved matters application.
- 7.3. The HSE also observed that the 1st to 5th floor plan drawings illustrate flats that have windows at right angles with windows of the adjoining flats and in close proximity (less than 1 m). Further engineering analysis may be required to determine if the proposed design may allow the spread of fire or smoke from a flat to another, by way of windows. The results of such analysis may affect land use planning considerations such as the appearance of the development.
- 7.4. *The applicant responded that all internal corner windows will be positioned min 1m away from the internal junction as advised by the fire engineer to comply with Approved Document B. All these internal corner windows are under 3.6m<sup>2</sup> in area as advised by the fire engineer to comply with Approved Document B. All areas of the external wall within 1m of the junction of the flat with the window located 1m away will be fire rated to achieve at least 120 minutes fire resistance.*
- 7.5. *The applicant has also agreed to a condition requiring submission of a fire statement in relation to any reserved matters application for the outline element.*

## Northern Gas Networks (NGN)

- 7.6. A high pressure gas pipeline, known as Birkshall – Meadow Lane, passes along Sweet Street West. It is 450 mm diameter and has a maximum operating pressure of 17bar (equivalent to 247 psig). Pipeline Safety Reference is 1923. NGN's advice is as follows:
- i. no occupied buildings should be erected within 7 metres of the pipeline. *The development achieves this. The two new buildings Resi 1 (full planning application) and Resi 3 (outline application) will be set back 10m from the centre of Sweet Street West. The Commercial Inn is an existing building but City Council's Uniform OS mapping shows a sufficient gap of 8.5m between the centre of the pipeline and the frontage of the pub.*
  - ii. no other structures or buildings should be placed over the 7m easement either side of the pipe that could adversely affect the pipe or restrict access for repairs, maintenance or monitoring. *The applicant has confirmed that this will not be the case, other than street furniture.*
  - iii. The depth of cover of the pipe should not be reduced. *The proposed development is metres away from the pipe so will not reduce the depth of cover.*
  - iv. Drainage or balancing ponds should not be placed over the pipe. *The proposed development is a sufficient distance away from the pipe so will not reduce the depth of cover.*
  - v. Tree planting should adhere to guidelines such that the planting of particular species of trees provides sufficient distance from the pipe so that roots will not damage the pipe, including in cases where trees blow over in the wind. *The applicant confirms that the tree guidelines will be adhered to.*
  - vi. Protective measures for any new road crossings over the pipe should be agreed with NGN. *The development will not be creating any new roads or crossings of the pipe.*
  - vii. safety precautions should be agreed with NGN and adhered to by any third parties appointed by the developer to carry out ground works in close proximity to the pipe at any point along its length. *The applicant confirms that safety precautions for all ground works in proximity to the pipe will be agreed in advance with NGN, including its own works and those of any third parties appointed.*
  - viii. no blasting techniques should be used in construction. *The applicant has agreed to not use blasting techniques.*
  - ix. NGN should be informed where the population density of a scheme will exceed 30 persons / hectare. In these instances, additional safety obligations fall to the gas transporter, such as NGN, who are obliged to seek to agree lower densities with developers. *This development will*

*have a density of over 2000 persons per hectare when fully occupied which is typical for city centre locations such as this. From a wider planning perspective there are significant benefits of higher densities in highly accessible sustainable city centre locations such that the proposed density of this development is supported in proximity of the pipe.*

- 7.7. NGN have confirmed satisfaction with the applicant's responses to points i - viii but maintain objection on the basis of point ix. This is addressed under the Appraisal section below.

Historic England

- 7.8. No objection. Advice given to rely on views of LCC's specialist advisers.

Yorkshire Water

- 7.9. Yorkshire Water raised a number of concerns with the initial proposal that were addressed by the applicant such that Yorkshire Water on 5/9/22 confirmed their satisfaction with the responses, subject to conditions.

National Highways

- 7.10. National Highways are satisfied that the new development will promote sustainable travel choices - walking, wheeling, cycling, and public transport - and reducing the need to travel by private car and that the residual traffic impact on the M621 will be just 16 and 21 two-way trips in the AM and PM peak hours, respectively. As such, National Highways do not object to the proposals subject to a pre-construction condition to control construction traffic movements and their effects on the strategic road network (M621).

- 7.11. Officers have amended the standard condition required for environmental health and protection of local amenity to insert the particular concerns of National Highways, including minimisation of construction traffic journeys during peak hours of the M621 and details of any HGV holding areas in proximity to the M621. The remaining standard criteria of the condition cover the other concerns of National Highways such as hours of construction, washing of vehicles and details of on-site parking for contractors.

Network Rail

- 7.12. A number of concerns were raised by Network Rail in relation to the initial scheme. These have all been addressed such that no objection is raised.

- i. In order to protect its assets along the rail corridor that abuts the south west side of the site, Network Rail requested a condition that a construction methodology be drawn up in consultation with Network Rail and agreed by the local planning authority. *Such construction methodology was submitted as part of the Enabling Works planning application 22/05819/FU approved 1/12/22. This was conditioned to ensure consultation with network rail before development commences.*

- ii. A condition is also requested to not allow any ponding of water adjacent to the boundary with Network Rail or any attenuation scheme within 30m of the railway boundary without the prior agreement of Network Rail. *This condition was placed on the Enabling Works application 22/05819/FU, but it is also applied to this application.*
- iii. Network Rail is concerned about trespass and incursion of individuals or vehicles onto railway land and requests conditions to prevent this. *Conditions are proposed to require a trespass proof fence and vehicle barriers as necessary.*
- iv. Network Rail considers that trees planted too close to the boundary with the railway can impact adversely on operational railway safety. Trees and shrubs should not be planted any closer to the boundary than their expected height at maturity and a number of tree species are considered unacceptable: Acer (*Acer pseudoplatanus*), Aspen – Poplar (*Populus*), Small-leaved Lime (*Tilia Cordata*), Sycamore – Norway Maple (*Acer*), Horse Chestnut (*Aesculus Hippocastanum*), Sweet Chestnut (*Castanea Sativa*), Ash (*Fraxinus excelsior*), Black poplar (*Populus nigra var, betulifolia*), Lombardy Poplar (*Populus nigra var, italica*), Large-leaved lime (*Tilia platyphyllos*) and Common lime (*Tilia x europea*). The following tree species are acceptable: Birch (*Betula*), Crab Apple (*Malus Sylvestris*), Field Maple (*Acer Campestre*), Bird Cherry (*Prunus Padus*), Wild Pear (*Pyrus Communis*), Fir Trees – Pines (*Pinus*), Hawthorn (*Cretaeagus*), Mountain Ash – Whitebeams (*Sorbus*), False Acacia (*Robinia*), Willow Shrubs (Shrubby *Salix*), Thuja Plicatata “*Zebrina*” *The applicants have revised the landscape plans to include the acceptable species of tree. It is considered that Network Rail’s tree concerns have been addressed in indicative landscaping plans for the green buffer corridor next to the railway line – see Appraisal section below for further details.*
- v. Network Rail is concerned about lighting and glass reflections around the site, startling train drivers. As a consequence, the developer commissioned a glint and glare report. Network Rail are broadly satisfied with the conclusions of the report with the exception of possible instances of low level sun distractions to train drivers. Network Rail therefore recommend a condition to address any complaints up to 2 years after the completion of the development. The applicant is agreeable to this condition.

Environment Agency

7.13. No response.

Non-Statutory

LCC Conservation

7.14. Consideration is given to the impact of the development on 8 historic assets in the vicinity of the development with the conclusion of very low less than substantial harm:

- The Commercial Inn
- Holbeck Conservation Area
- Temple Mill
- Former Holbeck Library
- Marshall Mill
- Tower Works
- LNWR Viaduct
- Holbeck Depot.

7.15. It is recognised that the development would bring positives including sense of enclosure to Sweet Street West, refurbishment and re-use of the Commercial Inn and enhanced long-term viability for investment. These positive effects should be considered to be "public benefit" to be weighed against the harm in accordance with paragraph 202 of the NPPF. The Commercial Inn is an historic asset which is impacted directly through the proposed extension and also indirectly through changes to its setting and its re-use should be considered part of the public benefit of the proposed development. There is potential to increase public benefit by removing the render which currently obscures the original brick elevations, but this should be subject (by condition) to the removal of sections of the render to investigate whether the brickwork's condition is satisfactory. Conditions should also be applied to control the repair of the brickwork and stone dressing if it is considered that the removal of the render is viable and replacement windows and doors.

7.16. Response: *the applicants have agreed to conditions to investigate the render removal, repair of brickwork and replacement windows and doors.*

#### LCC Landscape

7.17. Concerns expressed about the loss and replacement of trees, the green buffer along the railway line, about the building line of the Resi 3 outline application building and having a consistent tree line for the full length of Sweet Street West have been addressed. The development would result in the loss of 71 existing trees which will need to be replaced at a ratio of 3:1. A number of conditions are recommended to protect existing trees/hedges/bushes. It is accepted that the overall density of scheme which has not changed from the pre-application proposals will have a degree of shadowing. Amendments to the open space uses - play space and grassed gardens - make the best of the sunnier spots.

#### LCC Flood Risk Management and Drainage

7.18. Additional drainage information was requested and submitted including Meinhardt Design Note 02 Rev 03 dated 08/12/2022 which satisfies concerns raised. As such the Flood Risk Management service has no objection subject to conditions that the drainage arrangements of the Design Note are implemented and that a drainage scheme for the construction period is submitted, agreed and implemented.

#### LCC Climate Change

- 7.19. No objection subject to conditions. Further to the initial Energy Statement and Sustainability Statement by the applicant's consultant Hoare Lee, the Climate Change officer required submission of BRUKL and SAP sheets for all the buildings to validate the energy use claims of the Statements. The submitted sheets demonstrate that phase 1 of the development will meet the requirements of Core Strategy Policy EN1i).
- 7.20. It has also been agreed that conditions will be used to secure compliance of Phase 1 of the development with the following:
- Policy EN1(ii) concerning renewable energy generation from air source heat pumps and photo voltaics
  - Policy EN2 concerning water usage of sanitary fittings, and
  - Policy EN4 concerning connection to a district heating network
- 7.21. Phase 2 will be subject to conditions that will require submission of design details and implementation to ensure compliance with Policy EN1, EN2 and EN4.

#### LCC District Heating

- 7.22. There are long-term ambitions to extend the Leeds PIPES network to this part of the city centre, but at present there are no clear timescales. It should also be noted that with Heat Network Zoning due to come into effect in 2025, the growth of heat networks will increase and there may be another network in operation in the area. At this point, enabling future connections in any blocks with sufficient heat demand is a sensible solution. The applicants have agreed to this being controlled by condition.
- 7.23. LCC Access Officer
- 7.24. The number of accessible dwellings to M4(2) and M4(3) standard exceeds the policy requirement which is welcome. The Access Officer sought confirmation that the public, office and commercial areas of the new development would meet the accessibility standards of Part M of the building regulations and the landscaping would meet BS8300 2018.
- 7.25. The applicant confirmed the full application i.e. (Resi 1 building, pavilion, public house and office 1) have / will be designed and developed to meet the requirements of Approved Document M including access to, and use of buildings. The outline elements of the application have not yet been designed in detail, but the developer commits that when they come forward, they will be designed and developed to meet the requirements of Approved Document M. Regarding the landscaping, the developer confirms that the overall design of the scheme prioritises pedestrian movement with clear linear unobstructed routes for pedestrians and segregated cycle lanes on Marshall St and Sweet St West. Footpaths along Marshall St and Sweet St West are 3m wide and within the development a minimum of 2m wide. All buildings in the full application have access at grade. Seven disabled parking bays are being provided to serve Phase 1 (Full Permission) including 4 in the Office 1 basement car park and 3 behind the Resi1 building. An additional 2 disabled

parking bays will be provided on Sweet Street West, but these are for general public use. Street furniture such as benches, lighting and cycle stands are set within planting beds to avoid clutter. All drawings are designed to RIBA Stage 3 with many elements, such as bench arm rest spacing, bench heights and surface finishes, are designed to BS800-1 2018.

#### LCC Nature Conservation

- 7.26. The initial assessment of the development calculated a biodiversity deficit of 24.02 Biodiversity Units, which carried a cost based on the Council's policy and practice of £600,500.
- 7.27. The Preliminary Ecological Appraisal (PEAR) identified two buildings on site that had bat roosting potential and committed to undertake two bat surveys. The PEAR also identified that the site contains habitat with potential for foraging bats and recommends appropriate lighting to avoid impacting on bats, including a lighting design strategy for bats and illustrative maps. The developer submitted a bat survey which is acceptable subject to conditions on lighting.
- 7.28. The PEAR also notes that the site contains habitat suited to nesting birds. Conditions are required to avoid harming birds and their active nests.
- 7.29. Japanese knotweed, an invasive non-native species, is present on the site which requires a condition to ensure its eradication.
- 7.30. Response: *the applicant has agreed to all standard conditions applicable by phase of development.*

#### LCC Environmental Health

- 7.31. Following initial comments raising concern about noise from the streets, public spaces and terraces, railway and commercial uses combined with summer temperatures, the applicant agreed to install mechanical ventilation to all the apartments in Resi 1 and agreed to a number of conditions to control hours of use of terraces, amplified sound, deliveries and waste collection on Phase 1 and to submit details in connection with Phase 2.
- 7.32. Evidence of expected temperatures of habitable rooms in Resi 1 and mitigation measures for dealing with overheating as a result of solar gain on the southern façade submitted by the applicant are considered as good as can be expected at this time and fall within the current industry standard parameters.

#### LCC Environmental Studies (Transport Noise and Air Quality)

- 7.33. The Noise Assessment submitted by MZA Acoustics in support of this application details on-site noise measurements and noise modelling which were then used to formulate a glazing and ventilation strategy such that acceptable noise levels may be achieved throughout the site. We agree with the methodology, findings and recommendations of the Noise Assessment.

- 7.34. Based on the air quality assessment submitted, no objection on the grounds of local air quality. A condition to control dust and particulates during demolition and construction has been agreed to by the applicant.

#### LCC Highways

- 7.35. Regarding adoption issues, the internal road connecting Sweet Street West and Marshall Street will be built to adoptable standard but maintained in private ownership. In addition, stopping up of Walton Street will be undertaken. The road off Marshall Street would be two-way up to the residential block 2 and office block 2 and thereafter will be one-way in a clockwise direction. The phase 1 development would not provide the internal road in its entirety due to the adverse construction impact on the road from the works to deliver the later phase 2. As a result an interim solution has been agreed with Highway Services to enable acceptable servicing and access from both Sweet Street West and Marshall Street to serve phase 1.
- 7.36. Regarding accessibility the 3m footway and 3m bi-directional cycleway on Marshall St and the 10m buffer zone to the Sweet Street frontage are welcomed.
- 7.37. The site has good accessibility generally, including to the Tesco at Bridgewater Place, but improvements could be made, particularly to facilities south of the site. In line with Policy CC3 of the Core Strategy, the applicant has agreed to fund an improved pedestrian crossing facility over Nineveh Road, just to the east of the junction with Marshall Street. This will involve the formation of a small pedestrian island in the centre of the road. Also, the developer has agreed to contribute toward improvements for pedestrians and cyclists within the area. See Appraisal section below for further details.
- 7.38. A number of detailed concerns have been raised about the operational effectiveness and safety of the scheme which are set out in the Appraisal section below.
- 7.39. A number of conditions, a S278 agreement and a S106 Agreement are recommended and the key provisions of these have been agreed with the applicant.

#### LCC Influencing Travel Behaviour

- 7.40. The team is satisfied with the revised Travel Plan including commitment to contribute to travel funds, which will be secured through a legal agreement. The S106 obligations agreed are:
- i. Leeds City Council Travel Plan Review Fee of £19,688 for the Travel Plan, subject to an annual increase in April each year in line with general income inflation
  - ii. Provision of Leeds City Council Car Club provider parking spaces (with EVCP)
  - iii. Provision of a Residential Travel Plan Fund of £345,518.25 part of which is to be expended on Leeds City Council Car Club free trial membership

- and usage package. A 50% discount has been applied due to the development being within the city centre fringe location
- iv. Mitigation measures if mode split targets are not met

#### LCC Local Plans

- 7.41. The mix of uses is considered appropriate in accordance with the site allocation; no policy objection is made to the lack of general employment land in the scheme.
- 7.42. Public open space is required by Core Strategy Policy G5 as the greater area of either 20% of the total site area, or a minimum of 0.41ha per 1,000 people. For this scheme the latter requirement is greater, equating to 1.1ha (based on an average occupancy of 2 persons per dwelling in the City Centre). Negotiations have established what can be agreed to count as Public Open Space for the purposes of Policy and a financial sum in lieu can be accepted for the shortfall. The agreed amount of Public Open Space is 0.79ha, or 25% of the site area. The shortfall of 0.31ha translates into a sum of £263,540.12.
- 7.43. There are planning policies to support improved connections to the site surroundings. Policy CC3 notes the importance of providing and improving routes connecting the City Centre with adjoining neighbourhoods and the need to improve connections within the City Centre to improve access to jobs and services, to encourage greater usage and make walking and cycling easier, safer and more attractive. As noted through Policies H5 and E2 of the Holbeck Neighbourhood Plan, there is an opportunity, through the development of this scheme, to help address severance issues with Holbeck. The policies encourage pedestrian and cycle links which will facilitate safe and easy movement between the Holbeck Neighbourhood Area south of the site(s) and the remainder of Holbeck, and also look for the environment of Sweet Street to be improved through the creation of a local green corridor with greenspace and street trees and active frontages.
- 7.44. Holbeck Neighbourhood Plan Policy T4 also provides specific support to development which supports a new foot and cycle bridge across the railway connecting Nineveh Parade and Marshal Street. This is an important aspiration of the Plan, though at the current point in time it is understood that specific plans for this new bridge have not yet been developed, and a delivery mechanism for progressing this is not in place. This limits the extent to which this application could be required to contribute towards the delivery of this scheme. Importantly, however, the proposal would not obstruct the delivery of such a new bridge at a later date, and the connectivity through the site from its SE corner would provide an option of onward routes for those using this bridge.
- 7.45. Commercial uses are proposed at ground floor level as part of the development. The exact type of uses proposed is not confirmed, with flexible permission being sought for all uses within the E use class as well as Sui Generis (drinking establishment) uses. Given the location of the site within the City Centre boundary a mix of uses within the E use class would be acceptable. However, Policy CC1 of the Core Strategy does require that a sequential

approach is taken to the siting of retail floorspace, recognising the importance of supporting the role of the primary shopping quarter and (for convenience retail) local convenience centres. No sequential assessment has been submitted with the application. Consequently, it is recommended that a condition is used to limit the extent of convenience retail to 372sqm (as the threshold at which a sequential assessment is required for convenience retail proposals in this location according to Policy CC1(f)).

#### LCC Waste Management

- 7.46. Sets numbers, dimensions, distances and related stipulations for bin storage to serve the residential apartments.

#### Contaminated Land Team

- 7.47. It is recommended in the approved Phase 1 Desk Study report that a site investigation be carried out. It would be preferable to receive the Phase 2 site investigation report prior to recommending conditions. Where permission is to be granted a number of conditions are needed to require submission of a Phase 2 investigation report, to undertake specified actions if unexpected contamination is discovered and, on completion of remediation works, to submit a verification report. Directions are also recommended to advise that the reports need to be prepared by qualified people and that the remediation needs to be designed to be suitable for the proposed uses of the development. The applicants have agreed to the conditions.

#### Private Sector Housing Team

- 7.48. Concern about the risk of fire from the arrangement of apartments to have inner and outer rooms has been addressed by the applicant installing fire safety provisions for open plan design throughout the Resi 1 building in phase 1 of the development. This will include sprinklers with a Category LD1 automatic fire detection and alarm system to BS 9991 standards. This commitment has satisfied the Private Sector Housing Team.

## **8. Relevant Planning Policies**

### **8.1. Statutory Context**

- 8.1.1. 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. For the purposes of decision making at this site, the Development Plan for Leeds currently comprises the following documents:

- The Leeds Core Strategy (Adopted November 2014)
- The Site Allocations Plan (Adopted July 2019 except for 37 Green Belt sites remitted back to the Secretary of State for re-examination)
- The Natural Resources & Waste Local Plan (NRWLP, Adopted January 2013) including revised policies Minerals 13 and 14 (Adopted September 2015)

- Saved Leeds Unitary Development Plan Policies (2006), included as Appendix 1 of the Core Strategy
- The Holbeck Neighbourhood Plan

8.1.2. These development plan policies are supplemented by supplementary planning guidance and documents.

## **9. Development Plan**

### **9.1. Leeds Core Strategy (CS)**

9.1.1. The adopted CS sets out strategic level policies and vision to guide the delivery of development investment decisions and the overall future of the district. The most relevant policies are set out in the paragraphs below:

Spatial Policy 1: Location of Development prioritises the redevelopment of previously developed land within the Main Urban Area, prioritising urban regeneration and taking advantage of existing services and high levels of accessibility.

Spatial Policy 3: Role of Leeds City Centre views the city centre as the regional capital for office development (i) and the South Bank / Holbeck Urban Village as the main focus for office development. It sees the city centre as an area for comprehensively planning the redevelopment and re-use of vacant and underused sites for mixed use development and new areas of public space (iv), an area for improved connections with adjoining neighbourhoods (viii) and an area for expanding city living with a broader mix of housing, including family housing (x).

Spatial Policy 6: The Housing Requirement and Allocation of Housing Land establishes a target of 51,952 (net) new dwellings to be delivered between 2017 and 2033. This provision should be guided by the settlement hierarchy, with a preference for sustainable, brownfield locations and areas having low flood risk.

Spatial Policy 7: Distribution of Housing Land and Allocations establishes that 15.5% of dwellings to be identified should be within the City Centre in the period 2017-33.

Spatial Policy 8: Economic Development Priorities supports a competitive local economy through promoting the development of a strong local economy through enterprise and innovation, job retention and creation, promoting the need for a skilled workforce, educational attainment and reducing barriers to employment opportunities, and by supporting training/skills and job creation initiatives via planning agreements.

Spatial Policy 9: Provision for Offices, Industry and Warehouse Employment Land and Premises.

Spatial Policy 11: Transport Infrastructure Investment Priorities sets out a series of spatial priorities for the delivery of an integrated transport strategy

for Leeds. Priority iv) is expansion of the Leeds Core Cycle Network to improve local connectivity. Priority v) is improved facilities for pedestrians to promote safety and accessibility, particularly connectivity between the edges of the City Centre and the City Centre. There are also intentions to deliver safer roads and better provision for people with impaired mobility to improve accessibility.

Policy CC1: City Centre Development expects the city centre to be planned to accommodate 655,000sqm of new office floorspace and 15.5% of the identified housing requirement. Residential development is encouraged providing it does not prejudice the town centre functions of the city centre and provides a reasonable level of amenity for occupiers. All non-retail town centre uses are supported within the city centre providing the use does not negatively impact on the amenity of neighbouring uses.

Policy CC2: City Centre South prioritises large scale office development, cultural and leisure uses and sees substantial opportunity for residential development in the southern half of the city centre.

Policy CC3: Improving Connectivity between the City Centre and Neighbouring Communities sets out the requirement to improve routes connecting the City Centre with adjoining neighbourhoods and improve connections within the City Centre through developer contributions.

Policy H4: Housing Mix requires residential developments to provide an appropriate mix of dwelling types and sizes to address long term needs taking into account the nature of the development and character of the location. This should include the need to make provision for Independent Living. Table H4 gives an indication of the preferred housing mix across Leeds, before the nature of the development and character of location are taken into account:

Table H4: Preferred Housing Mix (2012 – 2028)

<b>Type*</b>	<b>Max %</b>	<b>Min %</b>	<b>Target %</b>
Houses	90	50	75
Flats	50	10	25
<b>Size*</b>	<b>Max %</b>	<b>Min %</b>	<b>Target %</b>
1 bed	50	0	10
2 bed	80	30	50
3 bed	70	20	30

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

Policy H5: Affordable Housing sets out a target affordable housing provision of 7% for build-for-sale residential developments. For build to rent developments such as the Resi 1 building in Phase 1, Policy H5 allows 3 delivery options in this location:

- i) 20% of dwellings on-site at 80% of local market rents

ii) 7% of dwellings on-site at Leeds City Council's benchmark rents, 40% of the affordable housing as "intermediate" and 60% of the affordable housing as "social rented" types

iii) a commuted sum in lieu of Option ii)

Policy H9: Space Standards expects all new dwellings to meet the minimum internal nationally described space standards.

Policy H10: Accessible Housing expects developments to provide at least 30% of new dwellings to M4(2) standards of accessibility and 2% to M4(3) standards of accessibility (wheelchair user occupant).

Policy EC3 Safeguarding Existing Employment Land and Industrial

For areas (including this site) that do not have a shortfall of employment land, the policy sets criteria for development involving the loss of employment land. Criterion i) concerns the retention of identified land to meet recognised employment needs; criterion ii) is a test of viability of the existing land; and criterion iii) allows loss of employment land if it is replaced with mixed use development that addresses local employment opportunities.

Policy P10: Design requires new development to be based on a thorough contextual analysis to provide good design appropriate to its scale and function. New development is also required to deliver high quality inclusive design. Policy P10 sets out a series of key design principles (i to vi) for new development, in relation to size, design, layout, existing assets, amenity and accessibility.

Policy P11: Heritage states that the historic environment and its settings will be conserved, particularly those elements which help to give Leeds its distinct identity.

Policy P12: states that landscapes will be conserved and enhanced.

Policies T1: Transport Management and T2: Accessibility Requirements and New Development identify transport management measures and accessibility measures to ensure new development is adequately served by highways and public transport, and provides safe and secure access for pedestrians, cyclists and people with impaired mobility.

Policy G5: Open Space in the City Centre, expects provision of open space on all development sites of 0.5ha or more in size. Commercial developments are expected to provide a minimum of 20% of site area; residential developments to provide a minimum of 0.41ha per 1000 population; and mixed use developments to provide whatever provision is greater. Where achievement on site is not realistic, contributions towards open space and public realm projects can be accepted in lieu of on-site provision.

Policy G9: Biodiversity Improvements states that development will need to demonstrate biodiversity improvements.

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.

Policy EN2: Sustainable Design and Construction states that to require developments of 1,000 or more square metres or 10 or more dwellings (including conversion) where feasible) to meet at least the standard set by BREEAM or Code for Sustainable Homes as shown in the table below. A post construction review certificate will be required prior to occupation.

Policy EN4: District Heating expects connection to be made to the district heat network where feasible.

Policy EN5 – Flood Risk. The site lies almost entirely in Flood Zone 1 with slither of Flood Zone 2 along Sweet Street West where it slopes down to go underneath the railway line.

## **9.2. Site Allocations Plan**

- 9.2.1. The Site Allocation 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 local plan 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 provided full weight. The SAP provides office, residential, green space and retail allocations and other designations for all areas of Leeds with the exception of Aire Valley Leeds, which has its own plan.
- 9.2.2. The site forms part of the Temple Works Mixed Use Site (ref MX2-35) with indicative capacities of 1000 dwellings and 3.1ha of employment land. The total extent of the allocation is over 11 hectares covering this site plus land to the north of Sweet Street and Sweet Street West including Temple Works, land east and west of Bath Road and land east of Marshall Street.
- 9.2.3. The allocation has the following site requirements:
  - The site is suitable for older persons housing / independent living in accordance with Policy HG4
  - Marshall Street improvements for pedestrians
  - Contributions to Holbeck Urban Village traffic management, streetscape and pedestrian improvements
  - Contributions towards transport interventions for Meadow Lane, Victoria Road and Neville Street in line with emerging City Centre Transport Strategy and South Bank proposals
  - Development must preserve the special architectural or historic interest of Listed Buildings and their setting

- Development should preserve or enhance the character or appearance of the Conservation Area
- Detailed design layout should have regard to the proximity of a gas pipeline, consulting with Northern Gas Networks

### **9.3. Leeds Unitary Development Plan Review 2006 (UDPR) Saved Policies**

#### 9.3.1. Relevant Saved Policies include:

- Policy GP5 all planning considerations
- Policy BD2 design and siting of new buildings
- Policy BD4 mechanical plant
- Policy BD5 residential amenity
- Policy LD1 landscaping

### **9.4. Leeds Natural Resources and Waste DPD 2013 Part / 2015 Part**

9.4.1. The Natural Resources and Waste Local Plan was adopted by Leeds City Council on 16th January 2013. The Natural Resources and Waste Development Plan Document (Local Plan) is part of the Local Development Framework. 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.

#### 9.4.2. Relevant policies include:

- Air 1 management of air quality through new development
- Water 1: water efficiency
- Water 6 flood risk assessments
- Water 7 surface water run-off
- Land 1 contaminated land
- Land 2 development and trees
- Minerals 3 coal safeguarding

### **9.5. Holbeck Neighbourhood Plan**

9.5.1. The whole of the site falls within the Holbeck Neighbourhood Plan (HNP) area. Sweet Street West and Sweet Street provide a northern boundary to the HNP area. It is a relatively recent plan adopted on 9<sup>th</sup> April 2018 and sets a number of policy expectations for development of this site.

9.5.2. The site is identified under policy E2 Sweet Street West for employment use or a mix of residential and employment uses. Achievement of high quality environment and public realm is expected including:

- pedestrian and cycle links which will facilitate safe and easy movement between the Holbeck Neighbourhood Area south of the site and the remainder of Holbeck
- a local green corridor providing greenspace including street trees planted along the south side of Sweet Street, and;
- building entrances and windows along the Sweet Street local green corridor, including active frontages where possible

9.5.3. Policy G1 Strategic Green Infrastructure and Local Green Corridors states that development that lies alongside the proposed local green corridors should

include the provision of green space and/or planting appropriate to the scale of development including street trees, safe cycling routes and footpaths where possible. The northern side of this site forms part of the defined Local Green Corridor LGC4 Sweet Street/Marshall Street shown on Map 9 of the HNP and the Policies Map.

9.5.4. Policy T4 supports development that can deliver a new foot and cycle bridge across the railway connecting Nineveh Parade and Marshall Street. The supporting text explains that the routes between the two parts of Holbeck divided by the railway line are uninviting and awkward to get to and that a more direct attractive route would be via a new bridge across the railway.

9.5.5. Policy H2 expects the following dwelling types to be prioritised:

- Single bedroom properties
- Larger family houses
- Properties for independent living

## **9.6. Relevant Supplementary Planning Guidance:**

SPD Southbank Leeds (2018)

SPD Holbeck and Southbank (2016)

SPD Building for Tomorrow Today Update (2020)

SPD Tall Buildings Design Guide (2010)

SPD Street Design Guide (2009)

SPD Parking (2016)

SPD Travel Plans (2015)

SPG Neighbourhoods for Living updates 2015 and 2020

SPD Accessible Leeds (2016)

Temple District Planning Brief Consultation Draft (2021)

## **9.7. National Planning Policy Framework (NPPF) 2021**

9.7.1. The NPPF sets out the Government's planning policies for England and how these should be applied (para 1), and is a material consideration in planning decisions (para 2). It states that the purpose of the planning system is to contribute to the achievement of sustainable development (para 7). So that sustainable development is pursued in a positive way at the heart of the Framework is a presumption in favour of sustainable development (paras 10-11). It states that decision makers at every level should seek to approve applications for sustainable development where possible (para 38). The Framework sets policies on the following issues which are relevant to this planning application proposal (including section numbers):

2 Achieving sustainable development (paras 7, 8, 10, 11, 12)

4 Decision making (paras 38, 39, 40, 41, 43, 47, 48, 54, 55, 56, 57, 58)

5 Delivering a sufficient supply of homes (60, 62, 63, 65)

6 Building a strong competitive economy (81, 83)

7 Ensuring the vitality of town centres (86, 87)

8 Promoting healthy and safe communities (92, 93, 95, 97, 98)

9 Promoting sustainable transport (104-113)

11 Making effective use of land (119, 120, 121, 123)

12 Achieving well designed places (126-136)

- 14 Meeting the challenge of climate change and flooding (152-169)
- 15 Conserving and enhancing the natural environment (179-188)
- 16 Conserving and enhancing the historic environment (194)

9.7.2. In particular, Paragraph 93 of the NPPF supports the provision of community facilities and other local services in order to enhance the sustainability of communities: To deliver the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:

plan positively for the provision and use of shared space, community

- i. facilities (such as local shops, meeting places, sports venues, cultural
- ii. buildings, public houses and places of worship) and other local services
- iii. to enhance the sustainability of communities and residential environments
- iv. ensure an integrated approach to considering the location of housing
- v. economic uses and community facilities and services.

9.7.3. Paragraph 95 attaches great weight to the need to create, expand or alter schools:

It is important that a sufficient choice of school places is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and to development that will widen choice in education. They should:

- give great weight to the need to create, expand or alter schools; and
- work with school promoters to identify and resolve key planning issues before applications are submitted.

9.7.4. Paragraph 112 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.

9.7.5. Paragraph 126 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. Being clear about design expectations, and how these will be tested, is essential for achieving this. So too is effective engagement between applicants, communities, local planning authorities and other interests throughout the process

9.7.6. Paragraph 130 states that decisions should ensure that developments:

- a. will function well and add to the overall quality of the area, not just for the short term but over the lifetime of the development;
- b. are visually attractive as a result of good architecture, layout and appropriate and effective landscaping;
- c. are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or

- discouraging appropriate innovation or change (such as increased densities);
- d. establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit;
  - e. optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and
  - f. create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.
- 9.7.7. Paragraph 131 says trees make an important contribution to the character and quality of urban environments, and can also help mitigate and adapt to climate change. Planning policies and decisions should ensure that new streets are tree-lined, that opportunities are taken to incorporate trees elsewhere in developments (such as parks and community orchards), that appropriate measures are in place to secure the long-term maintenance of newly-planted trees, and that existing trees are retained wherever possible.

## **10. Main Issues**

- 10.1. Principle of the development
- 10.2. Viability Appraisal
- 10.3. Wind
- 10.4. Sustainability
- 10.5. Design, Landscape and Biodiversity
- 10.6. Sustainable Transport and Travel Planning
- 10.7. Housing Standards
- 10.8. Green Space
- 10.9. Planning Obligations

## **11. APPRAISAL**

### **11.1. Principle of the Development**

- 11.1.1. The allocation of 11.37ha of land at Temple Works (MX2-35) in the Site Allocations Plan (SAP) for 1000 dwellings and 3.1ha of employment land includes this site.

#### Employment Use

- 11.1.2. It is considered that the proposed residential and office uses (with supporting social and commercial uses) broadly accord with the intentions of the SAP allocation. The 3.1ha of employment land would have reflected the expectation whilst the SAP was being prepared that a well-known clothing designer would develop a manufacturing facility on the site. The employment use would have been a combination of the B2 and B8 use classes.

- 11.1.3. Since the adoption of the SAP in July 2019, aspirations for this part of the city have evolved significantly and the original intended and bespoke use of the allocation for potential manufacturing has fallen away and is now considered undeliverable. Nevertheless, the Council retains commitment to the expectation for mixed-use development in this location.
- 11.1.4. The aspirations for the South Bank (as set out in the adopted Holbeck South Bank SPD and South Bank Regeneration Framework SPD) form a material consideration for this application. They aspire for the area to be a welcoming, desirable and pedestrian friendly environment with low through traffic volumes and mixed use in character including office and residential uses. In addition the guidance appended to the emerging Temple District brief that specifically addresses this site also recognises that the achievement of a high-quality redevelopment of this site will be critical to delivering the vision for Temple District and ensuring a successful transition between the two schemes. It notes that “a mix of uses will be supported on this site, and employment uses compatible with the vision for Temple District are desirable, including potential for small scale or start-up business, creative, digital, R&D sectors and office spaces as appropriate”. Although little planning weight can be attached to the emerging brief due to its early stage in the process of adoption, the site aspirations reflect the wider adopted policy aspirations for the regeneration of this area.
- 11.1.5. The proposed office space of approximately 20,000sqm of floorspace (c. 14,000 in Phase 1 and 7,000 in Phase 2) plus commercial space will deliver employment appropriate to this city centre location consistent with Core Strategy Policy CC2 which prioritises development in the southern part of Leeds City Centre “...for town centre uses...particularly large scale office development...”. It also accords with Policy CC1a) which favours locations with the best public transport accessibility for large scale offices. This site is within reasonably easy walking distance of Leeds train station.

#### Residential

- 11.1.6. The total number of residential units proposed significantly exceeds the indicative capacity set out for the MX2-35 allocation. This is not of concern from a policy perspective as the site is located in a sustainable location and the delivery of significant housing here aligns with the overall spatial strategy set out in Spatial Policy 1 of the Core Strategy, and role of the City Centre set out in Spatial Policy 3 and the opportunity in the south of the City Centre outlined in Policy CC2.

#### High Pressure Gas Main

- 11.1.7. A high pressure gas main runs along the centre of Sweet Street West with a kink at the junction with Marshall Street such that its alignment is slightly to the south of Sweet Street going eastwards. Northern Gas Networks (NGN) is a consultee representing the interests of the pipeline. NGN have a number of stipulations concerning distances of buildings from the pipeline (7m), no structures to be placed over the pipe, no drainage or balancing ponds above the pipe, tree planting restrictions and methods of construction. All stipulations

have been met with the exception of a requirement for NGN to be informed where surrounding population would exceed 30 persons per hectare such that additional safety obligations are raised for the gas network provider who are obliged to seek to agree lower densities with developers. This development will have a density of over 2000 persons per hectare when fully occupied which is typical for city centre locations such as this. From a wider planning perspective there are significant benefits of higher densities in highly accessible sustainable city centre locations such that the proposed density of this development is supported in proximity of the pipe. It should also be noted that the Health and Safety Executive (HSE) are the statutory consultee regarding the gas pipelines adjacent to the site and they have raised no objection to the proposals

## **11.2. Viability Appraisal**

- 11.2.1. The headline conclusion is that the scheme is only viable if reductions in planning policy requirements are made. Two options for such reductions are set out in the Planning Obligations section below. The process of viability appraisal that arrived at this conclusion is explained further here.
- 11.2.2. The applicants submitted a viability assessment report that concluded that the scheme would not be viable, even with zero affordable housing. This was reviewed by the District Valuation Service (the "DVS"). The DVS was advised by specialist cost consultants Rex Procter and Partner. The DVS's Stage 1 Report concluded that the whole scheme could deliver all planning policy requirements and remain viable. However, the process allows for the Stage 1 inputs and assumptions to be challenged and revisited in the Stage 2 Report. A meeting was held 6/1/23 with the DVS and the applicants' surveyors and advisors which agreed to an uplift in certain costs and a reduction in certain revenue streams. As such, the conclusions of the Stage 2 Report are more robust because they are based on inputs and assumptions that have been subject to scrutiny and revised according to the latest evidence.
- 11.2.3. It should also be noted that the above conclusions are based on development of the whole scheme over a 10 year development programme. The DVS also appraised scenarios of Phase 1 only and the Resi1 building only to understand if they would be more viable than the whole scheme. The conclusions were that these partial development options were generally less viable. In any case, it is considered that it is appropriate to rely upon a viability appraisal of the whole scheme as that is what is applied for in this planning application.
- 11.2.4. The DVS Stage 2 report was received on 6/2/22 and is included as Appendix 2 to this report. The conclusion is that a fully policy compliant scheme is not viable, although the development can deliver substantial planning benefits. In cases of schemes that are not fully viable it is normal practice for the amount of affordable housing to be reduced and other planning requirements to be retained. Such an approach forms the basis of Option 1. However, an option of reducing some of the other policy requirements is set out as Option 2 in order to increase affordable housing provision. These options are set out in the Planning Obligations section below.

### 11.3. **Wind**

- 11.3.1. The applicant submitted a wind microclimate report with the application. This was updated in a version 2<sup>nd</sup> November 2022 to address a change to the height and massing of the tall Resi 3 building and to include mitigation for both Phases 1 and 2. The Council's wind consultant concluded that the combined wind tunnel and CFD wind study revealed the site is exposed to prevailing winds that require appropriate building design and wind mitigation to deliver safe and comfortable wind conditions.
- 11.3.2. For Phase 1 the wind mitigation measures proposed will mean there are no safety exceedances onsite or offsite and wind comfort conditions are generally suitable throughout the site and at all entrances (on and off site). Minor comfort issues in the thoroughfares and amenity spaces of Phase 1 are either insignificant or can be addressed by soft landscaping.
- 11.3.3. Phase 2 will have its own wind mitigation measures to address its own wind effects without having to revise the massing of Phase 2 buildings. But once Phase 2 is completed, the previous Phase 1 wind mitigation measures can be removed as the Phase 2 buildings will have an effect of shielding the Phase 1 buildings and areas from prevailing winds.
- 11.3.4. Drawings showing full details of all the wind mitigation measures have been submitted and it is agreed that they do not raise any other planning issues in respect of pedestrian connectivity, vehicle sight lines and impact on residential windows. The full details and delivery will be controlled by condition. The proposed terraces to the Pavilion and level 6 of the Phase 1 office building may require screening or soft landscaping to deal with wind conditions above comfort levels, but as these are private spaces this is a matter for the applicant to determine.

### 11.4. **Sustainability**

- 11.4.1. Core Strategy Policies EN1 and EN2 expect the following standards:
- carbon emissions 20% better than Building Regulations (EN1 i),
  - 10% of energy from low carbon sources (EN1 ii),
  - Non-residential buildings of more than 1,000sqm to meet the BREEAM "excellent" standard (EN2)
  - Developments of 10+ dwellings to meet a water standard of 110 litres per person per day (EN2)
- 11.4.2. The proposed approach to carbon reduction in this development is achieved through passive design, energy efficiency and low or zero carbon (LZC) technologies. The CO<sub>2</sub> emissions are satisfactory and above the percentage improvement required over Part L1A of 2013 building regulations set out in Leeds Core Strategy EN1 policy. Additional detailed SAP sheets/ SBEM calculations/ BRUKL were submitted to validate the standards for Phase 1.

- 11.4.3. It is expected that the development will exceed the 10% requirement for energy generation through air source heat pumps and photo voltaics. Additional details will be required prior to commencement of works through condition.
- 11.4.4. Generic evidence for compliance to the water usage standard was provided. Further details were provided for each unit type separately along with the make / model of the fixtures to ensure compliance. A condition will ensure construction cannot commence without specifications of sanitary fittings.
- 11.4.5. BREEAM Pre Assessment for the non-domestic parts of the scheme is greater than the minimum 70% required for “excellent” standard.
- 11.4.6. Regarding phase 2 of the development conditions will require submission of evidence to demonstrate that the carbon emission of buildings will be policy compliant, including energy generation by low carbon sources, submission of BREEAM pre-assessment and water target evidence.
- 11.4.7. A post construction review of how the development meets the sustainability standards set out in the Energy and Sustainability reports and of the submitted evidence will be required 6 months after first occupation by condition
- 11.4.8. In terms of connecting to the district heating network as required by Policy EN4 there is currently no network in this part of the City Centre so it will not be possible for the development to be connected. However, in such situations part iv) of the policy expects developments to be designed to allow for connection in case the district heating network is extended into the area. The developer has agreed to a condition to ensure a potential connection can be made.

#### Contaminated Land

- 11.4.9. The site is contaminated from former railway sidings, linen works and concrete works, amongst other things. A Phase 1 Desk Study report was submitted and approved. Conditions will be applied to require a Phase 2 site investigation report, to undertake specified actions if unexpected contamination is discovered and, on completion of remediation works, to submit a verification report.

#### Flood Risk

- 11.4.10. The application site is located within Flood Zone 1 and there have been no records of any recent flooding within the property or adjacent areas. An initial review has also identified that there are no known flood risks which require specific mitigation and would impact on the proposed development.
- 11.4.11. The applicants submitted a drainage strategy and surface water management plan, a drainage plan and flood risk assessment in support of the application. On request of Flood Risk Management (FRM) the applicants submitted a further design note to address a number of queries about drainage design and sustainable urban drainage solutions. FRM consider the application acceptable subject to conditions.

## **11.5. Conservation, Design, Landscape and Biodiversity**

### Conservation

- 11.5.1. Policies P10, P11 and P12 of the Core Strategy expect schemes to be appropriately designed for the site context conserving the historic environment and conserving and enhancing landscapes. Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 (the 'Listed Buildings Act 1990') provides:

"In considering whether to grant planning permission or permission in principle for development which affects a listed building or its setting, the local planning authority or, as the case may be, the Secretary of State shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses."

- 11.5.2. Section 72 also provides that special attention must be paid to the desirability of preserving or enhancing the character or appearance of conservation areas.
- 11.5.3. Further, in accordance with paragraph 199 of the NPPF great weight should be given to the conservation of heritage assets. Any new development must also provide good design that is appropriate to its location, scale and function (CS Policy P10). Part (i) of the policy states that the size, scale, design and layout should be appropriate to its context and that (Part ii) the development should protect and enhance skylines and views. These policies accord with guidance in the NPPF which requires that development establishes a strong sense of place, using streetscapes and buildings to create attractive and comfortable places to live, work and visit; to respond to local character and history; and to reflect the identity of local surroundings
- 11.5.4. It is considered that the layout, scale, form and design of the proposed development will sit comfortably within the context of the site, including the setting of the listed buildings. With regard to the grade 2 listed former Holbeck library building at the south east corner of the site at the junction of Marshall Street and Nineveh Lane, it is important for the proposed office building facing onto Marshall Street, part of Phase 1, to be set apart from the listed former library building and for its upper floor to step down in order to give the listed building space. There is approximately a 30m gap between buildings with the access road and some open space in between. The gap is 40m at the most publicly visible point where the buildings are closest to Marshall St. Also, the building steps down from 8 to 5 storeys. The second office building, part of Phase 2 is situated 11m from the listed former library building, but this is a less sensitive location at the rear of the library. This office building would be up to 6 storeys high with detailed design reserved. As such, the visual prominence, historic value, and architectural features of the former library will remain legible, and in the terms of the NPPF, any harm from the proposals would be less than substantial.

- 11.5.5. Regarding the grade 1 listed Temple Works, the most important frontage faces east onto Marshall Street opposite the junction with Manor Road. This frontage is separated from the proposal site by a separate non-listed building, Drapers Yard (formerly known as Stylanese House); the important frontage is approximately 110m northwards along Marshall Street. The site of Temple Mills wraps around the non-listed Drapers Yard building such that it has a frontage on the north side of Sweet Street West. This frontage does not contain any historic elements; 20<sup>th</sup> century buildings have been demolished. As such, views from locations in front of the important eastern frontage would only take in, at distance, the mid-upper floors of the proposed development, minimising harm to a very low level of less than substantial.
- 11.5.6. The commercial inn public house is a non-designated heritage asset. Forming part of Phase 1 of the proposed development, later additions to the pub would be removed and replaced with low level one and two storey extensions to the west side and rear of the pub. The form and massing of the extensions relate to the main core building as historic outshoots, stepping down deferentially to the main building.
- 11.5.7. The proposed surrounding development to the pub will leave public space to the sides and a public square to the rear. Whilst this will be different to the tighter historic street pattern of the original pub setting, it is considered that it will be a considerable improvement on the setting of the pub when it was surrounded by Kays catalogue buildings and its current exposed setting of cleared land. At the request of the Conservation Officer, a condition will be applied to require a sample test removal of render to the street elevations of the pub. If the underlying brickwork is found to be intact, the render will be removed from the street elevations and the brickwork restored.
- 11.5.8. The Commercial Inn is the only part of the site within the Holbeck Conservation Area. It is considered that the development is sensitively designed to enhance the setting of the pub and its proposed refurbishment will enhance its appearance for the benefit of the character and appearance of the conservation area. Similarly, the scale, massing and design of the scheme as a whole is considered to be sensitive to the buildings and setting of the conservation area to the north. This is explored more fully in the Design section below.

## Design

- 11.5.9. Policy P10 of the Core Strategy requires new development to be appropriate to its setting and function in terms of size, design, layout, existing assets, amenity and accessibility. Supplementary plans provide useful guidance for assessing how this scheme is appropriate to its setting.
- 11.5.10. The scheme was the subject of pre-application discussions and meetings with the applicants culminating with two presentations to Development Plan Panel on 27/1/22 and 19/5/22. Members were generally supportive of the emerging design, scale and layout of the development at the January meeting and further refinements to the design were presented to the May meeting. These included proposals for the Commercial Inn to be

extended with a rear frontage offering access and openings for public interaction with the open space behind. Detail of the residential block facades were presented with defined top, middle and base elements. The office blocks would have framed facades set within curtain walling, deep recesses and solar gain fins. The stepping down of the office blocks toward the listed Holbeck library building is structured to make visual sense.

- 11.5.11. In terms of the overall scale and massing of the scheme, Para 13.2 of the Holbeck South Bank SPD suggests that new development on this site should recreate an appropriate sense of enclosure to these streets. Para 11.1, commenting on the Eastern Gateway area on the north side of Sweet Street comments that heights of new buildings should drop down to approximately 5 storeys in the vicinity of Temple Works. The draft Temple District plan (8.2.5) says that building heights on this site should be complementary to those in the South Zone of the Temple District. For the South Zone the plan advises at para 6.14.22 that there are opportunities for tall buildings, with a “step-down” towards Temple Works. The site also bounds the East Zone where it advises at 6.14.20 that mid-rise building of around 5-6 storeys will be supported along Marshall Street.
- 11.5.12. The proposals accord with this guidance. The Resi1 building facing onto Sweet Street West is 6 storeys high punctuated by 3 towers of 11 storeys, 13 storeys and 15 storeys. They rise from the east to the west such that the part of the building closest to the Commercial Inn, Marshall St and the sensitive elements of Tower Works is only 6 storeys in height. Phase 2 includes a tall tower of up to 30 storeys at the western corner of the site next to the railway bridge. On Marshall Street, the proposed pavilion is only 4 storeys in height and the Office1 building 8 storeys. As such the proposed buildings to Sweet Street West and to Marshall St are considered to respect the supplementary guidance for the area in providing a sense of enclosure to the streets and stepping down to appropriate heights in the vicinity of Temple Works.
- 11.5.13. Building proportions are designed with a plinth/base, middle and top. Detailed elevational design of the residential buildings has a legible and simple rhythm of windows drawing upon character of industrial buildings such as Marshalls Mill. The commercial buildings have a formal and regular grid with greater opportunity for variation. All buildings will have window openings of vertical emphasis with appropriate reveal depths. Materials will be predominantly brick with stone/ceramic and concrete used to establish grids and a hierarchy of detail. The detailed design of Phase 1 is considered appropriate; the detailed design of Phase 2 will be a reserved matter.
- 11.5.14. Further refinements have been agreed to the application scheme including setting the building line of the Resi 3 building (the tallest building to the north west corner of the site, part of the outline application) back a further 4 metres so that it is consistent with the building line of the Resi 1 building. Also the design of the street frontages onto Sweet Street West have been improved and the materials of the Pavilion building simplified. Officers consider the design is in accordance with development plan policy (including the Holbeck Neighbourhood Plan) and guidance of the Supplementary Planning Documents, and will have a positive visual impact on the street scene

including the setting of the Temple Works, Marshall Mills listed buildings and the Holbeck Conservation Area.

#### Landscape

- 11.5.15. Inevitably, the high blocks result in some overshadowing of open spaces, the design seeks to optimise sunlight penetration by giving the tallest blocks a north-south orientation. The landscaping has also been reconfigured to increase the area of planting within Sweet Street Square and raise the children's play area from the rain gardens.
- 11.5.16. The "green buffer" alongside the railway has been widened from the original proposals at the expense of podia to the Resi 3 and Resi 4 buildings. As such the scheme now better accord with the South Bank SPD and the draft Temple District plan aspirations for a green wildlife corridor.
- 11.5.17. In terms of trees Policy Land 1 of the Natural Resources and Waste Plan expects tree loss to be minimised and any trees lost as a result of development to be replaced on a 3:1 ratio. Most existing trees along the elevated land next to the railway will have to be lost as a result of the need to regrade the land to allow the development to happen. However, the 71 trees lost will be replaced on the 3:1 ratio with 213 new trees. Indicative proposals show 90 new trees forming the green buffer next to the railway. The applicants have agreed to plant the particular species and size of trees that Network Rail recommend next to railway lines. Network Rail advises that trees should be planted no closer to their boundary than their height. As such, trees of 2.5 - 3m in height and of the species acceptable to Network Rail are proposed, which are smaller than the council would normally accept as 3:1 replacement trees, but the need to address Network Rail's safety concerns is considered paramount here.
- 11.5.18. The applicants have submitted indicative landscape drawings to demonstrate that the 71 trees to be felled as a consequence of the development can be replaced with 213 trees achieving the 3:1 replacement ratio of Policy Land 2. However, given that most of the replacement trees will be on Phase 2 of the development and unforeseen impediments could arise, the applicant has agreed to a S106 obligation to pay the Council £1000/tree for off-site planting if it transpires that not all of the 213 replacement trees can practically and safely be planted.

#### Biodiversity

- 11.5.19. Following the demolition of the former Kays Catalogue buildings on the site, the site has remained vacant for many years and over the passage of time has self-seeded with a variety of scrub habitat. Core Strategy Policy G9 expects there to be an overall net gain for biodiversity and that existing wildlife habitats are safeguarded and enhanced. The brownfield site as existing is classified as having large areas of relatively valuable "mixed scrub". Due to the large area of existing self-seeded scrub habitat to be lost to the development proposals, the development would result in an overall shortfall of 24 biodiversity units to achieve a net gain. In accordance with Policy G9, this

translates into a payment of £600,500 for the Council to use towards off-site biodiversity improvement. .

11.5.20. There are positive on-site biodiversity aspects of the development. The scheme will deliver 1.11 Habitat Biodiversity Units and 2.78 Hedgerow Biodiversity Units. A substantial green buffer adjacent to the railway will be created involving the planting of 90 new trees. On the rest of the site there will be large areas of public open space and 123 new trees will be planted.

11.5.21. The development will also provide on-site enhancements to encourage bat roosting and bird nesting and to remove the invasive species, Japanese Knotweed from the site. These matters will be achieved through condition.

## 11.6. Sustainable Transport and Travel Planning.

11.6.1. Core Strategy policies T1 and T2 and Transport SPD (adopted 3/2/23) provide the basis for a number of requirements to ensure the proposed development functions effectively and safely and contributes appropriately to sustainable transport. Core Strategy Policy CC3 also seeks to improve pedestrian routes and connections within the city centre and to adjoining neighbourhoods. The allocation MX2-35 of the Site Allocations Plan also sets out a number of transport related site requirements including pedestrian improvements to Marshall Street, contributions to traffic management, streetscape and pedestrian improvements in the area and contributions toward improvements of Meadow Lane, Victoria Road and Neville St in line with emerging strategy.

### Accessibility and Active Travel

11.6.2. The site location in the City Centre means the development can rely upon public transport and proximity of employment, services and facilities within walking or cycling distances without having to provide car parking. The development will bring on-site and off-site improvements to improve routes and connectivity for pedestrians and cyclists. On-site improvements include:

- i. Laying out of a 2 way cycle route along Marshall Street
- ii. Widened footways to Sweet Street West and Marshall Street
- iii. Pedestrian permeability through a site that is currently fenced off to the public
- iv. An access road with traffic calming and wide footpaths
- v. Public realm improvements including new street trees to Sweet Street West and Marshall Street

11.6.3. Off site contributions have been agreed:

- i. £896,000 toward the Bath Road Improvement Scheme. Bath Road is currently a tatty poorly surfaced industrial road highly unattractive to pedestrians. The scheme will see the road transformed into a properly paved road attractive to and safer for pedestrians and cyclists. Works will

include resurfaced footway and kerb with perfecta flags and conservation kerbs, plus Copenhagen crossings at the junctions. The improvement will provide an alternative route northward better connecting the site to beck, canal and river crossings at Water Lane and Globe Road.

- ii. £368,280 toward the City Centre Transport Package. Designed to reduce traffic in the South Bank and increase travel to the centre by sustainable modes of transport this package involves a series of improvements to bus infrastructure, public realm, pedestrian infrastructure and cycling infrastructure on a number of roads. The contribution is considered proportionate to the scale of the proposed scheme
- iii. £70,000 to pay for a Nineveh Road pedestrian crossing. This will involve installation of a traffic island feature to the centre of the road, dropped kerbs and tactile paving. The location would be a few metres to the west of the junction with Marshall Street. In the desire line for pedestrians wanting to walk between Marshall Street and the old centre of Holbeck, this would be a significant improvement for connecting the Holbeck Neighbourhood Plan area with the city centre in line with Policy E2 of the Neighbourhood Plan. It would provide a deliverable alternative to the aspiration for a new railway footbridge connecting Marshall Street with Nineveh Parade under Policy T4 of the Neighbourhood Plan
- iv. £10,000 Traffic Regulation Order costs

#### Car Parking

11.6.4. The scheme will be served by 258 car parking spaces. Phase 1 (full permission) will have 19 parking spaces to serve the Resi1 building and 82 for Office 1 . Nine spaces including 2 disabled spaces and 3 car club spaces will be provided along Sweet Street West for public use as regulated by the council. All residential spaces will be large enough for electric vehicle charging equipment which will be installed in phases, as controlled by condition. Seven disabled parking spaces will be provided for Phase 1 (full application) exceeding the 5% standard requirement of the Transport SPD. Provision for Phase 2 (outline permission) will be one of the matters reserved.

#### Cycle Parking

11.6.5. The development will be supported with over 1,500 cycle parking spaces overall. The residential blocks will each have sufficient secure storage for 1 space/dwelling and provision of 40 short stay spaces in accordance with the Transport SPD . The Office 1 building will have 110 secure spaces and 20 short stay spaces and the Office 2 building will have 55 secure spaces and 10 short stay spaces, in accordance with the Transport SPD requirements for 1 secure space / 150sqm floor space and 1 short stay space / 1000sqm floor space. Thirteen car club bays will be provided including three on Sweet Street West and the remainder spread across the site in locations to be agreed by condition

#### Layout and servicing

- 11.6.6. Ultimately the development will be serviced by an access road which will be two-way from where it joins Marshall Street for a short distance to serve the offices and then one-way northbound to where it joins Sweet Street West. For Phase 1 of the development, only the parts of the access road joining Marshall Street and Sweet Street West will be built. The remaining central section will be built as part of the outline element. Interim highway arrangements have been agreed so that the Phase 1 sections of road are sufficiently wide and have turning heads and splay corners to enable servicing vehicles to enter and exit the site safely to serve the Phase 1 buildings. It has been agreed that the access road will not be adopted but will be built to adoptable standards with appropriate provision of loading bays and traffic restrictions to be agreed with the Council.
- 11.6.7. It is considered that all the buildings of Phase 1 will have sufficient bin storage space, both for general and recycling collections. Resi 1 will have space for 120 x 1100 size bins (60 for recycling and 60 for general waste); the commercial space in the Resi 1 building will have space for 7 x 1100 size bins for collection twice per week. Office 1 will have ground floor space for 26 x 1100 bins for collection twice per week; the Pavilion will have ground floor space for 4 x 1100 bins for collection twice a week and the Pub will have ground space for 2 x 1100 bins to be collected twice per week.

#### Travel Planning

- 11.6.8. The developer submitted a Travel Plan setting out plans to appoint a Travel Plan Coordinator and promote active travel. The Travel Plan was revised to include a budget for the Travel Plan Coordinator and improve provisions for monitoring and evaluation. Agreement was also reached with the developer to provide financial contributions of £345,518.25 as the Residential Travel Plan Fund to encourage non-vehicle modes of travel and £19,688 as the Travel Plan Review fee. Conditions will also be required to cover cycle parking, motorcycle parking, car share spaces, showers and electric vehicle charging points.

### **11.7. Housing Standards**

#### Housing Mix

- 11.7.1. Core Strategy Policy H4 expects residential developments to provide an appropriate mix of dwelling sizes and types having regard to the city-wide strategic mix of dwellings needed according to Table H4 and regard to the nature of the development and character of the location. Phase 1 of this scheme proposes 225 studio and 1 bedroom apartments, 181 2 bed apartments and 45 3 bed apartments out of a total 451 dwellings. How this performs against the minimums, maximums and targets of Table 4 can be seen in the table below.

At 10% the percentage of of 3 beds is below the target of 30% and minima of 20%. However, Table 4 is intended for city-wide provision and annual monitoring and is not designed to be prescriptive to individual schemes. The city-wide need of Table 4 for 3 and 4 bedroom dwellings is not so evident in the city centre where the need for family sized dwellings is emerging rather

than manifest. At the pre-application presentations to Development Plans Panel in 2022 Members pressed for an increase to 10% of 3 bedroom dwellings which is what is now proposed. It should be noted that the mix of dwellings for phase 2 is not yet known, so there will be opportunity to seek a different mix as part of a reserved matters application, including the potential to consider inclusion of 4 bedroom dwellings as expected by Policy H2 of the Holbeck Neighbourhood Plan

	1 bed	2 bed	3 bed	4 bed
Table 4 %minima	0%	30%	20%	0%
Table 4 %maxima	50%	80%	70%	50%
Table 4 %target	10%	50%	30%	10%
Phase 1 Number (451 total)	225	181	45	0
Phase 1 Percentage	50%	40%	10%	0%

#### Internal Space Standards

- 11.7.2. All the proposed dwellings of the Phase 1 Resi1 building exceed the minimum size requirements of the Nationally Described Space Standards (NDSS) in Core Strategy Policy H9. Of the 25 studio apartments there are 5 on each of floors 1-6, which range in size from 39sqm to 55sqm. There are 200 one bedroom units spread over all the floors, including many 1 bedroom 1 person apartments that are mostly 46 or 47sqm (larger than the NDSS minimum of 39sqm), and many 1 bedroom 2 person apartments of 50-59sqm (larger than the NDSS minimum of 50sqm). There are 181 two bedroom apartments of which the three person ones all exceed the NDSS minimum of 61sqm and the four person ones all exceed the NDSS minimum of 70sqm. The 45 three bedroom apartments which are designed for 4 and 5 person occupation comfortably exceed the NDSS minima of 74sqm and 86sqm respectively. All bedroom sizes meet the NDSS minima.

#### Accessible dwellings

- 11.7.3. Core Strategy Policy H10 expects 30% of new dwellings to meet the M4(2) standard for accessibility and 2% to meet the M4(3) standard. The standards are defined in the Building Regulations: M4(2) dwelling standards are designed for extra mobility and M4(3) dwellings are designed for wheelchair users to live in. M4(3) dwellings come in two forms: wheelchair accessible and wheelchair adaptable. The wheelchair adaptable form is appropriate in this case because the dwellings only have to be fully kitted out to be accessible when the local authority is responsible for allocating a household with a wheelchair user to that dwelling.
- 11.7.4. Phase 1 of the development will be policy compliant in having 138 (30.6%) of the 451 total dwellings as M4(2) standard and 11 (2.2%) as M4(3) standard.

The provision will involve a reasonable mix of sizes of dwellings and floor levels. It is considered appropriate for the 11 M4(3) dwellings to be all situated on the lowest 5 floors.

#### Environmental Health - amenity of dwellings

- 11.7.5. It is considered that the dwellings proposed in Phase 1 will have a sufficient level of amenity in terms of noise and temperature. The applicants have submitted evidence of expected ambient external noise levels and it is considered that the provision of mechanical ventilation will ensure that windows will not have to be opened on hot days when it could be noisy outside. It helps that Sweet Street West is not a heavily trafficked road and that the apartments facing it will be facing north so will not suffer undue solar gain in summer months. Apartments facing south into the site may endure higher levels of solar gain but evidence of expected temperatures of habitable rooms in Resi1 and mitigation measures for dealing with overheating submitted by the applicant are considered as good as can be expected at this time and fall within the current industry standard parameters. Also, conditions will be applied to ensure that noise nuisance from commercial premises, from balconies and from outdoor amplification will be controlled to certain hours and certain noise levels to maintain a reasonable level of residential amenity.

#### **11.8. Green Space Provision**

- 11.8.1. Policy G5 of the Core Strategy is applicable as this site, at 3.1ha is larger than 0.5ha policy threshold. Policy G5 expects mixed commercial and residential developments to provide the greater of either 20% of the total site area or a minimum of 0.41 hectares of open space per 1,000 population. In this case 20% of site area equates to 0.62ha and 0.41ha/1000 population (based on 1351 apartments with assumed average occupancy of 2 residents per unit) would equate to 1.1ha.
- 11.8.2. Agreement was reached between the applicant and officers on the extent of outdoor space within the development that should count towards the total of public open space. This includes the main squares and the wider internal thoroughfares but excludes the street footpaths to Sweet Street West and Marshall Street and other incidental spaces. The landscape buffer adjacent to the railway does not count as this is designed for wildlife and biodiversity with no public access. The agreed total is 0.79ha which at 25% of total site area is substantial, but falls 0.31ha below the policy requirement. An equivalent financial payment toward provision/improvement of off-site green space would be £263,540.12 according to the Council's standard calculation formula. The applicant is agreeable to paying this sum as a S106 obligation if required subject to consideration of the viability case and planning obligation options detailed below.

#### **11.9. Planning Obligations**

- 11.9.1. The Council's adopted policies result in the following Section 106 matters, which are considered to be necessary, directly related to the development and fairly and reasonably related in scale and kind to the development:

- i. Affordable Housing. 20% Affordable Private Rent dwellings at 80% of local market rents or 7% affordable dwellings with 40% for intermediate affordable tenures and 60% for social rented tenures
- ii. City Centre Transport Package financial contribution £368,280
- iii. Bath Road Improvements financial contribution £896,000
- iv. Nineveh Road pedestrian crossing improvement £70,000
- v. Travel Plan Monitoring Fee of £19,688 subject to an annual increase for inflation
- vi. Residential Travel Plan Fund £345,518.25
- vii. Greenspace –0.79ha of Public Open Space to be publicly accessible according to an agreed drawing and £263,540.12 to be paid as an off-site commuted sum
- viii. Biodiversity net gain contribution of £600,500 towards biodiversity improvements in Leeds
- ix. Tree replacement. A financial contribution may be required of £1,000 per tree if the replacement of trees according to planning policy cannot be achieved on site

11.9.2. The viability appraisal demonstrates that this scheme is unable to deliver this full range of S106 requirements. It should be noted that the highway requirements are significant with a large contribution toward the City Centre Transport Package and a contribution that would pay for most of the Bath Road improvement scheme.

11.9.3. This report presents two options below with different obligations prioritised. It is common practice for affordable housing to be reduced in order to achieve a viable development; the results of this are set out as Option 1.

11.9.4. For Option 2 it is considered that other benefits could be sacrificed in order to deliver a greater amount of affordable housing. Since the proposed scheme is designed for active travel with low car parking provision, good cycle parking and improved routes for walking and cycling it is considered that the Residential Travel Plan Fund could be reduced to £100,000. It is also considered that because the development is already providing 25% of the site area as public open space, which represents 0.79ha of attractive additional public realm that would be easily accessible and connected to communities beyond the site (as well as the future occupiers of the site), that the contribution toward off-site green space could be forgone. It is also considered that the contribution toward off-site biodiversity net gain (BNG) could be forgone. The £600,500 sum arises as the site has been left for nature to colonise over many years. However the site has long been designated for redevelopment (with previous planning proposals) as part of the regeneration of the south bank and

Holbeck area and as an unexpected windfall it is considered that the BNG contribution could be waived in this case.

11.9.5. Also, notwithstanding the conclusions of the viability report the applicant has offered to deliver an additional 1% of affordable housing on the basis of Option 2. The applicant explains that this is possible because the early cashflow constraints are reduced in Option 2 allowing the cost of additional affordable housing to be absorbed over the longer term of the project. As a result, Officers recommend that as a result of the viability case that has been verified by the DVS that Panel agree to Option 2 for the Planning obligations in this case.

11.9.6. Option 1:

- i. Affordable Housing. 3.5% 44 affordable private rent dwellings with rents at 80% of market rents and a proportionate mix of dwelling sizes throughout the scheme
- ii. City Centre Transport Package financial contribution £368,280
- iii. Bath Road Improvements financial contribution £896,000
- iv. Nineveh Road pedestrian crossing improvement £70,000
- v. Travel Plan Monitoring Fee of £19,688 subject to an annual increase for inflation
- vi. Residential Travel Plan Fund £345,518.25
- vii. Traffic Regulation Order Costs £10,000
- viii. Greenspace –0.79ha of Public Open Space to be publicly accessible according to an agreed drawing and £263,540.12 to be paid as an off-site commuted sum
- ix. Biodiversity net gain contribution of £600,500 towards biodiversity improvements in Leeds
- x. Tree replacement. A financial contribution may be required of £1,000 per tree if the replacement of trees according to planning policy cannot be achieved on site
- xi. Clawback obligation for a payment to the City Council if a greater number of car parking spaces yield income than anticipated in the Viability Review Report

11.9.7. Option 2

- i. Affordable Housing. Option 2: 6.5% 82 affordable private rent dwellings with rents at 80% of market rents and a proportionate mix of dwelling sizes throughout the scheme
- ii. City Centre Transport Package financial contribution £368,280

- iii. Bath Road Improvements financial contribution £896,000
- iv. Nineveh Road pedestrian crossing improvement £70,000
- v. Travel Plan Monitoring Fee of £19,688 subject to an annual increase for inflation
- vi. Residential Travel Plan Fund £100,000
- vii. Traffic Regulation Order Costs £10,000
- viii. Greenspace –0.79ha of Public Open Space to be publicly accessible according to an agreed drawing
- ix. Biodiversity net gain – no contribution
- x. Tree replacement. A financial contribution may be required of £1,000 per tree if the replacement of trees according to planning policy cannot be achieved on site
- xi. Clawback obligation for a payment to the City Council if a greater number of car parking spaces yield income than anticipated in the Viability Review Report

11.9.8. Whilst both options mean that usual policy requirements are not achieved, this is justified on the basis of viability, which is a matter for the decision maker (NPPF paragraph 58). City Plans Panel is recommended to agree Option 2.

## **12. Conclusion**

- 12.1. Although a fully policy compliant scheme is not viable it is considered that the scheme has many benefits overall to justify planning permission. The scheme will transform a neglected brownfield site into a vibrant part of the South Bank providing a major economic boost to the city centre and Holbeck area with a development value of nearly £0.4 billion. Through new permeability through the site and through financial contributions toward transport improvement schemes it will improve connectivity with the rest of the South Bank, with bridges to the north bank of the city centre and with the older neighbourhood of Holbeck. It is designed as a low car development with good cycle storage and facilities.
- 12.2. The scheme has been designed through the council's pre-application process to sit sensitively within its surroundings, with appropriate reductions in height and massing to respond to the presence of the listed former Holbeck Library building to the south and grade 1 listed Temple Mills to the north, having regard to supplementary guidance on the heights of buildings in the area. It will also sensitively restore to active use a historic landmark of the area, the Commercial Inn public house, and provide a community facility in the form of the Pavilion building with its café and space for a gym and community work space. The development will provide a large public square behind the public house and Pavilion and provide open areas throughout the scheme amounting to 0.79ha of public open space, 25% of the entire site area. A substantial green

buffer will also be provided alongside the railway creating a wildlife corridor in accordance with supplementary guidance.

- 12.3. However, the agreed position on viability means that the full range of planning policy requirements cannot be achieved. Affordable housing in the form of “affordable private rent” housing is normally expected as 20% of total dwellings. Two options are set out, Option 1 with affordable housing reduced to 3.5% but all other contributions achieved in full; and the recommended Option 2 with affordable housing at 6.5% but contributions to travel planning, off-site public open space and off-site biodiversity net gain are reduced or omitted.

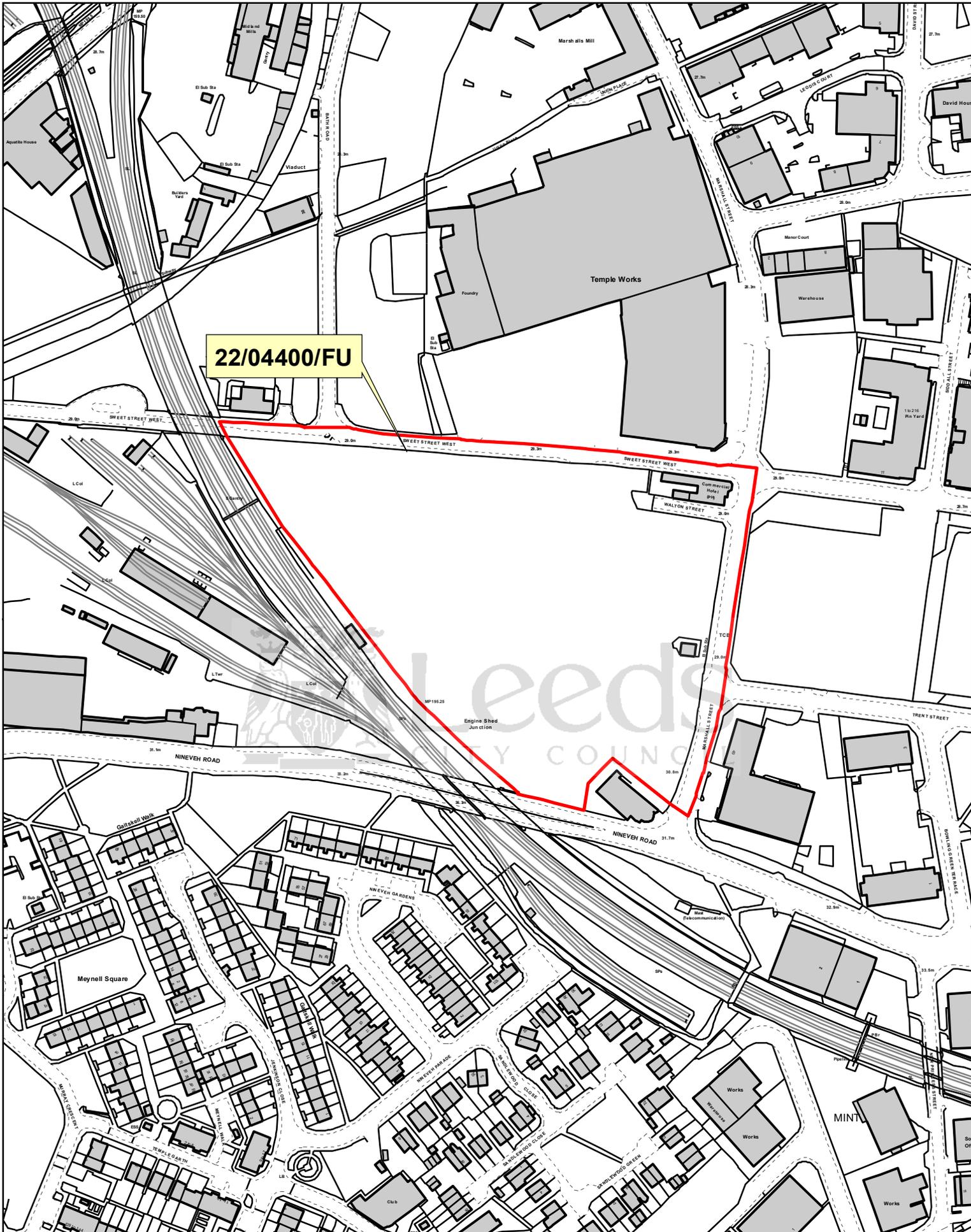
### **Background Papers**

Application file 22/04400/FU

### **Appendices**

Appendix 1: Draft Conditions

Appendix 2: Stage 2 Viability Review Report



# CITY PLANS PANEL

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

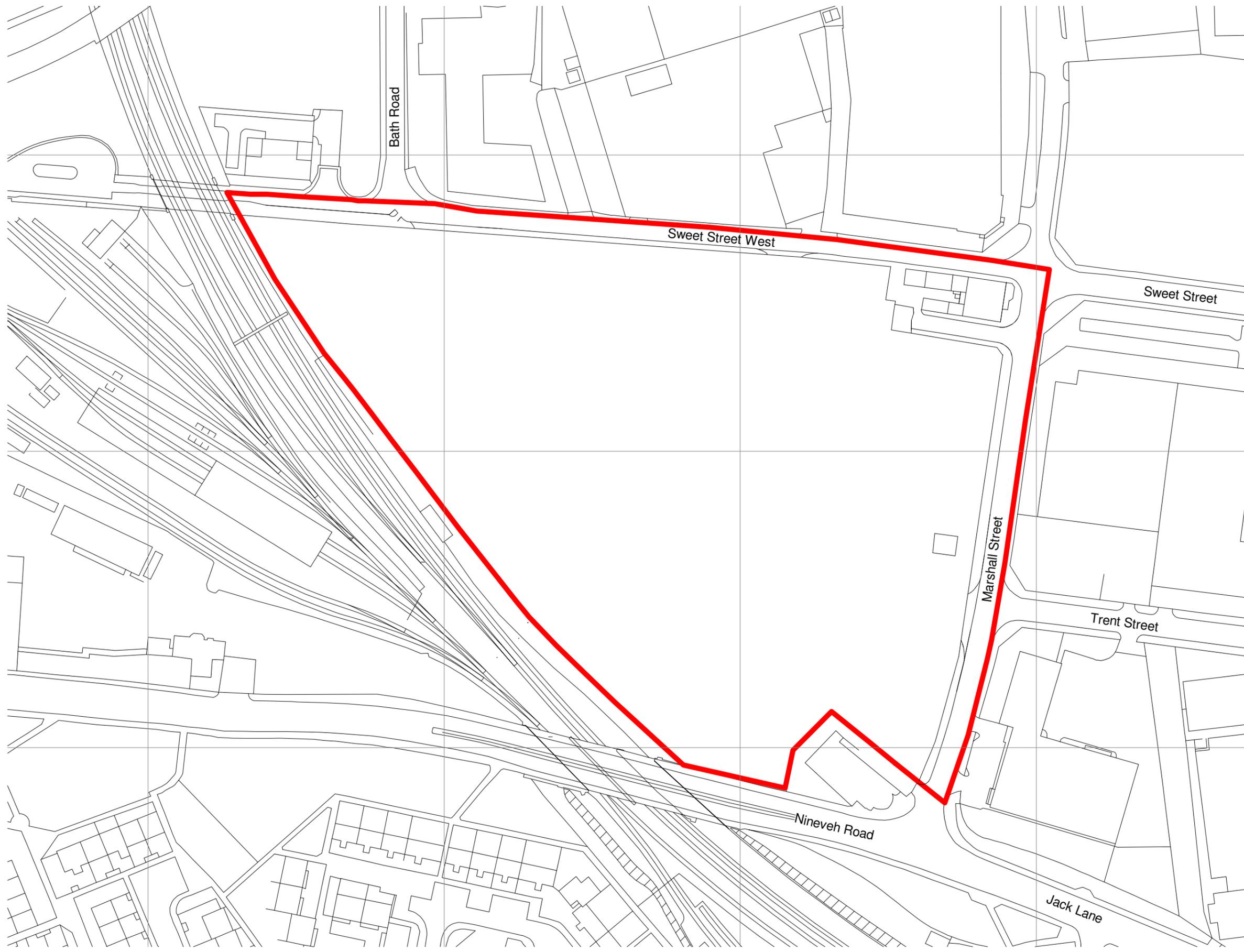
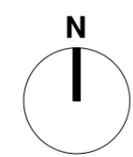
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REV	DESCRIPTION	INITIALS/DATE	CHKD
BY			

 Application Boundary



JOB NAME  
**SWEET STREET WEST LEEDS**

CLIENT  
 Platform\_Leeds S.a.r.l

DRAWING TITLE  
**SITE LOCATION PLAN**

STATUS  
**PLANNING**

SCALE @ SIZE  
**1:1250@A3**

DATE  
**June'22**

SHEET BY  
**SIT**

CHECKED BY  
**TWS**

JOB NO. DRAWING NO. REV  
**4408 DLG-STE-PL-A-001**

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# Appendix 1

22/04400/FU Draft Conditions

- 1) The development hereby given full planning permission shall be begun before the expiration of three years from the date of this permission.

Reason: 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 and Specifications above.

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

- 3) Development shall not commence on the outline part of the development until approval of the following details (hereinafter referred to as the reserved matters) have been obtained from the Local Planning Authority,

- a. Appearance
- b. Landscaping
- c. Layout
- d. Scale

Plans and particulars of the reserved matters shall be submitted utilising a planning application form and shall be carried out as approved.

Reason: Because part of the application is in outline only and as limited details have been submitted of the reserved matters, they are reserved for subsequent approval by the Local Planning Authority.

- 4) Application for approval of reserved matters shall be made to the Local Planning Authority 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

- 5) The outline part of the development hereby permitted shall be implemented either before the expiration of five years from the date of this permission, or before the expiration of two years from the date of approval of the reserved matters to be agreed whichever is the later.

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.

- 6) The reserved matters shall be submitted in accordance with the approved parameter plans listed in the Plans Schedule except where the local planning

authority considers any proposed amendments to be sufficiently minor that they will not materially affect the terms and expectations of the planning permission hereby granted.

Reason: For the avoidance of doubt and in the interests of proper planning

- 7) The proposed mix of residential accommodation in the outline phase of development should be set proportionally in accordance with the guidance of Core Strategy policy H4 and Holbeck Neighbourhood Plan policy H2, taking into account the mix of the full permission and information set out in an updated submitted Housing Needs Assessment. Details of this should be set out clearly in the Reserved Matters submission and thereafter implemented as approved.

Reason: In the interests of providing a sustainable development and housing mix in accordance with policy H4 of the Core Strategy and Holbeck Neighbourhood Plan policy H2

- 8) The proposed residential accommodation in the outline phase of development should be designed in accordance with the space standards guidance of Core Strategy policy H9. Details of this should be set out clearly in the Reserved Matters submission and thereafter implemented as approved.

Reason: In the interests of providing a sustainable development in accordance with policy H9 of the Core Strategy

- 9) The reserved matters application shall be accompanied by details of the proposed number and mix of accessible (adaptable and adapted) units for the outline phase of development. This shall be provided in accordance with Core Strategy Policy H10 unless otherwise agreed in writing, and thereafter implemented as approved.

Reason: In the interests of equality for disabled people and access for all

- 10) The development shall be undertaken in accordance with the Meinhardt Design Note 02 Rev 03 dated 08/12/2022 unless otherwise submitted and approved in writing with the Local Planning Authority. The works shall be fully implemented in accordance with the approved scheme before the relevant phases of development are brought into use, or as set out in the approved phasing details.

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

- 11) 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

Reason: To prevent flooding and pollution offsite in accordance with the NPPF

- 12) No building or other obstruction including landscape features shall be located over or within 3 metres either side of the centre line of the public sewer i.e. a protected strip width of 6 metres, that crosses the site. Furthermore, 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. If the required stand-off or protection measures are to be achieved via diversion or closure of the sewer, the developer shall submit evidence to the Local Planning Authority that the diversion or closure has been agreed with the relevant statutory undertaker and that, prior to construction in the affected area, the approved works have been undertaken.

Reason: In the interest of public health and maintaining the public sewer network

- 13) The site shall be developed with separate systems of drainage for foul and surface water on and off site. The separate systems should extend to the points of discharge to be agreed.

Reason: In the interest of satisfactory and sustainable drainage.

- 14) There shall be no piped discharge of surface water from the development prior to the completion of surface water drainage works, details of which will have been submitted to and approved by the Local Planning Authority. If discharge to public sewer is proposed, the information shall include, but not be exclusive to:
- i) the means of discharging to the public sewer network at a rate not to exceed 3.5 metres per second

Reason: To ensure that no surface water discharges take place until proper provision has been made for its disposal

- 15) Surface water run-off from hardstanding (equal to or greater than 800 square metres) and/or communal car parking area(s) of more than 50 spaces must pass

through an oil, petrol and grit interceptor/separator of adequate design that has been submitted to and approved by the Local Planning Authority, prior to any discharge to an existing or prospectively adoptable sewer.

Reason: To prevent pollution of the aquatic environment and protect the public sewer network

- 16) A satisfactory fire statement must be submitted to and approved in writing by the local planning authority with any reserved matters application

Reason: fire safety

- 17) Surface water must flow away from the railway, there must be no ponding of water adjacent to the boundary and any attenuation scheme within 30m of the railway boundary must be approved by Network Rail in advance. There must be no connection to existing railway drainage assets without prior agreement with Network Rail.

Reason: to safeguard the operational effectiveness and safety of the railway

- 18) A suitable trespass proof fence (approximately 1.8m high) must be installed adjacent to Network Rail's boundary and make provision for its future renewal and maintenance. Network Rail's existing fencing/wall must not be removed or damaged.

Reason: to safeguard railway safety and security.

- 19) An Armco or similar barrier should be erected in positions where vehicles may be in a position to drive into or roll onto the railway or damage the lineside fencing. Network Rail's existing fencing / wall must not be removed or damaged.

Reason: to safeguard the safety and security of the railway

- 20) Prior to the installation of external lighting adjacent to the railway line details of the lighting should be submitted to and approved in writing by the Local Planning Authority following consultation with Network Rail.

Reason: to safeguard the safety and efficiency of the railway

- 21) Prior to commencement of works to the Commercial Inn public house results of investigatory removal of small sections of render to elevations of the Commercial Inn shall be submitted to the local planning authority. If the local planning authority agree in writing that the brickwork condition is satisfactory, details of the method of brickwork repair and stone dressing shall be submitted to and approved in writing by the local planning authority, and the works to the Commercial Inn shall only be

carried out in accordance with that method. If the local planning authority express in writing that the render removal is harmful to the brickwork or that the brickwork is in an unsatisfactory condition, the existing render shall be retained and repaired.

Reason: to preserve and enhance the historic character of the Commercial Inn

- 22) Works to the Commercial Inn shall not commence until full details (to include a survey relating to the repair/replacement of existing doors and windows, a method statement for any repairs, section drawings, glazing details, joinery details and details of materials, treatment and/or colour) of all openings (doors, windows, roof lights) have been submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved details prior to the occupation of the Commercial Inn and retained for the lifetime of the development.

In the interests of the character and visual amenity of the area and to preserve the historic character of the building.

- 23) a) No works shall commence to the relevant phase of development (including any demolition, site clearance, ground works or drainage etc.) until all existing trees, hedges and vegetation shown to be retained on plan 8107-LDA-01-DR-L-4106 PL02 are fully safeguarded by protective fencing and ground protection in accordance with approved plans and specifications and the provisions of British Standard 5837 (2012) Trees in relation to design, demolition and construction, unless otherwise agreed in writing by the Local Planning Authority. NOTE: Only the BS5837 default barrier with the scaffold framework shall be employed. Such measures shall be retained for the full duration of any demolition and/or approved works.
- b) No works or development shall commence to the relevant phase of development until a written Arboricultural Method Statement (AMS) in accordance with BS5837 for a tree care plan has been submitted to and approved in writing by the Local Planning Authority. Works shall then be carried out in accordance with the approved method statement. The AMS shall include a Site Supervision Schedule i.e. a list of site visits and the operational specifics related to trees for the full construction duration. The AMS shall include for reporting back to the Local Planning Authority immediately after each site supervision intervention (written & photographic).  
NOTE - this item cannot be discharged until the last supervision visit report is submitted.
- c) Evidence shall be submitted, such as a written appointment (including site specifics), that confirms that a qualified Arboriculturist/competent person has been appointed to carry out this Arboricultural monitoring/supervision.

d) Seven days written notice shall be given to the Local Planning Authority that the protection measures are in place prior to demolition/ approved works commencing to the relevant phase of development, to allow inspection and approval of the protection measures as implemented on site.

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

e) No equipment, machinery or materials shall be used, stored or burnt within any protected area. Ground levels within these areas shall not be altered, nor any excavations undertaken including the provision of any underground services/drainage, without the prior written approval of the Local Planning Authority.

To ensure the protection and preservation of trees and vegetation during construction works, in accordance with Leeds City Council policies.

24) Within 5 years of occupation of the relevant phase of development, no approved retained tree/hedge/bushes shall be cut down, uprooted or destroyed nor any tree be pruned, topped or lopped or suffer root severance (other than in accordance with the approved plans and particulars) without the prior written approval of the Local Planning Authority (LPA). In the event of any such works being carried out without having first sought and received written approval from the LPA the following actions shall be undertaken:

a) Within one month of the removal, uprooting, damage or loss of any retained tree a replacement planting scheme shall be submitted to and approved in writing by the LPA. That replacement planting scheme shall include the replacement of trees in accordance with current policies (e.g. LAND 2 'Development and Trees') by semi-mature size trees (circumference 25/30cm) or an equivalent offsite mitigation planting scheme, where on site provision is not possible. The mitigation planting scheme shall be implemented in the first planting season following the receipt of the written approval of those details by the LPA.

b) Within one month of a pruning, topping, lopping or root severance of a retained tree, a Professional Arboricultural Report shall be submitted to and approved in writing by the LPA. The report shall include a full assessment of the unauthorised work, remediation proposals and implementation programme.

c) Within one month of removal, uprooting, damage or loss of any retained bush/bushes details of replacement planting and implementation scheme shall be submitted to and approved in writing by the LPA.

d) Within one month of removal, uprooting, damage or loss of any retained hedges details of replacement planting and implementation scheme, that shall comprise or include "instant hedging" of at least 1m in height, shall be submitted to and approved in writing by the LPA.

Within one week following the implementation of the planting scheme agreed pursuant to a), b), c) or d) above documentation shall be submitted to the LPA that evidences the works have been carried out in accordance with the agreed details. This shall include photographic evidence.

Please note that retained tree/hedge/bush refers to vegetation which is to be retained, as shown on the approved plans and particulars and the condition shall have effect until the expiration of five years from the date of occupation.

In the interests of the character and amenities of the area, the best interests of nature conservation and bio-diversity.

- 25) a) No above ground works or development of the relevant phase of 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 (LPA). Details shall be fully in accordance with LCC guidance on urban tree planting (available on Landscape Planning website).

Details shall include:

- o Proprietary soil cell structures to support paving over extended sub-surface rooting areas;
- o Soil cell volume /soil volume calculations;
- o Specification of topsoil including additives and conditioners;
- o Tree grilles and guards and means of anchoring root balls. Built-in Root Irrigation Pipe system with end cap and aeration system;
- o Passive and/or active irrigation including directed use of grey water/roof water or surface water infiltration to benefit planted areas. Details of distribution system and controls;
- o Tree grill details;
- o Drainage system for tree pits;
- o Where applicable - details of protection measures for statutory utilities and drainage;
- o Works shall then be carried out in accordance with the approved details;
- o 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) The relevant phase of development hereby permitted shall not be occupied until full details of both hard and soft landscape works, including an implementation programme, have been submitted to and approved in writing by the Local Planning Authority. Hard landscape works shall include
- (a) proposed finished levels and/or contours,
  - (b) boundary details, means of enclosure and retaining structures,
  - (c) car parking layouts,
  - (d) other vehicle and pedestrian access and circulation areas,
  - (e) hard surfacing areas,
  - (f) minor artefacts and structures (e.g. furniture, play equipment, refuse or other storage units, signs, lighting etc.),
- Soft landscape works shall include
- (h) planting plans
  - (i) written specifications (including soil depths, cultivation and other operations associated with plant and grass establishment) and
  - (j) schedules of plants noting species, planting sizes and proposed numbers/densities.

All hard and soft landscaping works shall be carried out in accordance with the approved details, approved implementation programme and British Standard BS 4428:1989 Code of Practice for General Landscape Operations. The developer shall complete the approved landscaping works and confirm this in writing to the Local Planning Authority prior to the date agreed in the implementation programme.

To ensure the provision and establishment of acceptable landscaping.

- 27) A landscape management plan, including long term design objectives, management responsibilities and maintenance schedules shall be submitted to and approved in writing by the Local Planning Authority prior to the occupation of the relevant phase of development. The landscape management plan shall be carried out as approved.

To ensure successful aftercare of landscaping.

- 28) The following broad leaf deciduous species Acer (*Acer pseudoplatanus*), Aspen - Poplar (*Populus*), Small-leaved Lime (*Tilia Cordata*), Sycamore - Norway Maple (*Acer*), Horse Chestnut (*Aesculus Hippocastanum*), Sweet Chestnut (*Castanea Sativa*), Ash (*Fraxinus excelsior*), Black poplar (*Populus nigra var, betulifolia*), Lombardy Poplar (*Populus nigra var, italica*), Large-leaved lime (*Tilia platyphyllos*), Common lime (*Tilia x europea*) shall not be planted adjacent to the railway boundary. Any hedge planted adjacent to the railway boundary fencing for screening purposes should be placed

so that when fully grown it does not damage the fencing, provide a means of scaling it, or prevent Network Rail from maintaining its boundary fencing.

Reason: in order to safeguard the safety and operational effectiveness of the railway

- 29) Before commencement of works to the development given full planning permission, details of:
- i) the air source heat pumps and photo voltaic provision associated with the development given full planning permission, and
  - ii) the make and model of water supply domestic and commercial fixtures and fittings associated with the development given full planning permission
  - iii) the design demonstrating that connection to a district heating system would be possible
- shall be submitted to and approved in writing by the local planning authority. The development shall be constructed according to the approved details.

Reason: To ensure the inclusion of appropriate sustainable design measures.

- 30) Prior to commencement of works to the development given outline planning permission, details of the design must be submitted to and approved in writing by the local planning authority covering the following policy requirements of the Core Strategy:
- i) Policy EN1(i) SAP/ SBEM/ BRUKL report
  - ii) Policy EN1(ii) calculation of the building's energy demand with what percent of it is being generated by low and zero carbon sources (LZC). In case the reduction in carbon emissions using these LZC sources is being achieved for compliance of EN1(i) then they need to provide the carbon emissions from these sources as well.
  - iii) Policy EN2 (non-residential) BREEAM pre-assessment.
  - iv) Policy EN2 (residential) the water target to be met
  - v) Policy EN4 evidence for one of the four policy options needs to be provided.
- Prior to occupation a report shall be submitted to and approved in writing by the local planning authority comparing the values of the design details with values of the as-built development.

Reason: to ensure the outline element of the development is designed and constructed to environmental policy standards

- 31) The development shall be implemented following the principles and measures set out within:
- the Energy Statement Rev 2 of Hoare Lea (15/6/22),
  - the Sustainability Statement Rev 2 of Hoare Lea (15/6/22),
  - the latest submitted BRUKL Reports for the Offices, Pub, Pavilion Building, Commercial (E class uses) and Resi 1 Building Hub and
  - the latest submitted SAP dwelling ratings,
- unless otherwise approved in writing by the Local Planning Authority.

Reason: to ensure delivery of a sustainable development

- 32) Within 6 months of the first occupation of the first phase of development a post-construction review statement shall be submitted to and approved in writing by the Local Planning Authority demonstrating compliance with Core Strategy policies EN1 and EN2. Within 6 months of the first occupation of the outline development a post-construction review statement shall be submitted to and approved in writing by the Local Planning Authority demonstrating compliance with Core Strategy policies EN1 and EN2.
- The development shall thereafter be maintained and any repairs shall be carried out all in accordance with the approved detailed scheme and post-completion review statement or statements.

Reason: to maintain the agreed sustainability of the development

- 33) None of the commercial floorspace (Class E) of the full and outline elements of the development shall be used for comparison retail purposes and no more than 372sqm shall be used for convenience retail purposes.

To support town centre planning

- 34) The approved Phase I Desk Study report indicates that a Phase II Site Investigation is necessary, and therefore development (excluding demolition) on the relevant phase of 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 (excluding demolition) on the relevant phase of development shall not commence until a Remediation Strategy 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 Strategy shall include a programme for all works and for the provision of Verification Reports.

It is strongly recommended that all reports are prepared and approved by a suitably qualified and competent person.

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' with respect to land contamination.

- 35) If remediation is unable to proceed in accordance with the approved Remediation Strategy, or where significant unexpected contamination is encountered, or where soil or soil forming material is being imported to site, the Local Planning Authority shall be notified in writing immediately and operations on the affected part of the

site shall cease. The affected part of the site shall be agreed with the Local Planning Authority in writing. An amended or new Remediation Strategy and/or Soil Importation Strategy 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 Strategy. Prior to the site being brought into use, where significant unexpected contamination is not encountered, the Local Planning Authority shall be notified in writing of such.

It is strongly recommended that all reports are prepared and approved by a suitably qualified and competent person.

To ensure that any necessary remediation works are identified to make the site 'suitable for use' with respect to land contamination.

- 36) Remediation works shall be carried out in accordance with the approved Remediation Strategy. 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.

It is strongly recommended that all reports are prepared and approved by a suitably qualified and competent person.

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

- 37) Prior to the commencement of above ground works a Landscape & Biodiversity Net Gain Management Plan shall be submitted to and approved in writing by the Local Planning Authority. The Plan, which may be structured to reflect phases of development, shall deliver a minimum of 1.11 Habitat Biodiversity Units and 2.78 Hedgerow Biodiversity units on land identified in the Biodiversity Metric 3.0 & Report Spreadsheet Version 3.0, JCA Report Ref: 17308a/Awe, dated 16/08/2022 and include details of the following:
- a) Description and evaluation of features to be managed to include Baseline Metric calculations of Biodiversity Units with Condition assessments and UKHAB mapping
  - b) Extent and location/area of proposed habitats and proposed Biodiversity Units on scaled maps and plans using UKHAB mapping, with Target Condition assessments and Metric calculations
  - c) Ecological trends and constraints on site that might influence management
  - d) Aims and Objectives of management to include Target Biodiversity Units and Target Condition Criteria
  - 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) How the Plan is to be funded and confirmation from the landowner that it can be delivered
- i) For each of the first 5 years of the Plan, a progress report sent to the LPA, within 3 months of each year being completed, by an appropriately qualified ecological consultant reporting on progress of the Annual Work Programme and confirmation of required Actions for the next 12 month period
- j) Confirmation that habitat monitoring will be carried out in years 1, 3, 5, 10, 20 and 30
- k) The Plan shall set out how contingencies and/or remedial action will be identified, agreed and implemented when necessary
- l) The Plan will be reviewed and updated every 5 years and implemented for perpetuity
- m) The approved Plan will be implemented in full accordance with the approved details.

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

- 38) Prior to occupation of the first dwelling of each phase of development a Biodiversity Monitoring Programme & First Monitoring Report carried out by an appropriately qualified ecological consultant shall be submitted to and agreed by the Local Planning Authority. It shall include the first Monitoring Report, to take place after full implementation of approved habitat creation establishment works and no later than the end of Year 1 of the Landscape & Biodiversity Net Gain Management Plan, and specify the frequency and timing of subsequent Monitoring Reports to cover a minimum 30 year period to be submitted to the Local Planning Authority. The Monitoring Report will include the following:
- a) Confirmation of the number of Biodiversity Units present based on a survey at an appropriate time of year and how this compares to the 1.11 (number to be confirmed) Habitat Biodiversity Units and 2.78 (number to be confirmed) Hedgerow Biodiversity units identified for management on land identified in the Biodiversity Metric 3.0 & Report Spreadsheet Version 3.0, JCA Report Ref: 17308a/Awe, dated 16/08/2022.
  - b) Where the Target Condition is not yet met provide an assessment of time to Target Condition for each habitat and any changes to management that are required
  - c) How the monitoring is funded and the specialist ecological body responsible
  - d) Photographs of any proposed integral bat and bird nesting features.

Subsequent Monitoring Reports will be submitted to the Local Planning Authority at time-scales stated in the Monitoring Programme and where remedial measures or changes in management are required these will be addressed in the subsequent Landscape & Biodiversity Net Gain Management Plan's Annual Work Programmes.

Reason: to ensure Biodiversity Units are delivered as agreed in the approved Management Plan for perpetuity.

- 39) Prior to commencement of the above ground works a Lighting Design Strategy For Bats shall be produced by an appropriately qualified ecological consultant and submitted to and approved in writing by the Local Planning Authority. The Strategy shall:
- a) Identify those areas/features on site that are used by commuting and foraging bats, using an appropriately scaled map to show where these areas are
  - b) Confirm how the areas where no light spill will occur (southern treeline) during and post construction will be achieved, as stated in The 'Bat Emergence and Re-entry Survey Report' JCA Ref: 17308c/JE, dated 13/08/2021.
  - c) Show how and where external lighting will be installed (through the provision of appropriate lighting contour plans and technical specifications) so that it can be clearly demonstrated that areas to be lit will not disturb commuting and foraging bats

All external lighting shall be installed in accordance with the specifications and locations set out in the Strategy, and shall be maintained thereafter in accordance with the Strategy. Under no circumstances should any additional external lighting be installed without prior consent from the Local Planning Authority in the areas identified in the Strategy as having no light spill or proposed integral bat roosting features.

Reason: to safeguard a protected species (bats) in accordance with protection and enhancement of biodiversity in accordance with Core Strategy Policy G8 and G9, NPPF and BS 42020:2013

- 40) No works to or removal of hedgerows, trees or shrubs, or built structures with bird-nesting potential shall take place between 1st March and 31st August inclusive, unless a competent ecologist has undertaken a careful, detailed check of vegetation or built structures 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.

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

- 41) Prior to the commencement of the above ground works 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.

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

- 42) Prior to the commencement of the relevant phase of development a Method Statement for the control and eradication of Japanese Knotweed (hereafter referred to as the Target Species) shall be submitted to and approved in writing by the Local Planning Authority. 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.

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

- 43) Unless otherwise agreed in writing by the Local Planning Authority, where amplified music/sound is to be used by any Sui Generis or Class E use business hereby approved, occupation shall not commence unless a scheme to control noise emitted from the premises has been approved in writing by the Local Planning Authority and installed as approved. The scheme shall provide that the LAeq of entertainment noise does not exceed the representative background noise level LA90 (without entertainment noise) and the LAeq of entertainment noise will be at least 3dB below the background noise level LA90 (without entertainment noise) in 1/3 octaves between 63 and 125Hz when measured at the nearest noise sensitive premises. The approved scheme shall be retained thereafter.

- 44) There shall be:  
No use of the residential external roof terraces after 11pm.  
No use of the commercial roof terraces or any commercial outside seating areas after 11pm (except for smoking).  
No external speakers shall be installed or utilised at any of the ground floor commercial units, offices, pavilion or pub.

Reason: to protect residential amenity

- 45) Commercial deliveries and commercial waste collections shall be restricted to 07:30 - 19:00 hours Monday to Saturday and 09:30 - 16:00 hours on Sundays and Bank Holidays.

In the interests of residential amenity.

- 46) No works shall begin on the relevant phase of development until a Statement of Construction Practice for that phase 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 (e.g. jet/wheel washing, provision of water cubes);
  - b) measures to control the emissions of dust and dirt during construction;
  - c) location of site compound and plant equipment/storage;
  - d) a routing and signing strategy for construction vehicles to and from site which should wherever possible ensure movements via the M621 are kept to a minimum during peak hours;
  - e) the means of access, location of site compound, storage and parking/holding areas (including workforce parking), means of loading and unloading of all contractor's plant, equipment, materials and vehicles and associated traffic management measures; and
  - f) how this Statement of Construction Practice will be made publicly available by the developer.
  - g) hours of construction
  - h) construction vehicle movements which should wherever possible ensure movements via the M621 are kept to a minimum during peak hours,
  - i) details of HGV holding areas, which should not be located near to the M621
  - j) expected number of construction vehicles per day

The approved details shall be implemented at the commencement of work on site within 2 weeks 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.

The carrying out of the development could result in significant harm to the amenities of local residents and/or highway safety and accordingly details of construction practice is required to be agreed prior to the commencement of works in order to protect such interests.

- 47) Within 24 months of the completion of the development hereby approved (such a date as to be notified to the LPA) in the event of any complaint to the Council from Network Rail relating to signal sighting safety or driver distraction, upon notification to the LPA, the applicant or site owner shall as soon as possible and not later than 28 days, submit for approval to the Council details of a scheme of remedial measures to address the concerns raised with details of a timescale for implementation of the works. The works shall be carried out in accordance with the approved details and timetable.

Reason: To ensure safety of the users of the railway.

- 48) The external extract ventilation system plant to the Resi1 building of the full planning permission element shall be installed and maintained in accordance with the approved details prior to the first occupation / use of the building. The system shall limit noise to a level no higher than the existing background noise level (L90) when measured at noise sensitive premises, with the measurements and assessment made in accordance with BS4142:2014. The rating level shall include the addition of any character corrections as appropriate. If the character is unknown at the design stage or cannot be evidenced then a penalty of 5dB should be applied to take into account of potential corrections. The system shall be installed and maintained in accordance with the approved details and retained for the lifetime of the development.

In the interests of visual and residential amenity.

- 49) Details of any external extract ventilation system to any building other than Resi1 shall be submitted to and approved in writing by the Local Planning Authority prior to its installation and the system shall be installed and maintained in accordance with the approved details.

In the interests of visual and residential amenity.

- 50) Notwithstanding the plans hereby approved, the construction of above ground building works of a relevant phase of the development shall not commence until full design details, including dimensions, exact positions on site, porosity and materials of the wind mitigation measures, as referenced in the hereby approved Landscape General Arrangement Plan 8107-LDA-00-XX-DR-L-1101 PL10, Detailed Wind Mitigation Plans 8107-LDA-00-XX-DR-L-7221 PL02 and Wind Mitigation Presentation for LCC 27-01-23 for that phase have been submitted to, and approved in writing by the Local Planning Authority. The development shall then be carried out in accordance with the details then so approved and retained for the lifetime of the development.

Reason: In the interests of public and highway safety

- 51) Prior to installation of the agreed wind mitigation measures for a relevant phase of development a scheme for the monitoring of the wind environment for that phase shall be submitted to and agreed in writing by the Local Planning Authority, assessing the effectiveness of the approved mitigation measures. The scheme shall incorporate details and timescales for the implementation of any further mitigation measures where these are found to be necessary by the monitoring exercise and shall be implemented in accordance with the details and timescales thereby approved.

Reason: In the interests of public and highway safety

- 52) At the following points in time:
- completion of at least 50% of the dwellings within the full permission (Resi1)
  - at the stage of the final completion of the remaining 50% of the dwellings in the full permission (Resi 1),
  - completion of at least 50% of the dwellings within the outline permission
  - at the stage of the final completion of the remaining 50% of the dwellings in the outline permission (Resi 1),

a post-construction Accessible Housing Certification Table containing confirmation of the full details of the matters below 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.

Reason: In the interests of disabled people and access for all

- 53) The disabled parking shown on the approved plans shall be laid out prior to first occupation of the development and retained for the life of the development.

In accordance with the adopted Core Strategy and parking policies.

- 54) Means of vehicular access to and from the site shall be only as shown on the approved plan ref and delivered prior to first occupation and retained thereafter for the lifetime of the proposed development.

To ensure the free and safe use of the highway.

Informative: In relation to Condition (...) of this permission, it is necessary to obtain separate Highway Authority approval for the specification and construction details and enter an agreement under Section 278 of the Highways Act 1980. The applicant is advised to make early contact with the Department of Highways and Transportation by emailing [S278Agreements@Leeds.gov.uk](mailto:S278Agreements@Leeds.gov.uk) prior to submission of condition discharge details. Further information is available on the council's website at <https://www.leeds.gov.uk/parking-roads-and-travel/licences-and-permits>.

- 55) Prior to the first occupation of the development, the approved plan showing the closing off and making good all existing redundant accesses to the development site shall be submitted to and approved in writing by the local planning authority.

The approved works shall be completed before the development is occupied and the highway layout retained as such for the lifetime of the development.

To ensure the free and safe use of the highway.

- 56) The vehicular access gradient shall not exceed 1 in 40 (2.5%) for the first 15m and 1 in 20 (5%) thereafter, unless otherwise agreed in writing by the Local Planning Authority. The gradient of the pedestrian access shall not exceed 1 in 20 (5%).

To ensure the free and safe use of the highway, and in the interests of disabled access.

- 57) Any gates across the access road to the development site shall be set back m from the back edge of the highway (footway) and only open inwards into the development site.

To ensure the free and safe use of the highway.

- 58) Development shall not be occupied until details (including location and size) of proposed In and Out signage, clearly visible to motorists, have been submitted to and approved in writing by the Local Planning Authority. The approved works shall be completed before the development is occupied and retained for the lifetime of the development.

To ensure the free and safe use of the highway.

- 59) The development shall not be occupied until a wayfinding scheme has been submitted to and approved in writing by the Local Planning Authority. The scheme shall include details and location of pedestrian and cycling signage between IN and \*\*\*\*IN. The works shall be carried out in accordance with the approved details within a timescale that shall have first been agreed in writing by the Local Planning Authority.

To ensure pedestrian and cycling safety and legibility.

- 60) The access(es) hereby approved shall not be brought into use until works have been undertaken to provide the sightlines / visibility splays shown on the approved plan ref to an adoptable standard. These sightlines / visibility splays shall be retained clear of all obstruction to visibility greater than \*\*\*\*m in height above the adjoining carriageway for the lifetime of the development.

To ensure the free and safe use of the highway.

- 61) The access hereby approved shall not be brought into use until the area of land shown on the approved plans has been laid out as a forward visibility splay to

adoptable standards. The visibility splay shall be retained clear of all obstructions for the lifetime of the development.

To ensure the free and safe use of the highway.

- 62) Notwithstanding the approved details, works above the ground floor slab level shall not commence until full details of cycle/motorcycle parking and facilities have been submitted to and approved in writing by the Local Planning Authority. The approved cycle/motorcycle parking and facilities shall be provided prior to first occupation of the development and retained thereafter for the lifetime of the development.

In the interests of highway safety and promoting sustainable travel opportunities.

- 63) Development shall not be occupied until all areas shown on the approved plans to be used by vehicles, including roads, footpaths, cycle tracks, loading and servicing areas and vehicle parking space have been fully laid out, surfaced and drained such that loose materials and 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.

- 64) Development shall not be occupied until a Car Park and Servicing Management Plan (including timescales) has been submitted to and approved in writing by the Local Planning Authority. The plan shall include the following information: (INSERT SPECIFIC REQUIREMENTS). The plan shall be fully implemented, and the development thereafter operated in accordance with the approved timescales.

To ensure the free and safe use of the highway.

- 65) Development shall not commence 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 construction vehicle routing, means of access, location of site compound, storage and parking (including workforce parking), means of loading and unloading of all contractors' plant, equipment, materials and vehicles and associated traffic management measures.

b) methods to prevent mud, grit and dirt being carried on to the public highway from the development hereby approved.

c) measures to control the emissions of dust and dirt during construction.

d) how the statement of construction practice will be made publicly available by the developer.

The approved details shall be implemented at the commencement of works on site and shall thereafter be retained and employed until completion of the works on site. The Statement on 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.

The carrying out of the development could result in significant harm to the amenities of local residents and highway safety, and accordingly details of construction practice is required to be agreed prior to commencement of works in order to protect such interests.

- 66) Prior to occupation of the development, the off-site highway works as shown on plan ref 105387-PEL-XX-XX-DR-C-00007 Rev C and 105387-PEL-XX-XX-DR-C-00008 Rev C comprising shall be fully delivered.

To ensure the free and safe use of the highway.

DOSHW Informative: In relation to Condition (i) of this permission, the applicant must enter an agreement with the Council under Section 278 of the Highways Act 1980. The applicant is advised to make early contact with the Highway and Transportation Service by emailing the details to [S278Agreements@Leeds.gov.uk](mailto:S278Agreements@Leeds.gov.uk). Further information is available on the council's website at <https://www.leeds.gov.uk/parking-roads-and-travel/licences-and-permits>.

- 67) Development shall not be occupied until Electric Vehicle Charging Points have been provided in accordance with a scheme that shall have been submitted to and approved in writing by the Local Planning Authority. The approved facilities shall thereafter be retained for the lifetime of the development.

In the interest of promoting low carbon transport.

- 68) The approved details for the provision of bin stores (including siting, materials and means of enclosure) and (where applicable) storage of wastes and access for their collection shall be implemented in full before the use commences and shall be retained thereafter as such for the lifetime of the development.

In the interests of amenity and to ensure adequate measures for the storage and collection of wastes are put in place.

Informative: In relation to condition (i) of this permission, it is necessary to obtain separate approval from the Waste Management department in relation to refuse storage details. The applicant is advised to make early contact with [Bin.Deliveries@leeds.gov.uk](mailto:Bin.Deliveries@leeds.gov.uk) prior to submission of condition discharge application.

**For information:-**

- 1) The Council engages with all applicants in a positive and proactive way through specific pre-application enquiries and the detailed advice available on the Council's website and further discussion where appropriate to produce an acceptable development. For this particular application, positive discussions took place which resulted in further information being submitted to allow the application to be approved.
- 2) All reports addressing land contamination should be compiled in accordance with best practice and with the National Planning Policy Framework and policies Land 1 of the Natural Resources and Waste Local Plan 2013 and GP5 of the Unitary Development Plan Review 2006.

Prior to preparing any reports in compliance with conditions related to land contamination the applicant is also advised to refer to the latest version of the Yorkshire and Lincolnshire Pollution Advisory Group technical guidance for developers, landowners and consultants, as noted below:

- Development on Land Affected by Contamination
- Verification Requirements for Cover Systems
- Verification Requirements for Gas Protection Systems

Where C\_SOIL has been placed on the planning permission, guidance on the required information to submit is available in the Verification Requirements for Cover Systems guidance.

The latest version of this guidance and additional information is available at [www.leeds.gov.uk/contaminatedland](http://www.leeds.gov.uk/contaminatedland)

- 3) The applicant is advised that remediation of any contaminated site is required to a standard such that the site is 'suitable for its proposed use' in accordance with the National Planning Policy Framework (NPPF) and policies Land 1 of the Natural Resources and Waste Local Plan 2013 and GP5 of the Unitary Development Plan Review 2006.

Remediation may include the requirement for the importation of suitable soils and/or soil forming materials, an appropriately designed capping layer and satisfactory gas protection measures.

In order that the council can confirm that the site has been demonstrated as suitable for use, verification information in line with the approved Remediation Strategy must be submitted to the Local Planning Authority for approval in writing. Without submission of evidence to support the discharge of conditions relating to verification eg C\_VERI, C\_SOIL, C\_LUNX, there may arise delays to condition discharge, failure of property sale, liability issues and enforcement action including action under Part 2A of the Environmental Protection Act 1990.

As noted in the NPPF, where a site is affected by contamination issues, responsibility for securing a safe development rests with the developer and/or landowner.

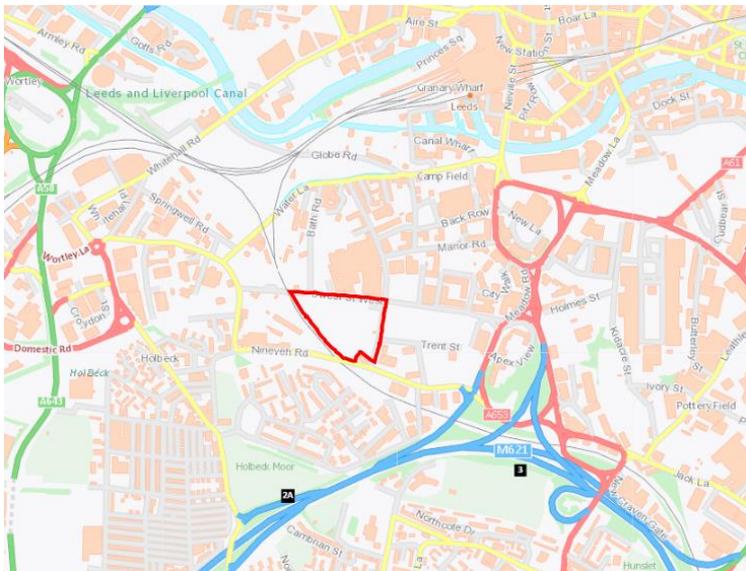
# Appendix 2



Valuation Office  
Agency

**DVS** Property Specialists  
for the Public Sector

## Stage 2 Viability Review Report Land South Of Sweet Street Leeds LS11 9TE



Report for:  
Leeds City Council

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

Tel: [REDACTED]

[XXXXXXXXXXt@voa.gov.uk](mailto:XXXXXXXXXXt@voa.gov.uk)

Case Number: 1806415

Client Reference: 22/04400/FU

Date: 7<sup>th</sup> February 2023

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## 1.0 Executive Summary

### 1.1 Proposed Development Details.

This report provides an independent review of a viability assessment in connection with:

<b>Proposed Development</b>	Hybrid Planning Application for Full planning permission for construction of 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d), partial demolition and extension to existing public house, landscaping, access road and other associated works; Outline application for mixed use development comprising a maximum of 900 dwellings (Use Class C3), a maximum of 7,000sqm of office space (Use Class E (g) and a maximum of 200sqm of commercial floorspace (Use Classes E (a, b, d, e and f) and Sui Generis (drinking establishment))
<b>Subject of Assessment:</b>	Land South of Sweet Street West Leeds, LS11 9TE
<b>Planning Application Reference:</b>	22/04400/FU
<b>Applicant / Developer:</b>	Platform, Leeds S.a.r.l
<b>Applicant's Viability Advisor:</b>	Savills

### 1.2 Instruction

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

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

1.3 Viability Conclusion

It is my considered and independent opinion that:

**The above scheme assessed with regards to full planning policy requirement comprising 20 % discounted market rent apartments, S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is not viable.**

In addition, and in accordance with your instructions we have undertaken two further options in respect of all phases of the scheme, which are summarised below:

Option 1

**The above scheme assessed with regards to planning policy requirement comprising 3.5 % discounted market rent apartments (44 units), S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is viable.**

Option 2

**The above scheme assessed with regards to planning policy requirement comprising 5.5% discounted market rent apartments (70 units), S.106 contributions of £1,463,867 and CIL contributions of £1,559,444 is viable.**

1.4 Non-Technical Summary of Viability Assessment Inputs

<b>Policy Compliant Inputs</b>	<b>Agent Policy Compliant</b>	<b>DVS Viability Conclusion Review</b>	<b>Agreed (Y/N)</b>
<b>Assessment Date</b>	August 2022	January 2023	N
<b>Scheme, Gross Internal Area, Site Area</b>	7.7 acres	7.7 acres	Y
<b>Development Period</b>	126 months	120 months	N
<b>Gross Development Value</b>	£368,644,053	£378,753,153	N
<b>Affordable Housing</b>	20%	20%	
<b>CIL/Planning Policy /</b>	CIL £1,559,444	CIL £1,559,444	N

<b>S.106 Total and £/sq. ft.</b>	S106 NIL	S106 £2,573,526	
<b>Total Development Cost (includes build cost and externals)</b>	£303,367,301	£288,928,358	N
<b>Comprising:</b>			
<b>Construction Cost Total and £/sq. ft.</b>	£295,464,456	£281,298,097	N
<b>Externals Total.</b>	£7,902,845	£7,630,261	N
<b>Abnormal Cost Total</b>	£10,535,971	£9,778,000	N
<b>Professional Fees %</b>	8%	7%	N
<b>Contingency %</b>	5%	3%	N
<b>Finance Interest and Sum</b>	Debit Rate 6%	6%	Y
<b>Other Fees</b>			
Marketing Fees	£100,000	£100,000	Y
Sales / Agency Fees	10% commercial letting agent fee	10% commercial letting agent fee	Y
Legal Fees	Not stated	<b>1.5%</b>	N
Land Acquiring Costs	NIL	SDLT +1.5%	N
<b>Profit Target %</b>	8%	10.58% (blended)	N
<b>Benchmark Land Value</b>	£13,700,000	£8,700,000	N
<b>EUV</b>	Not Stated	£4,620,000	N
<b>Premium</b>	Not Stated	£4,080,000	N
<b>Purchase Price</b>	Not Stated	£15,600,000 inclusive of VAT	N
<b>Alternative Use Value</b>	Not Stated	Not Applicable	N/A
<b>Residual Figure Land Value</b>	Negative £34.87m	£1,604,492	N
<b>Viability Conclusion Full Policy Scheme</b>	Not viable	Not Viable	N
<b>Deliverable Scheme</b>	NIL	Option 1 – 3.5% Affordable (44 units) CIL £1,559,444 S106 £2,573,425	N

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

## **2.0 Instruction and Terms**

2.1 The Client is Leeds City Council.

2.2 The Subject of the Assessment is a Hybrid Planning Application for Full planning permission for construction of 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d), partial demolition and extension to existing public house, landscaping, access road and other associated works; Outline application for mixed use development comprising a maximum of 900 dwellings (Use Class C3), a maximum of 7,000sqm of office space (Use Class E (g) and a maximum of 200sqm of commercial floorspace (Use Classes E (a, b, d, e and f) and Sui Generis (drinking establishment). This is in relation to land to the South of Sweet Street West, Leeds, LS11 9TE.

I refer you to my comments below in section 3.4 regarding the Most Effective and Efficient Development.

2.3 The date of viability assessment is 1<sup>st</sup> December 2022. Please note that values change over time and that a viability assessment provided on a particular date may not be valid at a later date.

2.4 Instructions were received on 26<sup>th</sup> September 2022 It is understood that Leeds City Council require an independent opinion on the viability information provided by Brian Maguire, in terms of the extent to which the accompanying appraisal is fair and reasonable and whether the assumptions made are acceptable and can be relied upon to determine the viability of the scheme. Specifically, DVS have been appointed to:

- Assess the Viability Assessment submitted on behalf of the planning applicant / developer, taking in to account the planning proposals as supplied by you or available from your authority's planning website.
- Advise Leeds City Council in writing on those areas of the applicant's Viability Assessment which are agreed and those which are considered unsupported or incorrect, including stating the basis for this opinion, together with evidence. If DVS considers that the applicant's appraisal input and viability conclusion is incorrect, this report will advise on the cumulative viability impact of the changes and in particular whether any additional affordable housing and / or s106 contributions might be

provided without adversely affecting the overall viability of the development.

- 2.5 Conflict of Interest Statement - In accordance with the requirements of RICS Professional Standards, DVS has checked that no conflict of interest arises before accepting this instruction. It is confirmed that DVS are unaware of any previous conflicting material involvement and is satisfied that no conflict of interest exists.
- 2.6 Inspection – The site was inspected on 18<sup>th</sup> October 2022, by Brian Maguire. This was an external inspection for valuation purposes and does not constitute a building survey.
- 2.7 DVS/ VOA Terms of Engagement were issued on 27<sup>th</sup> September 2022, a redacted version is attached at **Appendix (iv)**
- 2.8 DVS issued our Stage 1 report on 19<sup>th</sup> December 2022 which gave the applicant to present a rebuttal. My stage 2 report supersedes the stage 1 report.

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

#### **3.1 Authoritative Requirements**

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

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

### 3.2 Professional Guidance

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

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

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

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

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

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

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

- a) In carrying out this viability assessment review the valuer has acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information.
- b) The professional fee for this report is not performance related and contingent fees are not applicable.

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

#### 3.4 Most Effective and Efficient Development

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

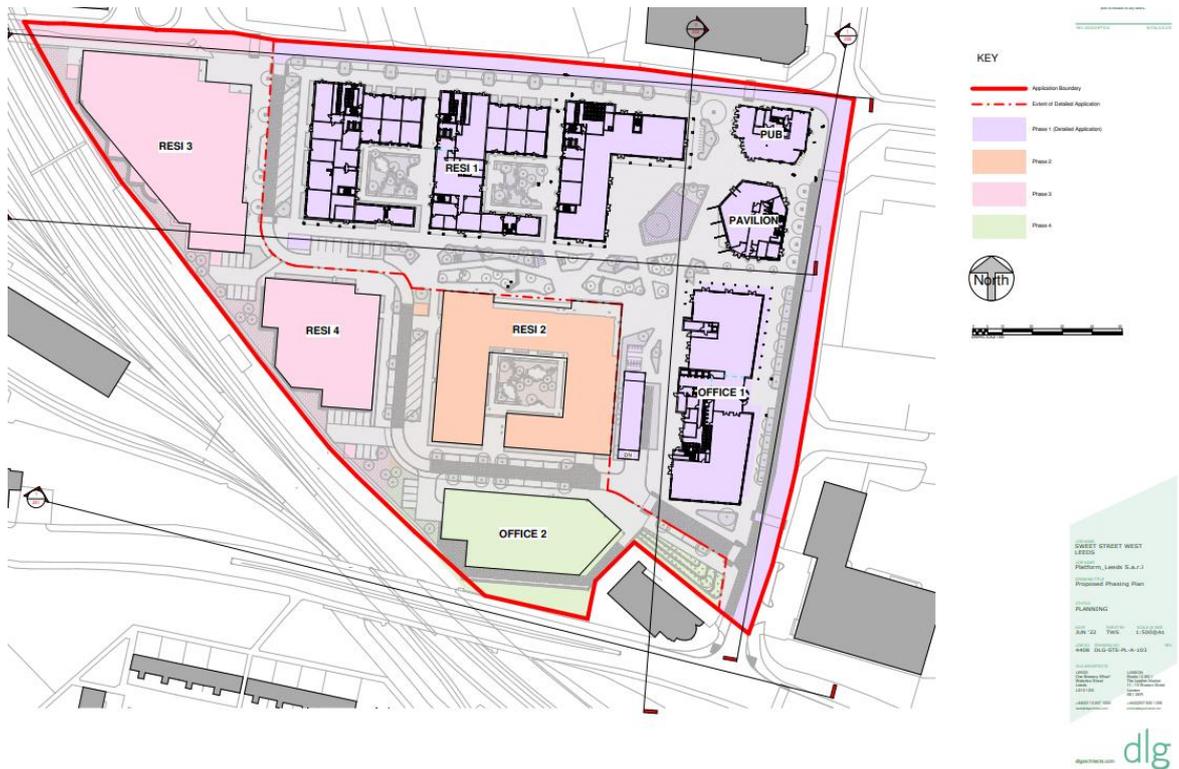
I have considered whether the “hybrid” planning application and the applicants viability appraisal contains sufficient detail to determine viability for both the detailed and outline application which will be delivered over 10 years.

I do not believe the applicants viability consultants approach provides a sufficiently accurate conclusion by virtue of insufficient data regarding PRS apartment sizes within later phases. In addition, the time period over which the outline consent is intended to be delivered will be between year 2 and 10 which introduces additional uncertainty regarding revenues and costs.

RICS 'Financial viability in planning: conduct and reporting' also explains that Local Planning Authorities and their advisers need to be confident that the FVA fully reflects the way the development would actually be carried out.

The proposed development, as set out in the applicants appraisal, comprises two main phases. However, the applicants viability appraisal

appears to contradict information provided by the applicant and their consultants. The plan entitled “Proposed Phasing Plan” below dated June 2022 refers to 4 distinct phases shaded in purple, orange, pink and green.



Following discussions with the applicant and planning authority it has been agreed to appraise the entire scheme but also specifically comment on phase 1 in isolation comprising PRS apartments, a Pavilion building housing hospitality units, offices, a gym and a separate public house building.

Therefore, my report will specifically comment on to what extent the following scenarios are viable:

- The entire scheme comprising phase 1 (detailed application) and later phases (outline application) as presented by the applicant in their viability appraisal.
- Phase 1 only comprising 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d),

partial demolition and extension to existing public house, landscaping, access road and other associated works.

### 3.5 Signatory

- a) It is confirmed that the stage 2 viability assessment has been carried out by [REDACTED] MRICS a Registered Valuer, acting in the capacity as 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.
- b) As part of the DVS Quality Control procedure, this report and the appraisal has been formally reviewed by [REDACTED] MRICS Registered Valuers, who also have the appropriate knowledge, skills and understanding necessary to complete this task.
- c) Other Contributors - Graduate Valuer [REDACTED] has assisted in the case, and was responsible for the site inspection, photographs, comparable research and GDV review under supervision of [REDACTED] [REDACTED] at Rex Proctor and Partners, Quantity Surveyors have provided advice in relation to development costs.
- d) DVS has provided viability assessment reviews for Leeds City Council for several years.

### 3.6 Bases of Value

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

- Benchmark Land Value is defined at Paragraph 014 of the NPPG.
- Existing Use Value is defined at Paragraph 015 of the NPPG.
- Alternative Use Value is defined at Paragraph 017 of the NPPG
- Market Value is defined at VPS 4 of 'RICS Valuation – Global Standards'
- Market Rent is defined at VPS 4 of 'RICS Valuation – Global Standards'
- Gross Development Value is defined in the Glossary of the RICS GN 'Valuation of Development Property' (February 2020).

## 4.0 Assumptions, and Limitations

### 4.1 Special Assumptions

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

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

### 4.2 General Assumptions

The site has been externally inspected. The below assumptions are subject to the statement regarding the limitations on the extent of our investigations, survey restrictions and assumptions, as expressed in the terms of engagement.

- a) Tenure - A report on Title has not been provided. The review assessment assumes that the site is held Freehold with vacant possession.
- b) Easements / Title restrictions - The advice is provided on the basis the title is available on an unencumbered freehold or long leasehold basis with the benefit of vacant possession. It is assumed the title is unencumbered and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- c) Access / highways - It is assumed the site is readily accessible by public highway and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- d) Mains Services - It is assumed the site is or can be connected to all mains services will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.

- e) Mineral Stability - This assessment has been made in accordance with the terms of the agreement in which you have instructed the Agency to assume that the property is not affected by any mining subsidence, and that the site is stable and would not occasion any extraordinary costs with regard to Mining Subsidence. I refer you to the DVS Terms of Engagement at **Appendix IV** for additional commentary around ground stability assumptions.
- f) Environmental Factors Observed and/or Identified - It is assumed the site will not occasion any extraordinary costs relating to environmental factors over and above those identified by the applicant and considered as part of abnormal costs.
- g) Flood Risk – Not applicable
- h) Asbestos – It is assumed any asbestos will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.

## **5.0 Proposed Development**

### **5.1 Location / Situation**

The subject site extends to 7.71 acres and is situated in Holbeck, 0.5 miles from Leeds train station. Access is provided from Sweet Street and Marshall Street. Land use in the surrounding area comprise of mixed-use residential blocks, industrial land, and office space.

The subject site is situated in close proximity to junction 3 of the M621, which provides good access to the M1 and M62 motorways.

### **5.2 Description**

The subject is of a regular shape bounded by public highway to the north, east and south. Immediately to the west there is a railway line.

The brownfield site was formerly used as a distribution warehouse that has since been demolished and cleared of all buildings, apart from the derelict 'Commercial' pub situated in the North Eastern corner. The site is approximately 7.71 acres in total.

### **5.3 Site Plan and Area**

The site extends to 7.71 acres (3.12 Hectares).

## Site Plan



Source: Savills

### 5.4 Schedule of Accommodation/ Scheme Floor Areas

Details have been taken from the applicant's appraisal and are summarised below which sets out the scale and type of development in Phase 1:

Block	Storeys	Apartments	Apartment Sqft (NSA)	Ave Apartment Sqft (NSA)	Commercial Sqft (NIA)	Parking Spaces	GIA (Sqft)
Resi 1	14	451	288357	639	7324	32	387569
Office 1	8	n/a	n/a	n/a	88598	82	150685
Pavilion	4	n/a	n/a	n/a	5016	0	15296
Pub	5	n/a	n/a	n/a	5597	0	6781
<b>Totals/Ave</b>	n/a	<b>451</b>	<b>288357</b>	<b>639</b>	<b>106535</b>	<b>114</b>	<b>560331</b>

Source: Savills

In addition, the applicant has described the size and type of apts within Phase 1 and summarised in the table below taken from the applicants viability report:

	Studio	1 bed 1 person	1 bed 2 person	2 bed 3 person	2 bed 4 person	3 bed 5 person	Totals/Ave
Total No.	25	173	27	105	76	45	451
Total Sqft	11900	86327	16578	73500	57380	42660	288345
Ave Sqft	476	499	614	700	755	948	639
£/sqft pa	£20.00	£21.00	£20.00	£21.00	£21.50	£22.00	£21.15
Ave £pa	£9,520	£10,479	£12,280	£14,700	£16,233	£20,856	£13,521
Ave £pcm	£793	£873	£1,023	£1,225	£1,353	£1,738	£1,127
Total £pa	£238,000	£1,812,867	£331,560	£1,543,500	£1,233,670	£938,520	£6,098,117
% Provision	6%	38%	6%	23%	17%	10%	100%

Source: Savills

The proposed first phase of the scheme comprises a residential scheme delivering 451 Build to Rent Apartments. There is also a 88,598 sq ft (NIA) office block, 15,296 sq ft (GIA) 'Pavilion' "leisure space" which incorporates a gym and additional offices and a 2,960 sq ft public house.

The applicant has set out that the first phase of the proposed development that the scheme will have a Gross Internal Area of 557,140 sq ft.

The size of the remaining phase is summarised by the applicant and illustrated in the table below which has been taken from their viability appraisal:

A draft scheme for the subsequent phases has been provided and is summarised below, forming part of this viability appraisal:

Block	Storeys	Apartments	Apartment Sqft (NSA)	Ave Apartment Sqft (NSA)	Commercial Sqft (NIA)	Parking Spaces	GIA (Sqft)
Resi 2	14	326	202665	622	1344	24	268799
Resi 3	20	336	211534	630	n/a	35	295601
Resi 4	13	154	99502	646	n/a	14	132107
Office 2	5	n/a	n/a	n/a	44896	30	65068
<b>Totals/Ave</b>	n/a	<b>816</b>	<b>513701</b>	<b>630</b>	<b>46240</b>	<b>103</b>	<b>761575</b>

Source: Savills

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

## 5.5 Planning

Local Plan 2 The site forms part of a wider site allocated under Policy MX2 of the Site Allocations Plan (site reference: MX2-35). The wider site is designated for 1000 dwellings and 3.1ha of general employment land. Site Allocations Plan Policy EG2: 'General Employment Allocations, or Mixed Use Allocations Which Include General Employment Uses' is of relevance.

The site is identified within Zone 4 for the CIL charging Schedule which was implemented in 2015. Zone 4 currently requires a payment of £6.43 psm for residential development. The current CIL charge for offices in the city centre

is £45 psm. Affordable Housing policy is included within the Core Strategy, which was subject to selective review late 2019. The review, Policy H5 includes 3 options for PRS developments: i) on-site, according to national policy advice, currently 20% Affordable Private Rent dwellings at 80% of local market rents administered by a management company with appropriate arrangements for identifying households in need, including city council nomination rights, which apply in perpetuity, or ii) on-site, the percentage of affordable housing specified for zones 1-4 and mix of Intermediate and Social Rented types of affordable housing set out in the first paragraphs of this Policy at affordable housing benchmark rents administered by either a registered provider or a management company with appropriate arrangements for identifying households in need, including City Council nomination rights, which apply in perpetuity, or iii) a commuted sum in lieu of on-site provision of affordable housing of option ii).

- a) Developments are expected to meet the policy provision as prescribed in the Plan. DVS have not been made aware of why this scheme has been accepted for site specific viability assessment. It is understood this is because the local plan viability study can be differentiated from the typologies/ assumptions used as there are extensive abnormal costs.

#### 5.6 Policy Requirements for the Scheme

The local authority has not set out the Local Plan policy requirements at this stage of the viability process other than a requirement for 20% of the PRS accommodation should be Discounted Market Rental units with rents at 80% of market rental value.

I have been asked to provide 2 options to Leeds City Council in respect of the amount of affordable provided. The first option is based on the Section 106 contributions detailed below which total £2,573,526 for option 1:

#### Option 1 Section 106 Contributions

Biodiversity Net Gain: £600,500  
Greenspace: £263,540  
Residential Travel Plan: £345,518  
Travel Plan Monitoring: £19,688  
Highways – Bath Road Improvements: £896,000  
Highways – City Centre Package: £368,280  
Highways – Nineveh Road: £70,000  
Highways – TRO: £10,000

For option 2 the Council have excluded contributions towards Biodiversity and Greenspace and reduced the residential travel plan contribution, as summarised below, which enables the scheme to support additional affordable housing.

#### Option 2 Section 106 Contributions

Biodiversity Net Gain: £NIL  
Greenspace: £NIL  
Residential Travel Plan: £100,000  
Travel Plan Monitoring: £19,688  
Highways – Bath Road Improvements: £896,000  
Highways – City Centre Package: £368,280  
Highways – Nineveh Road: £70,000  
Highways – TRO: £10,000

The applicant has adopted the sum of £1,559,444 in respect of CIL (Community Infrastructure Levy). Planning policy requirements should be factual and agreed between the LPA and the applicant and I await confirmation that the CIL calculation is correct. If the review assessment adopts an incorrect figure and or a significantly different figure is later agreed the viability conclusion should be referred back to DVS.

#### 5.7 Planning Status

I have made enquiries of the Planning Authority as to the planning status and history which has revealed that there are no extant consents, but there has been a previous planning application on the site.

Previous applications include:

Ref. Ref: 20/304/05/OT

Received: 21/06/2022

Description: Outline application to erect 66,160m<sup>2</sup> of residential floorspace, 14,357m<sup>2</sup> of Class B1 (office) floorspace, 2986m<sup>2</sup> of class B1 (workspace units) and ancillary Class A uses (960m<sup>2</sup>), a community and medical centre use (700m<sup>2</sup>) and gym use (1,665m<sup>2</sup>) and ancillary car parking and landscaped amenity areas.

Status: Approved on 29/08/2007 now expired and not implemented.

## 6.0 Summary of Applicant's Viability Assessment

### 6.1 Report Reference

DVS refer to the Financial Viability Assessment prepared by Sue Howarth, Savills dated August 2022 titled *Sweet Street, Leeds Viability Assessment Report*, and the appraisal(s) therein. The surveyor and firm are noted to be a member and member firm of the RICS and the report states that they have followed mandatory and best practice professional statement and guidance of the RICS.

### 6.2 Summary of Applicant's Appraisal

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

The applicant outlines in their report the following:

- The proposed scheme with 20% Affordable Housing provision and £872,441 (CIL Phase 1) Policy requirements produces a Residual Land Value of **negative £34,870,000**.
- The Benchmark Land Value is **£13,700,000** based upon an EUV approach. The applicant has not considered the EUV+ approach as viable in this case due to the likelihood of a mixed-use scheme being granted planning consent.
- A residual deficit of £34,870,000 is identified, this is substantially below their opinion of the Benchmark Land Value and therefore the applicant seeks to demonstrate that no Affordable Housing contributions are viable. It is worth noting that the applicant has advised they are willing to offer a commuted sum of £500,000 towards affordable or S106 costs.
- The applicant's advisor concludes a scheme with no policy planning contributions is unviable. The applicant has subsequently submitted an appraisal without provision of affordable housing that has resulted in a **negative £24,470,000** land value. Notwithstanding the significant shortfalls identified, it is understood the applicant intends to deliver this scheme.

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

## 7.0 Development Period/ Programme

7.1 The development period adopted by the applicant's advisor for the entire scheme is 120 months, however this equates to both first and second phases of the scheme. The applicant's appraisal comprises:

- 1 month for site purchase
- 6 months pre-construction/ site preparation
- 120 months for construction
- 1 month for the sale of Phase 1 upon practical completion

I agree with the time scale for the delivery of the entire scheme.

7.2 I have also appraised a scenario where the viability is tested for phase 1 in isolation.

I have adopted the following development period relating to phase 1:

- 1 month for site purchase
- 6 months pre-construction/ site preparation and enabling site specific abnormalities
- 24 months for construction
- 1 month for the sale of the completed PRS scheme, Pavilion Building and Public House.

## 8.0 Gross Development Value (GDV)

The applicant's viability surveyor has adopted a GDV of £380,786,686 in relation to the entire development which is summarised below:

### Full Application – Phase 1

Description	Sqft or No.	£/Sqft or £/unit	MRV pa incl AH	Deductions	Net Rent	Inv Yield	Investment Value
Block 1 Resi	288345	£21.15	£5,854,192	25%	£4,390,644	4.25%	£103,309,270.59
Resi Parking	32	£1,440.00	£46,080	0%	£46,080	4.25%	£1,084,235.29
Block 1 Comm	7324	£15.00	£109,860	0%	£109,860	8.00%	£1,373,250.00
Office 1	88598	£28.00	£2,480,744	0%	£2,480,744	6.00%	£41,345,733.33
Office Parking	82	£1,800.00	£147,600	0%	£147,600	6.00%	£2,460,000.00
Pavillion	5016	£15.00	£75,240	0%	£75,240	8.00%	£940,500.00
Pub	5597	£15.00	£83,955	0%	£83,955	8.00%	£1,049,437.50
<b>Totals</b>			<b>£8,797,671</b>		<b>£7,334,123</b>		<b>£151,562,426.72</b>

Source:Savills

## Outline Application

Description	Sqft or No.	£/Sqft or £/unit	MRV pa	Deductions	Net Rent	Inv Yield	Investment Value
Block 2 Resi	202665	£21.68	£4,393,250	25%	£3,294,938	4.25%	£77,527,941.18
Block 3 Resi	211534	£22.21	£4,697,349	25%	£3,523,012	4.25%	£82,894,394.12
Block 4 Resi	99502	£22.76	£2,262,161	25%	£1,696,621	4.25%	£39,920,488.24
Resi Parking	73	£1,440.00	£105,120	0%	£105,120	4.25%	£2,473,411.76
Block 2 Comm	1344	£15.00	£20,160	0%	£20,160	8.00%	£252,000.00
Office 2	44896	£28.00	£1,257,088	0%	£1,257,088	6.00%	£20,951,466.67
Office Parking	30	£1,800.00	£54,000	0%	£54,000	6.00%	£900,000.00
<b>Totals</b>			<b>£12,789,128</b>		<b>£9,950,938</b>		<b>£224,919,701.96</b>

Source: Savills

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

### 8.1 Market Value of PRS Apartments

The applicant’s consultant states they have undertaken market research into new Build to Rent developments within the city centre and have focused on three schemes: Mustard Wharf, Leodis Square and The Headline. I have also researched Pin Yard, another new BTR scheme on Sweet Street that opened in 2021/2022.

I would comment that each scheme benefits from ease of access to the city centre amenities, services, and transport links, although Mustard Wharf occupies the most superior position, 5 minutes’ walk from the train station and delivering enhanced specification and on-site amenity.

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 off Water Lane/Sweet Street/Wellington Street which have been agreed with developers at higher rental values for 1, 2 and 3-bedroom units.

I have had regard to previous agreements with PRS/Build to Rent developers when determining rental values for this scheme. I refer you to evidence of rents agreed in respect of similar city centre schemes and make more comparables available upon request. In addition, I have reviewed availability at several schemes across the city centre to assess current rental levels. In light of this evidence, I have adopted the following gross rents for the market value apartments within the Sweet Street development:

Rental Area Summary	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
1B1P Type A *	28	13,552	23.00	11,132	236,889	311,696	236,889
1B1P Type E *	49	24,255	23.00	11,385	423,977	557,865	423,977
1B1P Types B,C,F,G,H,I,J *	82	41,492	23.00	11,638	725,280	954,316	725,280
1B1P Type H *	1	517	22.50	11,633	8,841	11,633	8,841
1B1P Type D *	6	3,294	22.00	12,078	55,076	72,468	55,076
1B2P Types H,D,G,E,D,D *	8	4,304	22.50	12,105	73,598	96,840	73,598
1B2P Types B,C *	7	4,067	22.00	12,782	68,008	89,474	68,008
1BST Type A *	13	5,460	24.00	10,080	99,590	131,040	99,590
1BST Type B *	9	5,328	20.00	11,840	80,986	106,560	80,986
1B2P Type F *	1	603	22.00	13,266	10,082	13,266	10,082
1B2P M4 *	9	5,715	22.00	13,970	95,555	125,730	95,555
1B2P M4 (3) *	1	700	20.00	14,000	10,640	14,000	10,640
2B3P Type B *	31	20,677	22.31	14,882	350,620	461,342	350,620
2B3P Type D *	1	689	21.60	14,882	11,311	14,882	11,311
2B3P Type A *	44	30,800	21.43	15,000	501,600	660,000	501,600
2B3P Types A,E *	8	5,680	21.27	15,100	91,808	120,800	91,808
2B3P Type A,E	4	2,884	21.08	15,200	46,208	60,800	46,208
2B4P Type A *	74	55,722	21.50	16,190	910,497	1,198,023	910,497
2B3P Type C *	13	9,932	21.00	16,044	158,515	208,572	158,515
2B3P Type A *	1	807	20.14	16,250	12,350	16,250	12,350
2B3P Type F *	1	861	19.16	16,500	12,540	16,500	12,540
3B4P Type A *	18	16,668	22.00	20,372	278,689	366,696	278,689
3B5P Type B *	2	2,130	22.00	23,430	35,614	46,860	35,614
3B5P Type A *	11	12,309	22.00	24,618	205,806	270,798	205,806
3B5P Type C *	3	3,036	22.00	22,264	50,762	66,792	50,762
3B4P Type E *	1	936	22.00	20,592	15,650	20,592	15,650
3B5P Type D *	6	5,748	22.00	21,076	96,107	126,456	96,107
3B5P Type E *	1	926	22.00	20,372	15,483	20,372	15,483
3B5P Type E *	2	1,872	22.00	20,592	31,300	41,184	31,300

## 8.2 Market Value of Affordable Housing Dwellings

By virtue of my difference of opinion regarding market value rents the Discounted Market Rents (DMR) are higher than those adopted by the applicant. the applicant has adopted the following Affordable Housing Rents for Phase 1 summarised below:

	Studio	1 bed 1 person	1 bed 2 person	2 bed 3 person	2 bed 4 person	3 bed 5 person	Totals/Ave
<b>Total No.</b>	25	173	27	105	76	45	<b>451</b>
<b>20% AH</b>	5	35	5	21	15	9	<b>90</b>
<b>Ave Sqft</b>	476	499	614	700	755	948	<b>639</b>
<b>Total AH Sqft</b>	2380	17265	3316	14700	11476	8532	<b>57669</b>
<b>Private £/sqft pa</b>	£20.00	£21.00	£20.00	£21.00	£21.50	£22.00	<b>£20.77</b>
<b>Private Rent Equiv pa</b>	£47,600	£362,573	£66,312	£308,700	£246,734	£187,704	<b>£1,219,623</b>
<b>AH £/sqft pa @ 80%</b>	£16.00	£16.80	£16.00	£16.80	£17.20	£17.60	<b>£16.62</b>
<b>Ave AH £pa</b>	£7,616	£8,383	£9,824	£11,760	£12,986	£16,685	<b>£10,817</b>
<b>Ave AH £pcm</b>	£635	£699	£819	£980	£1,082	£1,390	<b>£901</b>
<b>Total £pa</b>	<b>£38,080</b>	<b>£290,059</b>	<b>£53,050</b>	<b>£246,960</b>	<b>£197,387</b>	<b>£150,163</b>	<b>£975,699</b>

Source: Savills

I summarise below the total number of affordable units included in my policy compliant scheme and the Rent Rate per sq ft for the discounted market rental units:

AFF 1BST Type A *	2	840	19.20	8,064	12,257	16,128	12,257
AFF 1B1P Type A *	8	3,872	18.40	8,906	54,146	71,245	54,146
AFF 1B2P Types H,D,G,E,D,D *	1	538	18.00	9,684	7,360	9,684	7,360
AFF 2B3P Type B *	2	1,334	17.85	11,906	18,097	23,812	18,097
AFF 2B4P Type A *	2	1,506	17.20	12,952	19,686	25,903	19,686
AFF 3B5P Type A *	1	1,119	17.60	19,694	14,968	19,694	14,968

### 8.3 Market Value of Commercial Units

The applicant's consultant has undertaken market research into the Leeds market, however, they have not referred to comparable evidence. The commercial units within phase 1 of the development can be seen highlighted in red below, along with elements of the car parking provision.

Description	Sqft or No.	£/Sqft or £/unit	MRV pa	Deductions	Net Rent	Inv Yield	Investment Value
Block 1 Resi	288345	£21.15	£6,098,117	25%	£4,573,588	4.25%	£107,613,829.41
Resi Parking	32	£1,440.00	£46,080	0%	£46,080	4.25%	£1,084,235.29
Block 1 Comm	7324	£15.00	£109,860	0%	£109,860	8.00%	£1,373,250.00
Office 1	88598	£28.00	£2,480,744	0%	£2,480,744	6.00%	£41,345,733.33
Office Parking	82	£1,800.00	£147,600	0%	£147,600	6.00%	£2,460,000.00
Pavillion	5016	£15.00	£75,240	0%	£75,240	8.00%	£940,500.00
Pub	5597	£15.00	£83,955	0%	£83,955	8.00%	£1,049,437.50
<b>Totals</b>			<b>£9,041,596</b>		<b>£7,517,067</b>		<b>£155,866,985.54</b>

Source: Savills

In accordance with RICS and NPPG viability guidance I have undertaken detailed market research to support my conclusions regarding the rental and capital values for the commercial units in the scheme.

#### Offices

The applicant has based the office rental values at £28 per sq ft after an allowance for incentives and rent-free periods which I have replicated in my appraisal. There is an absence of comparable evidence in the applicants report. However, I have assumed the same rental levels within my appraisal for the office space and I have supported my conclusion with comparable evidence summarised below.

I have considered recent lettings and quoting rents for "standalone office buildings on the edge of Leeds City Centre. I refer you to the table below where I have given particular weight to the lettings at 3 Wellington Place and Riverside II Whitehall Quay which support the rental value adopted in my viability appraisal.

## Table of Comparable Office Rents

	<ul style="list-style-type: none"> <li>• Globe Point, Globe Road</li> <li>• Speculative Development</li> <li>• Grade A Space</li> <li>• Net Internal Area 37,842 sq ft</li> <li>• Distance from Leeds station 500 metres</li> <li>• Quoted headline rent £32 per sq ft</li> </ul>
	<ul style="list-style-type: none"> <li>• Benson House, Wellington Street, Leeds</li> <li>• Mid-1990's refurbished</li> <li>• Grade A Space</li> <li>• Net Internal Area 73,390 sq ft</li> <li>• Distance from Leeds station 580 metre</li> <li>• Headline rent £29.91 per sq ft</li> <li>• Let to Walker Morris Solicitors</li> <li>• 15 year lease from 25<sup>th</sup> March 2019</li> <li>• Analysed and adjusted rent £22.61 per sq ft</li> </ul>
	<ul style="list-style-type: none"> <li>• Riverside II, Whitehall Quay, Leeds</li> <li>• Late 1990's/2000 new build</li> <li>• Waterside Location</li> <li>• Let in part to Department of Health</li> <li>• Net Internal Area 12,346 sq ft</li> <li>• Distance from Leeds station 290 metres</li> <li>• Headline rent £26.20 per sq ft</li> <li>• 5 year lease from 1<sup>st</sup> December 2018</li> <li>• Analysed and adjusted rent £21.70 per sq ft</li> </ul>
	<ul style="list-style-type: none"> <li>• 3 Wellington Place, Wellington Street, Leeds</li> <li>• New Build</li> <li>• Grade A Space</li> <li>• Let to Mazars LLP</li> <li>• Net Internal Area 13,455 sq ft</li> <li>• Distance from Leeds station 504 metres</li> <li>• Headline rent £28.90 per sq ft</li> <li>• 15 year lease from 17<sup>th</sup> September 2018</li> <li>• Analysed and adjusted rent £23.83 per sq ft</li> </ul>

I have also had regard to investment yields for multi tenanted buildings in Leeds city Centre. One of the most recent sales was Toronto Square, Toronto Street, Leeds LS1 2HJ. The building extended to 88,207 sq ft with 34 surfaced car parking spaces and sold in December 2021 for £34,750,000 or £393.96 psf. The building was built in 1980 and substantially refurbished and vertically extended in 2009. The building holds a BREEAM Excellent Rating. At the time of the sale the property was 95.6% let and had a gross income of £2,164,346. The sale price represented a net initial yield of 6.20%.

I also refer you to the table below which summarises several office investments sold in Leeds:

## Comparable Yield Evidence Leeds

Key Investments (2020-present)				
Address	Purchaser	sqft	Date	Notes
Broad Gate, 22-26 The Headrow	TC Revcap	300,600	Q2 21	£85.0m, yield of 6.61%.
Bridgewater Pl, Water Ln	TC M7 Real Estate	234,000	Q4 20	£84.5m, yield of 6.53%.
Westbank, Water Ln	TC Shelborn Asset Management, Stamford Property Company	128,500	Q4 21	
Toronto Sq, Toronto St	TC Grosvenor	88,500	Q4 21	
Yorkshire Hse, Greek St	TC Castleforge Partners	85,000	Q1 20	£22.1m, yield of 4.9%.
1953 Reality Bldg, Marshall St	EOT CEG	82,200	Q1 20	Will undergo refurbishment as part of wider Temple District masterplan.
Milshaw Ct, Global Ave	OOT Shelborn Asset Management	81,000	Q2 21	£8.1m.
Castle Hse, Lisbon St	TC Bruntwood	78,300	Q2 21	Undisclosed purchase price.
20 Merriion Way	TC Private UK Investor	76,300	Q1 21	£20.0m.
3-4 The Embankment	TC Ship Street Advisors, UKRO II Limited Partnership	71,700	Q1 20	£20.5m, yield of 7.23%.
Livingstone House, Chadwick St	TC Yorkshire Water	71,600	Q2 20	£20.0m, yield of 6.4%.
Minerva Hse, East Parade	TC Corum Asset Management	58,600	Q4 20	£19.7m, yield of 6.6%.
12 King St	TC Opus North, Fiera Real Estate Opportunity Fund	47,700	Q1 20	£12.0m.
Globe Point, Water Ln	TC Aviva Investors	37,800	Q2 21	Foward funded.

Sources: PMA, Egi Last update: 28/03/2022

Based on the comparable properties above I have adopted a headline rent of £28 which is lower than the headline rents for the comparables listed. All of the above rents researched by DVS have also been adjusted to show the office rent net of incentives and car parking.

I have also adopted a net initial capitalisation yield of 6% for the offices on site with reference to the sale of Bridgewater Place and Toronto Square.

### Public House & Pavilion

The applicant has adopted a generic £15 per sq ft figure for the remainder of the commercial space in phase 1 namely the Pavilion and Pub. I understand the Pavillion building will act as a “Hub” for communal space and also provide facilities such as hospitality units, a gym and flexible office working space. I do not accept that the applicants approach to valuing Pavilion space at £15 per sq ft, after an allowance for incentives and rent free periods, I also have some concerns that the applicants viability consultant has not applied rents to all the lettable space.

I have challenged the applicant’s viability consultant and areas adopted for lettable space within the Pavilion. They have clarified the proposed uses in the building:

- Level 0 – 347 sqm/3,735 sq ft
- Level 1 – 370 sqm/3,983 sq ft
- Level 2 – 269 sqm/2,896 sq ft
- Level 3 – 119 sqm/1,281 sq ft

The applicants viability consultant has also stated :

*“My understanding is that 0 and 3 will be the lettable space – most likely food and beverage Levels 1 and 2 are to be the resident amenity space; gym and communal workspaces”*

I have adopted “Headline” rents based on comparable evidence and applied rent free periods to the various units ranging from 6 months to 24 months.

I have adopted a 24 month rent free period for the food & beverage units in the Pavilion which represents a void and incentive for tenants while the remaining scheme is constructed and occupied. My approach results in a lower adjusted rent of £11.40/sq ft for retail rents which is lower than the applicants at £15 per sq ft.

I have adopted a market rent for the hospitality units equivalent to £12/sq ft in the Hub which is lower than the applicants rents of £15 per sq ft.

However, I have adopted a net rent of £18 on one retail unit for a convenience store with a 6 month rent free (as opposed to 24 month on other retail and hospitality). This reflects my professional opinion that a national convenience store retailer will occupy a unit within phase 1 to secure a “foothold” in the development which will in due course yield a substantial customer base and footfall from both residential tenants and office workers.

I have also applied rent to the 2<sup>nd</sup> floor co-working space as I consider it to be lettable as communal workspace and have adopted £28 per sq ft immediately with 6 months rent free period.

I have also adopted £20 per sq ft for the public house with a 12 month period.

The rental values for the pub are based on various pieces of rental evidence I have identified from the surrounding area, which is listed below:

- [REDACTED], is a public house situated in the centre of Leeds, forming part of the City Varieties theatre. The building is let to one company at a passing rent of £68,133 per annum (£24.23 per sq ft). It is situated in a better position than the proposed pub at

Sweet Street, and therefore I would expect this to be of a higher rental level hence my opinion of £20 per sq ft.

- [REDACTED] is a bar situated on the ground floor of an office block on the periphery of Leeds’s CBD. It is far smaller than the proposed public house, however benefits from similar mixed used surroundings to the development on Sweet Street. The passing rent is £27,500 (£29.28 per sq ft). While I would also accept that this is a better pitch than the subject, it does indicate that the applicant’s proposed rental level of a £15 per sq ft flat rate is too low and that £20 per sq ft is more reasonable.
- [REDACTED] **Great George Street LS2** where a 4,843 unit let in August 2021 at a Headline Rent of £20.02 per sq ft which will have been subject to substantial incentives.

Additionally, I have also considered rents at Wellington Place, an office development with several bar/retail/leisure uses at ground floor level. The below table summarises the comparable evidence listed.

DATE	ADDRESS	TENANT	AREA SQ FT	NET RENT	RENT/SQ FT
12-Jan-18	[REDACTED]	[REDACTED]	1,270	£ 24,500	£ 19.29
18-Sep-18	[REDACTED]	[REDACTED]	4,492	£ 82,151	£ 18.29
26-Oct-16	[REDACTED]	[REDACTED]	2,357	£ 37,656	£ 15.98

Source: Costar

Wellington Place is a more established centre for retail and leisure than Sweet Street and the rents above indicate a “tone” of value of between £16 moving to £19 per sq ft.

In addition, hybrid working has also reduced footfall in and around Wellington Place and Whitehall Riverside. The proposed development will contain considerably more residential space than at Wellington Place, and with the increase in hybrid working it is reasonable to expect high footfall at Sweet Street.

The leisure/bar uses of [REDACTED] and [REDACTED] are both let at closer to £20/sq ft, therefore I believe it is reasonable to adopt a headline rent of £20 per sq ft for the proposed pub.

### Retail Units within Phase 1 PRS



and extended and the lease was extended and regeared with the occupier, [REDACTED] Ltd. The lease generates an annual income of £65,000 or £26.83 per sq ft.

The remaining retail units have been capitalised at an initial yield of 8% to reflect the uncertainty regarding tenant mix and covenant strength of the tenants.

#### 8.4 Market Value of Car Parking

In addition to the rental apartments the first phase of the scheme incorporates 32 residential parking spaces. As such the applicant's advisor has regarded that the parking spaces would be lettable at a rent of £120 per calendar month per space (£1,440 per annum).

I agree with their approach of adopting 100% take-up as there is likely to be a waiting list for spaces.

Furthermore, Leeds City Council Supplementary Planning document for parking published in 2016 refers to "Supporting: Core Strategy T1" (paragraph 4.1.2) "Limiting the supply of commuter parking in areas of high public transport accessibility, such as the City Centre" which means city centre parking in the future will be at a premium.

Based on current evidence of parking spaces let in [REDACTED] at £1,700 per parking space and nearby spaces at [REDACTED] Leodis Square, off Sweet Street at £1,500 per annum I have adopted £1,500 for the PRS car spaces

The first phase of the development also proposes that 82 office car parking spaces will be created in addition to the residential ones. The applicant has adopted a value of £1,800 per annum per space. I have reduced the rent slightly to £1,700 per annum per space.

#### 8.5 Total GDV

My total for phase 1 GDV is £159,696,199 (One Hundred and Fifty Nine Million, Six Hundred and Ninety Six Thousand, One Hundred and Ninety Nine Pounds) which is £8,133,773 higher than the applicant.

My GDV for the entire scheme on a policy compliant basis is £378,753,153 which is £2,271,026 higher than the applicants appraisal at £376,482,127 which does not account for any affordable apartments.

## 9.0 Total Development Costs

### 9.1 Summary of Costs

The applicant's viability consultant submitted costs in their original viability appraisal dated August 2022. The report included a cost plan dated 03 August 2022 which was prepared by KS4 Cost Management.

I understand KS4 have prepared an updated cost plan which has been reviewed by Leeds City Councils independent cost consultants Rex Proctor & Partners. I refer you to a summary of their initial advice which was incorporated within my Stage 1 report below:

#### Stage 1 Report (Rex Proctor and Partners Advice)

*"Further to the meeting with KS4 on 23.11.22 in relation to our initial review of their cost plan, the subsequent receipt of their updated cost plan on 29.11.22 and also our meeting last week, we have now re-worked the figures by adjusting some of the costs to be more in line, and benchmark, with other similar schemes in Leeds, notably Water Lane, Kirkstall Road and Whitehall Riverside.*

*We note you have queried some potential inconsistencies in the areas stated by KS4, however, to undertake a comparable costing exercise against the KS4 costs, we have used the areas as noted in the cost plan and therefore our adjustments result in an overall construction estimated cost of £292,978,187.00, which equates to £2504/m<sup>2</sup> & £233/ft<sup>2</sup> based on a total GIFA of 117,002m<sup>2</sup> & 1,259,396ft<sup>2</sup>.*

*This is a reduction of £21,951,841.00 (£188/m<sup>2</sup> & £17/ft<sup>2</sup>) from KS4's revised estimated costs of £314,930,028.00 (£2692/m<sup>2</sup> & £250/ft<sup>2</sup>).*

*In summary, our adjusted £/ft<sup>2</sup> of each block (including prelims, ohp and risk but excluding externals) are as follows:-*

- *Block 1 (resi 1) = £206/ft<sup>2</sup>*
- *Block 3 (resi 3) = £218/ft<sup>2</sup>*
- *Block 4 (resi 4) = £223/ft<sup>2</sup>*
- *Block 5 (resi 2) = £212/ft<sup>2</sup>*
- *Block 6 (office 2) = £238/ft<sup>2</sup>*
- *Block 7 (office 1) = £277/ft<sup>2</sup>*

*The main elements of our cost adjustments are a reduction of the preliminaries of 0.5% down to 15%, a reduction of the internal walls and apartment M&E and fit out costs across all blocks, reductions to the roof, external façade and ceiling costs to the office blocks and a reduction of the tarmacadam costs within the external works elements.*

*We have not made any adjustment to the public house cost as KS4 have not yet provided a breakdown of this. Therefore, the cost of £1,253,070.00 remains within our proposed estimated figure noted above.*

*With regards to the phase 1 elements i.e. apportioned site abnormalities, block 1, clubhouse, public house, apportioned external works and office 1 our adjustments result in an estimated cost of £127,760,117.00, which equates to £242/ft<sup>2</sup>, based on a GIFA of 528,050ft<sup>2</sup>. A summary build up of phase 1 is as follows:-*

<i>Site abnormalities</i>	<i>£4,234,074</i>
<i>Block 1</i>	<i>£79,765,102</i>
<i>Clubhouse (Pavillion)</i>	<i>£2,266,054</i>
<i>Public House</i>	<i>£1,253,070</i>
<i>External works</i>	<i>£3,957,535</i>
<i>Block 7 (Office 1)</i>	<i>£32,611,555</i>
<b><i>TOTAL PHASE 1</i></b>	<b><u><i>£124,087,390</i></u></b>

*This is a reduction of £3,613,369.00 (£7/ft<sup>2</sup>) from KS4's estimated phase 1 cost of £131,373,486.00 (£249/ft<sup>2</sup>)."*

Following further discussions and representations Rex Proctor and Partners provided additional advice and increased some of the costs as detailed below:

Stage 2 Report (Rex Proctor and Partners Advice)

*"Further to the below and following further discussions with KS4 and the receipt of additional substantiation, we have made some amendments to our costs provided to you before the Christmas break and summarise these as follows:-*

- Increased the block 3 external walls cost, following receipt of further substantiation from KS4 which is representative of the proposed elevations of natural materials and triple glazing etc. This has resulted in a revised block 3 cost of £65,019,795 (£2,498/m<sup>2</sup> : £232/ft<sup>2</sup>).*
- Increased the block 6 (Office 2) roof and external walls costs following receipt of further substantiation from KS4. This has resulted in a revised block 6 cost of £14,931,866 (£2,701/m<sup>2</sup> : £251/ft<sup>2</sup>).*
- Increased the block 7 (Office 1) roof and external walls costs following receipt of further substantiation from KS4. This has resulted in a revised block 7 cost of £33,857,504 (£3,097/m<sup>2</sup> : £287/ft<sup>2</sup>).*

Overall the above amendments have resulted in a revised total estimated cost of £299,053,068 (£2,556/m<sup>2</sup> : £237/ft<sup>2</sup>), which is c£15.9m less than the original KS4 estimated cost of £314.9m.

This is an increase of £6,074,881 (£52/m<sup>2</sup> & £4/ft<sup>2</sup>) from our original estimated costs of £292,978,187 (£2504/m<sup>2</sup> & £233/ft<sup>2</sup>).

With regards to the phase 1 elements i.e. apportioned site abnormalities, block 1, clubhouse, public house, apportioned external works and office 1, our adjustments noted above have resulted in a revised estimated cost of £125,333,339.00, which equates to £237/ft<sup>2</sup>, based on a GIFA of 528,050ft<sup>2</sup>."

I have adopted the revised figures adopted by Rex Proctor and Partners. Please note the build cost for the public house remains provisional based on Rex Proctors advice.

#### 9.6 Summary Agreed Cost Inputs

The following cost inputs have been accepted as reasonable and adopted by DVS in the review assessment

Cost	Agent	DVS	Comments
Contingency	5%	3%	Not agreed. In my appraisal 2% contingency is allowed for within the based build costs and an additional 1% is added to my Argus appraisal resulting in a total allowance of 3%. DVS confirm that 3% is typical for a site with detailed investigations and known abnormalities.
Professional fees	8%	7%	Not Agreed, based on DVS agreements with City centre schemes
Commercial Property Letting Fees	10%	10%	Agreed
Commercial Property Marketing	£100,000	£100,000	Not Agreed
PRS Net to Gross Rental Adjustment	25%	24%	Not expressly confirmed in applicants appraisal but confirmed verbally 13 <sup>th</sup> December by Sue Howarth.

			Not Agreed. DVS allowance based on agreements with applicants in respect of similar schemes in Leeds city Centre
Commercial letting legal fees	Not Stated	1.5%	Allowance made by DVS
Land acquisition fees	2%	1.5%	Not Agreed. Have combined agent and legal fees
Stamp Duty Land Tax	Not Stated	£69,725	at the prevailing (commercial) rate of (DVS opinion) of the residual land value,
Finance	6%	6%	Agreed for a mixed use scheme
Target profit Margin	8%	PRS 8% GDV Commercial 15% GDV	Not Agreed. My dual rate profit margin gives results in a blended profit for the entire scheme of 10.59%

## 10.0 Developer's Profit

- 10.1 The applicant's adviser has adopted an approach that assumes a target profit of 8% profit on gross development cost for the entire scheme including PRS and commercial buildings. I disagree with this approach for the commercial elements of the development and have adopted 15% profit on gross development cost for the commercial units to reflect the increased risk associated with letting the office buildings, retail units and public house which is based on recently agreed viability appraisal containing commercial elements in Leeds City Centre.
- 10.3 In conclusion my viability review assessment adopts a profit target of 8 % of GDC for PRS and 15% for commercial buildings. This results in a blended rate for the entire scheme of 10.59% of gross development costs
- 10.4 This profit rates are supported by evidence of agreements with developers and their advisors which are summarised in Appendix iv.
- 10.6 To accord with the RICS Guidance Note '**Assessing viability in planning under the National Planning Policy Framework 2019**', I can report that the profit level I have adopted of 10.59% GDC is equivalent an Internal Rate of Return of 13.4%, please note this IRR is relative to the development period and finance rate adopted.

## 11.0 Benchmark Land Value (BLV)

### 11.1 Applicant's BLV

The applicant's advisor has adopted a Benchmark Land Value of £13,700,000, this comprises their opinion of the EUV without any uplift for a landowner's premium. The applicant's advisor states the omission of an uplift is to reflect the likelihood of planning consent being granted at the subject property based on the area and planning history of the site.

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

### 11.2 Existing Use Value (EUV)

Step one is to undertake a valuation to determine EUV.

The Applicant's benchmark land value is £13,700,000 which is not based upon assessing the existing use of the site on a comparable basis. This is not accepted as reasonable.

Following consultation with the planning officer I consider the sites most recent land use as employments land and therefore, in my opinion, it is not unreasonable to consider the EUV as a continuation of the sites former use as employment land recognising the site would suit use as open storage land.

To inform an appropriate value as open storage and industrial development land, I have had regard to transactional freehold evidence of open storage land within the Leeds vicinity which is summarised below.

**Access 26** – a site extending to 11.9 acres, it was acquired by Tungsten Developments in autumn 2021 at a price equivalent to £780,000 per acre, reflective of piling works required to facilitate development.

**Triangle 45** – located at Cross Green to the eastern fringe Leeds, it extends to 11.14 acres and was acquired by Chancergate for £725,000 per acre in July 2021.

**Gateway45** – the site extends to 43 acres and lies adjacent to Junction 45 of the M1 and a 5-minute drive from the M62. It was acquired by PLP in May 2019 for £500,000 per acre.

The above evidence is representative of prime, logistical locations with superior accessibility to the motorway network. They are also significantly larger and therefore a quantum adjustment is appropriate.

The subject site lies within a city centre location and its access is not ideal for large haulage vehicles, which would impact its marketability as open storage land. On balance, I therefore consider a rate of £600,000 per acre to be appropriate.

I therefore consider the EUV to be approximately £4,620,000.

#### 11.3 Alternative Use Value (AUV)

Step two is the assessment, where appropriate, is the AUV. An Alternative Use Value approach is not considered applicable in this case.

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

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

In terms of established benchmarks, the area study for city centre residential was agreed at £750,000 per acre as published by Avison Young on behalf of Leeds City Council in 2018.

#### 11.5 Residual Land Value

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

Adopting the inputs described herein this report, the residual land value of the proposed scheme with full policy requirements is £1,604,000(rounded).

Which compared to the EUV of £4,620,000 would give way to a reverse premium of £ £3,016,000.

#### 11.6 Adjusted Land Transaction Evidence

Step five is to cross-check the EUV+ approach to the determination of the BLV of the site by reference to (adjusted) land transaction evidence and

can also include other BLV of compliant schemes (or adjusted if not compliant).

I have first considered Other Benchmark Land Values (BLV) such as those adopted in local plan studies produced under public scrutiny to inform policy for viability purposes or those put forward by applicants and accepted by DVS, or those put forward by DVS and accepted by an applicant or as adopted and agreed between DVS and an applicant's advisor.

I have also had regard to whether the site-specific costs would support a benchmark land value consistent with the evidence. The residual land value of the planning compliant scheme, based on 20% of units have discounted rents at 80% of market value rents, is £1,604,000 (rounded) which is lower than the applicants benchmark land value.

In the interest of transparency I comment on the bench mark land value comparable evidence referred to by the applicants viability advisor:

1) [REDACTED], Whitehall Road, Leeds

The applicant states the site was purchased by [REDACTED] after the site had been openly marketed by Jones Lang LaSalle during 2015. The purchase price in December 2015 was £3,500,000 (£788,288 per acre) but I should clarify that the site did not have a valid planning consent in place and the historic planning consent on the site dating back to 2008 had lapsed.

Subsequently, reserved matters planning consents were obtained for a scheme of 663 apartments plus commercial and car parking and the 4.44 acre site was purchased by Highline at £15,400,000 in March 2019. The purchased equated to £23,228 per plot or £3,500,000 per gross acre.

I understand the consent granted for 663 units was granted for a policy compliant scheme and I consider this comparable is historic when compared to more recent transactions. The purchased equated to £23,228 per plot or £3,500,000 per gross acre.

I should add that the site was subsequently the subject of a planning application for 17-20 storeys comprising 463 residential units and 102 parking spaces and a viability appraisal which concluded the benchmark land value was equivalent to £1,328,000 per acres.

2) [REDACTED] Leeds, LS2

I do not consider this directly comparable because it is a student scheme which is a sale in a different sector of student accommodation. Student accommodation does not have the same policy requirements for affordable housing as therefore results in a higher residual land value for the site. I give this the least weight.

3) [REDACTED] Leeds LS2

The applicant has also referred to the sale of a site extending to 0.98 acres just to the south of the station next to Granary Wharf. The site had outline planning for a mainly residential led development and was purchased in May 2017 at a price of £5,250,000 plus VAT or £5,357,142 per acre. Planning consent was granted in June 2017 for a scheme of 250 apartments across 3 blocks with associated ground floor commercial space in two of the blocks and parking with 34 car spaces. The scheme is now built out and ranges between 6 and 10 storeys and provides a range of 1, 2 and 3 bed apartments ranging in size from 423 sqft (39.3 sqm) to 999 sqft (92.8 sqm). We are unaware of the development costs and whether there were low abnormal costs effecting the site.

4) [REDACTED] Hunslet Road, Leeds

This site is located on the periphery of the city centre. I am not convinced the site is an appropriate comparable for a city centre PRS development site. The applicant's advisor informs us that the site was purchased in 2015 for £3,500,000 without planning consent and subsequently sold in 2018 for £19,000,000 excluding VAT with planning consent for a policy compliant scheme for 928 dwellings (5% affordable). The applicant's advisor does not comment on whether the site purchase price was based on a fully planning compliant scheme with section 106 costs but does state the sale was equivalent to £3,250,363 per acre. The developments website states the development comprises mixed tenures, including a minimum of 35% affordable. I give this less similar weight but the location of the subject which is superior.

3) [REDACTED], Globe Road, Leeds, LS11

I am familiar with this site having undertaken a viability on behalf of the council. It is important to note that this scheme was subsequently granted

planning permission for a sub policy compliant scheme with an agreed Benchmark Land Value between the parties of £583,000 per acre in 2019.

5) [REDACTED], Leeds, LS2

I do not consider this directly comparable as it was sold approximately 7 years old and is located in the northern periphery of Leeds City Centre. In addition, the scheme included a mixed use development which included a hotel. I give this the least weight, when arriving at the benchmark land value.

6) [REDACTED] Site

I consider this comparable considerably larger than the other evidence available extending to 22 acres. The applicant informs me that the site sold for £47,000,000 on an unconditional basis equating to £2,136,000 per gross acre. However, the applicant has not included the date of the sale and therefore this evidence cannot be effectively relied upon. I give this the limited weight, the location of the subject is superior and a much smaller site.

7) [REDACTED], East Street

This comparable had extant planning consent when purchased in August 2020 for £4,300,000. However, the applicant's advisor correctly states that the purchaser intends to construct a different scheme on the site and therefore their bid is likely to reflect hope value as they intend to increase the density of the scheme from 300 units to 350 units. I am also familiar with the site as I advised Leeds City Council in respect of the viability issues. I reviewed a viability appraisal in respect of modified consent that was not subsequently granted consent, but at the time agreed, "in principle", the Benchmark Land Value at £784,615 per acre.

I have given significant weight to the purchase price of a site known as 87-89 Kirkstall Road, Leeds which has not been referred to by the applicant.

I have recently advised Leeds City Council in respect of a viability review of [REDACTED] Kirkstall Road and I am aware of a planning compliant transaction where consent was granted on the 17th June 2020 (Ref: 20/03494/OT including follow up 22/03145/COND) for full planning permission and demolition of existing buildings and structures and Outline planning permission with all matters reserved, except for access, for the redevelopment of the site for residential dwellings (use class C3), flexible

commercial space (use classes A1, A2, A3, A4, D1 and D2) and associated refuse and plant infrastructure, landscaping, new public realm and open space.

The consent was granted for up to 631 residential apartments (use class C3) comprising a mix of one, two- and three-bedroom units; and - Up to 965m<sup>2</sup> of ground floor flexible commercial space to serve the new community (Use Class A1, A2, A3, A4, D1 and D2) spread across six units. The scheme comprised a landmark 16 storey building and the remaining blocks are between 6 to 12 storeys and complete the development.

I understand that the subsequent purchase price on 15 December 2021 for a fully policy compliant scheme with a signed Section 106 agreement at £5,800,000. The purchase price late last year was equivalent to £1,132,812.50 per acre.

Please note the site is currently the subject of a viability review and the benchmark land value is considerably lower than the purchase price in 2021 (£1,132,812.50 per acre) due to the impact of construction cost inflation on the scheme.

I have also considered Benchmark Land Values agreed with applicants for viability purposes on similar sites in Leeds. I refer you to a schedule of evidence in appendix iv.

#### 11.7 Purchase Price

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

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

I understand that the purchase price on 21<sup>st</sup> August 2015 was £15,600,000, equating to £2,025,974 per acre.

I reiterate the important point that the sale in 2015 may have been lower if the purchaser had been aware of unforeseen abnormal costs of approximately £10 million which have only recently been identified and are refer to in the applicant viability report.

#### 11.8 Benchmark Land Value Conclusion

The reasonableness of the applicant's £13,700,000 Benchmark Land Value has been considered against:

- The EUV of £4,620,000 (£600,000 per acre)
- Alternative use not applicable
- The appropriate premium above the EUV = £9,080,000 (196%)  
The Residual Land Value of the planning compliant scheme £1,604,000 (rounded) (£208,105 per acre)
- Benchmark Land Values (BLV) adopted in the local plan study for this typology £5,775,000 (£750,000 per acre)
- BLV adopted and agreed between DVS and an applicant's advisor, with greatest weight BLVs which delivered full policy as listed above £8,700,000 (£1,130,000 per acre)
- I have given least weight to the purchase price £15,600,000

In conclusion, and in light of the above evidence it is reasonable to say that the site at Sweet Street would not have been purchases for a mixed use residential and office scheme on 21st August 2015 for £15,600,000, equating to £2,025,974 per acre in the knowledge that construction costs would increase and there would be unforeseen abnormal costs of approximately £10 million. Therefore, the benchmark land value should be considerably lower than the figure adopted by the applicant.

It is my balanced and professional opinion having considered all of the above to place greatest weight to other agreed benchmarks and the policy compliant transaction at [REDACTED] Kirkstall Road, and that a fair and reasonable BLV for this site would be between £750,000 to £1,130,000 per acre.

It is my balanced and professional opinion having considered all of the above approaches and giving greatest weight to previously agreed benchmark land values and the sale of land at [REDACTED] Kirkstall Road, that an appropriate BLV would be £8,700,000 (£1,130,000 per acre) this comprises an EUV £4,620,000 and a premium £4,080,000 (53%).

## 12.0 DVS Viability Assessment

### 12.1 DVS Viability Appraisal 1 Policy Compliant Scheme

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

Appraisal 1 can be found at **Appendix (i)** reflects the combined policy requirements comprising 20 % discounted market rent apartments, S.106 contributions of £2,573,425 and CIL contributions of £1,559,444 and fixes blended developer's profit of 10.590% GDV.

Based on the inputs I have outlined above the residual output presented as the amount available for land which is then compared to the valuer's opinion of the BLV to determine the viability of the scheme.

As detailed in this report, I have a difference of opinion regarding values and construction costs. The cumulative effect of these changes is that my viability appraisal generates a residual land value of £1,604,000 (rounded) which is lower than the benchmark value adopted by DVS at £8,700,000.

**It is my independent conclusion that the scheme assessed with regards to full planning policy requirement comprising 20 % discounted market rent apartments, S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is not viable.**

### 12.2 DVS Viability Appraisal 1 Sub-Policy Compliant Scheme – Option 1

I have been asked to model a scenario in order to determine the level of affordable housing is viable in order to provide policy compliant level of S106 and CIL contributions. The appraisal is in **Appendix (ii)**. This has a residual value of £8,685,492 which is rounded to the benchmark land value £8,700,000 for the purposes of determining viability.

**The above scheme assessed with regards to planning policy requirement comprising 3.5 % discounted market rent apartments (44 units), S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is viable.**

### 12.3 DVS Viability Appraisal 2 Sub-Policy Compliant Scheme –Option 2

I have been asked to model a scenario in order to determine the level of affordable housing is viable in order to provide a sub policy compliant level of S106 and CIL contributions. The appraisal is in **Appendix (iii)**. This has

a residual value of £8,688,503 which is rounded to the benchmark land value £8,700,000 for the purposes of determining viability.

**The above scheme assessed with regards to planning policy requirement comprising 5.5% discounted market rent apartments (70 units), S.106 contributions of £1,463,867 and CIL contributions of £1,559,444 is viable.**

### 13.0 Sensitivity Analysis & Scenario Testing

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

13.2 I have varied the most significant in my appraisal which is the base construction costs. I have adjusted these in upward/downward steps of 1.5% from the base appraisal assumption, and the output is the residual land value which can be compared to the BLV of £8,700,000

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

<b>Table of Profit on Cost% and Land Cost</b>				
Construction: Rate /ft <sup>2</sup>				
-3.000%	-1.500%	0.000%	1.500%	3.000%
10.590%	10.590%	10.590%	10.590%	10.590%
£8,703,478	£5,157,162	£1,604,492	£-2,149,559	£-6,078,417

13.4 The table above allows for the construction costs to increase / decrease and based on a profit of 10.59% of cost, how the residual value changes. The base conclusion is shown in the central cell. The table shows that the residual in the green cells indicate that if construction costs decreased by 3% then the scheme will be able to support full planning policy for affordable housing as the residual land value will fall above the benchmark land value of £8,700,000.

#### 13.5 Scenario Test – Appraisal 2 – Option 1 – Sub Policy compliant scheme results

<b>Table of Profit on Cost% and Land Cost</b>				
Construction: Rate /ft <sup>2</sup>				
-3.000%	-1.500%	0.000%	1.500%	3.000%
10.590%	10.590%	10.590%	10.590%	10.590%
£15,745,067	£12,219,802	£8,685,871	£5,140,791	£1,589,641

13.6 The table above allows for the construction costs to increase / decrease and based on a profit of 10.59% of cost, how the residual value changes. The base conclusion is shown in the central white cell. The table shows that the residual in the green cells indicate that if construction costs decreased by at least 1.5% then the scheme will be able to support sub planning policy for affordable housing as the residual land value will fall above the benchmark land value of £8,700,000. Conversely if costs increase by at least 1.5% then this option is no longer viable.

13.7 **Scenario Test – Appraisal 3 – Option 2 – Sub Policy compliant scheme results.**

<b>Table of Profit on Cost% and Land Cost</b>				
Construction: Rate /ft <sup>2</sup>				
-3.000%	-1.500%	0.000%	1.500%	3.000%
10.590%	10.590%	10.590%	10.590%	10.590%
£15,749,357	£12,223,690	£8,688,503	£5,142,673	£1,591,112

13.8 The table above allows for the construction costs to increase / decrease and based on a profit of 10.59% of cost, how the residual value changes. The base conclusion is shown in the central white cell. The table shows that the residual in the green cells indicate that if construction costs decreased by at least 1.5% then the scheme will be able to support sub planning policy for affordable housing as the residual land value will fall above the benchmark land value of £8,700,000. Conversely if costs increase by at least 1.5% then this option is no longer viable.

13.8 If your council requires any additional or specific testing for future reports please let me know.

**14.0 Recommendations**

Summary of key issues and recommendations.

14.1 Viability Conclusion

**It is my considered and independent opinion that:**

**The above scheme assessed with regards to full planning policy requirement comprising 20 % discounted market rent apartments, S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is not viable.**

In addition, and in accordance with your instructions we have undertaken two further scenarios in respect of all phases of the scheme, which are summarised below:

## Option 1

**The above scheme assessed with regards to full planning policy requirement comprising 3.5 % discounted market rent apartments (44 units) , S.106 contributions of £2,573,526 and CIL contributions of £1,559,444 is viable.**

## Option 2

**The above scheme assessed with regards to full planning policy requirement comprising 5.5% discounted market rent apartments (70 units), S.106 contributions of £1,463,867 and CIL contributions of £1,559,444 is viable.**

### 14.2 Viability Review

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

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

### 14.3 Market Commentary

My appraisal is in accordance with NPPG and RICS guidance where viability is assessed on current day build costs and revenues, however, I include a brief market commentary below which illustrates the relative investment performance of PRS properties and past for rental growth.

The Office of National Statistics reports that private rental prices paid by tenants in the UK rose by 3.8% in the 12 months to October 2022, up from 3.7% in the 12 months to September 2022.

The Rightmove Rental Trends Tracker Q3 2022 reported that average asking rents for new tenants outside of London have risen to a new record of £1,162 per calendar month. This quarter's increase of 3.2% is only the third time on record that rents have increased by 3% or more in a quarter, as new asking rents continue to rise rapidly.

The pace of asking rent growth is primarily down to the severe shortage of available rental properties, combined with extremely high demand which continues to surpass even last year's levels in every region and country of Great Britain. Demand is up by 20% compared with last year, while the total number of available properties to rent is down by 9%. This widening gap between supply and demand is creating ever fiercer competition between tenants looking for a home.

The Association of Residential Letting Agents (ARLA) reported in their Private Rented Sector Report, March 2022 that the average tenancy length has increased to 23 months. This is because increasing rental prices and lack of available stock have made it often unaffordable or unachievable for tenants to move to a new property.

The Royal Institution of Chartered Surveyors' (RICS') November 2022 Residential Market Survey reported that tenant demand continues to rise, evidenced by a net balance of +35% of respondents reporting a pick-up in November (part of the monthly non-seasonally adjusted lettings dataset).

At the same time, the flow of fresh supply becoming available on the rental market continues to dwindle, as a net balance of -27% of respondents highlighted a decline in landlord instructions this month.

Consequently, the ongoing misalignment between rising demand and falling supply continues to exert upward pressure on rents. Indeed, a headline net balance of +43% of contributors anticipate rental prices moving higher over the coming three months, although this has somewhat moderated from a recent high of +66% back in February this year. that tenant demand continues to rise at a robust pace.

## **15.0 Engagement**

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

## **16.0 Disclosure / Publication**

### **16.1 This report is not for publication.**

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

16.3 The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers and solely for the purposes of the instruction to which it relates. Our report may not, without our specific written consent, be used or relied upon by any third party, permitted or otherwise, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our report. No responsibility whatsoever is accepted to any third party (named or otherwise) who may seek to rely on the content of the report.

16.3 Planning Practice Guidance for viability promotes increased transparency and accountability, and for the publication of viability reports. However, it has been agreed that your authority, the applicant and their advisors will neither publish nor reproduce the whole or any part of this assessment report, nor make reference to it, in any way in any publication. It is intended that a final report will later be prepared, detailing the agreed viability position.

16.4 As stated in the terms, none of the VOA employees individually has a contract with you or owes you a duty of care or personal responsibility. It is agreed that you will not bring any claim against any such individuals personally in connection with our services.

16.5 This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006 and your council is expected to treat it accordingly.

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

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

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

Identity and status: The valuer responsible for the viability appraisal is Brian Maguire.

**[REDACTED] MRICS**  
Principal Surveyor  
RICS Registered Valuer  
DVS

Date: 7<sup>th</sup> February 2023

**Signed**

**[REDACTED] B.Sc (Hons) MRICS**  
Principal Surveyor  
RICS Registered Valuer  
DVS

## **17.0 Appendices**

- (i) Appraisal 1
- (ii) Appraisal 2
- (iii) Appraisal 3
- (iv) Information to support inputs e.g. abnormal review /BCIS extract / GDV comps
- (v) Redacted TOE

(i) Appraisal 1: All Phases Policy Compliant Residual Land Value

**All Phases Sweet Street Policy Compliant  
20% Discount on Market Rents (90 Units)**

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE

Rental Area Summary

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
1B1P Type A *	2	968	23.00	11,132	16,921	22,264	16,921
1B1P Type E *	49	24,255	23.00	11,385	423,977	557,865	423,977
1B1P Types B,C,F,G,H,I,J *	82	41,492	23.00	11,638	725,280	954,316	725,280
1B1P Type H *	1	517	22.50	11,633	8,841	11,633	8,841
1B1P Type D *	6	3,294	22.00	12,078	55,076	72,468	55,076
1B2P Types H,D,G,E,D,D *	3	1,614	22.50	12,105	27,599	36,315	27,599
1B2P Types B,C *	7	4,067	22.00	12,782	68,000	89,474	68,000
1BST Type A *	10	4,200	24.00	10,080	76,608	100,800	76,608
1BST Type B *	9	5,328	20.00	11,840	80,986	106,560	80,986
1B2P Type F *	1	603	22.00	13,266	10,082	13,266	10,082
1B2P M4 *	9	5,715	22.00	13,970	95,555	125,730	95,555
1B2P M4 (3) *	1	700	20.00	14,000	10,640	14,000	10,640
2B3P Type B *	12	8,004	22.31	14,882	135,724	178,584	135,724
2B3P Type D *	1	689	21.60	14,882	11,311	14,882	11,311
2B3P Type A *	44	30,800	21.43	15,000	501,600	660,000	501,600
2B3P Types A,E *	8	5,680	21.27	15,100	91,808	120,800	91,808
2B3P Type A,E	4	2,884	21.08	15,200	46,208	60,800	46,208
2B4P Type A *	61	45,933	21.50	16,190	750,545	987,560	750,545
2B3P Type C *	13	9,932	21.00	16,044	158,515	208,572	158,515
2B3P Type A *	1	807	20.14	16,250	12,350	16,250	12,350
2B3P Type F *	1	861	19.16	16,500	12,540	16,500	12,540
3B4P Type A *	18	16,668	22.00	20,372	278,689	366,696	278,689
3B5P Type B *	2	2,130	22.00	23,430	35,614	46,860	35,614
3B5P Type A *	3	3,357	22.00	24,618	56,129	73,854	56,129
3B5P Type C *	3	3,036	22.00	22,264	50,762	66,792	50,762
3B4P Type E *	1	936	22.00	20,592	15,650	20,592	15,650
3B5P Type D *	6	5,748	22.00	21,076	96,107	126,456	96,107
3B5P Type E *	1	926	22.00	20,372	15,483	20,372	15,483
3B5P Type E *	2	1,872	22.00	20,592	31,300	41,184	31,300
Residential Car Parking	19	19	1,500.00	1,500	25,650	28,500	25,650
AFF 1BST Type A *	5	2,100	19.20	8,064	30,643	40,320	30,643
AFF 1B1P Type A *	34	16,456	18.40	8,906	230,121	302,790	230,121
AFF 1B2P Types H,D,G,E,D,D *	6	3,228	18.00	9,684	44,159	58,104	44,159
AFF 2B3P Type B *	21	14,007	17.85	11,906	190,019	250,025	190,019
AFF 2B4P Type A *	15	11,295	17.20	12,952	147,648	194,274	147,648
AFF 3B5P Type A *	9	10,071	17.60	19,694	134,710	177,250	134,710
Construction	1	387,276		0	0		
Outline MV	261	162,342	21.68	13,485	2,674,877	3,519,575	2,674,877
Outline Aff	65	40,430	17.34	10,785	532,803	701,056	532,803
Construction	1	263,033		0	0		
Outline MV Apartments	392	248,528	22.40	14,202	4,230,941	5,567,027	4,230,941
Outline Aff Apartments	98	62,132	17.92	11,361	846,188	1,113,405	846,188
Parking	73	73	1,500.00	1,500	98,550	109,500	98,550
Construction Resi 4	1	128,438		0	0		
Construction Resi 3	1	279,867		0	0		
Office 2 Phase 4	1	44,896	28.00	1,257,088	1,257,088	1,257,088	1,257,088
Office Parking Phase 4	30	30	1,700.00	1,700	51,000	51,000	51,000
Public House	1	5,597	20.00	111,940	111,940	111,940	111,940
Pavillion Level 0	1	3,735	20.00	74,700	74,700	74,700	74,700
Convenience Store	1	3,000	20.00	60,000	60,000	60,000	60,000
Retail Units	1	4,324	19.00	82,156	82,156	82,156	82,156
Office block 1	1	88,598	28.00	2,480,744	2,480,744	2,480,744	2,480,744
Office Car Parking	82	82	1,700.00	1,700	139,400	139,400	139,400
Pavillion Level 2 Workspace	1	2,897	28.00	81,116	81,116	81,116	81,116
Construction Pavillion	1	15,296		0	0		
Pavillion Level 3	1	1,281	28.00	35,868	35,868	35,868	35,868
<b>Totals</b>	<b>1,484</b>	<b>2,032,047</b>			<b>17,460,218</b>	<b>21,567,283</b>	<b>17,460,218</b>

Investment Valuation

<b>1B1P Type A *</b>					
Current Rent	16,921	YP @	4.2500%	23.5294	398,133
<b>1B1P Type E *</b>					
Current Rent	423,977	YP @	4.2500%	23.5294	9,975,939
<b>1B1P Types B,C,F,G,H,I,J *</b>					

Project: B-10V Strategic/DEVELOPMENT CONSULTANCY SERVICES/04 Yorkshire, NE Port Millard/1 and/1 EERS CITY CENTRE - BPS Sweet Street

**APPRAISAL SUMMARY****VALUATION OFFICE AGENCY****All Phases Sweet Street Policy Compliant  
20% Discount on Market Rents (90 Units)**

Current Rent	725,280	YP @	4.2500%	23.5294	17,065,416
<b>1B1P Type H *</b>					
Current Rent	8,841	YP @	4.2500%	23.5294	208,016
<b>1B1P Type D *</b>					
Current Rent	55,076	YP @	4.2500%	23.5294	1,295,898
<b>1B2P Types H,D,G,E,D,D *</b>					
Current Rent	27,599	YP @	4.2500%	23.5294	649,398
<b>1B2P Types B,C *</b>					
Current Rent	68,000	YP @	4.2500%	23.5294	1,600,006
<b>1BST Type A *</b>					
Current Rent	76,608	YP @	4.2500%	23.5294	1,802,541
<b>1BST Type B *</b>					
Current Rent	80,986	YP @	4.2500%	23.5294	1,905,544
<b>1B2P Type F *</b>					
Current Rent	10,082	YP @	4.2500%	23.5294	237,227
<b>1B2P M4 *</b>					
Current Rent	95,555	YP @	4.2500%	23.5294	2,248,348
<b>1B2P M4 (3) *</b>					
Current Rent	10,640	YP @	4.2500%	23.5294	250,353
<b>2B3P Type B *</b>					
Current Rent	135,724	YP @	4.2500%	23.5294	3,193,502
<b>2B3P Type D *</b>					
Current Rent	11,311	YP @	4.2500%	23.5294	266,132
<b>2B3P Type A *</b>					
Current Rent	501,600	YP @	4.2500%	23.5294	11,802,353
<b>2B3P Types A,E *</b>					
Current Rent	91,808	YP @	4.2500%	23.5294	2,160,188
<b>2B3P Type A,E</b>					
Current Rent	46,208	YP @	4.2500%	23.5294	1,087,247
<b>2B4P Type A *</b>					
Current Rent	750,545	YP @	4.2500%	23.5294	17,659,888
<b>2B3P Type C *</b>					
Current Rent	158,515	YP @	4.2500%	23.5294	3,729,758
<b>2B3P Type A*</b>					
Current Rent	12,350	YP @	4.2500%	23.5294	290,588
<b>2B3P Type F *</b>					
Current Rent	12,540	YP @	4.2500%	23.5294	295,059
<b>3B4P Type A *</b>					
Current Rent	278,689	YP @	4.2500%	23.5294	6,557,387
<b>3B5P Type B *</b>					
Current Rent	35,614	YP @	4.2500%	23.5294	837,967
<b>3B5P Type A *</b>					
Current Rent	56,129	YP @	4.2500%	23.5294	1,320,683
<b>3B5P Type C *</b>					
Current Rent	50,762	YP @	4.2500%	23.5294	1,194,398
<b>3B4P Type E *</b>					
Current Rent	15,650	YP @	4.2500%	23.5294	368,233
<b>3B5P Type D *</b>					
Current Rent	96,107	YP @	4.2500%	23.5294	2,261,331
<b>3B5P Type E *</b>					
Current Rent	15,483	YP @	4.2500%	23.5294	364,299
<b>3B5P Type E*</b>					
Current Rent	31,300	YP @	4.2500%	23.5294	736,467
<b>Residential Car Parking</b>					
Current Rent	25,650	YP @	4.2500%	23.5294	603,529
<b>AFF 1BST Type A *</b>					
Current Rent	30,643	YP @	4.2500%	23.5294	721,016
<b>AFF 1B1P Type A *</b>					
Current Rent	230,121	YP @	4.2500%	23.5294	5,414,605
<b>AFF 1B2P Types H,D,G,E,D,D *</b>					
Current Rent	44,159	YP @	4.2500%	23.5294	1,039,036
<b>AFF 2B3P Type B *</b>					
Current Rent	190,019	YP @	4.2500%	23.5294	4,471,034
<b>AFF 2B4P Type A *</b>					
Current Rent	147,648	YP @	4.2500%	23.5294	3,474,076
<b>AFF 3B5P Type A *</b>					
Current Rent	134,710	YP @	4.2500%	23.5294	3,169,640
<b>Outline MV</b>					
Current Rent	2,674,877	YP @	4.2500%	23.5294	62,938,274
<b>Outline Aff</b>					
Current Rent	532,803	YP @	4.2500%	23.5294	12,536,534
<b>Outline MV Apts</b>					
Current Rent	4,230,941	YP @	4.2500%	23.5294	99,551,545

**APPRAISAL SUMMARY****VALUATION OFFICE AGENCY****All Phases Sweet Street Policy Compliant  
20% Discount on Market Rents (90 Units)**

<b>Outline Aff Apartments</b>					
Current Rent	846,188	YP @	4.2500%	23.5294	19,910,309
<b>Parking</b>					
Current Rent	98,550	YP @	4.2500%	23.5294	2,318,824
<b>Office 2 Phase 4</b>					
Current Rent	1,257,088	YP @	6.0000%	16.6667	20,951,467
<b>Office Parking Phase 4</b>					
Current Rent	51,000	YP @	6.0000%	16.6667	850,000
<b>Public House</b>					
Market Rent	111,940	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	1,295,602
<b>Pavillion Level 0</b>					
Market Rent	74,700	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	800,540
<b>Convenience Store</b>					
Market Rent	60,000	YP @	6.0000%	16.6667	
(6mths Rent Free)		PV 6mths @	6.0000%	0.9713	971,286
<b>Retail Units</b>					
Market Rent	82,156	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	880,444
<b>Office block 1</b>					
Current Rent	2,480,744	YP @	6.0000%	16.6667	41,345,733
<b>Office Car Parking</b>					
Current Rent	139,400	YP @	6.0000%	16.6667	2,323,333
<b>Pavillion Level 2 Workspace</b>					
Market Rent	81,116	YP @	8.0000%	12.5000	
(6mths Rent Free)		PV 6mths @	8.0000%	0.9623	975,674
<b>Pavillion Level 3</b>					
Current Rent	35,868	YP @	8.0000%	12.5000	448,350
					<b>378,753,153</b>

**NET REALISATION** **378,753,153**

**OUTLAY****ACQUISITION COSTS**

Residualised Price		1,604,492		1,604,492
Stamp Duty		69,725		
Agent Fee	1.00%	16,045		
Legal Fee	0.50%	8,022		
				93,792

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
Construction	387,276	206.00	79,778,856	
Construction	263,033	212.00	55,762,996	
Construction Resi 4	128,438	223.00	28,641,674	
Construction Resi 3	279,867	232.00	64,929,144	
Office 2 Phase 4	59,409	251.00	14,911,659	
Public House	7,503	167.01	1,253,070	
Office block 1	117,612	287.00	33,754,644	
Construction Pavillion	15,296	148.15	2,266,054	
<b>Totals</b>	<b>2,077,399</b>		<b>281,298,097</b>	<b>281,298,097</b>

Contingency	1.00%	2,889,284	
Apportionment of Abnormal Costs		4,234,074	
Abnormal Costs		2,617,970	
Apportionment Abnormal Costs		2,925,956	
Apportionment of Externals		6,406,019	
Apportionment Externals		1,224,242	
CIL Resi Phase 1		231,159	
Apportionment of Bio Diversity Gain		600,500	
Residential Travel Plan Fund		345,518	
Greenspace		131,770	
Highways - City Centre		184,140	
Highways - Bath Road improvements		896,000	
Highways - Mineveh Road		70,000	
Highways - TRO		10,000	
Highways - Travel Plan Monitoring		9,793	
CIL Phase 2		160,320	
Green Space		131,770	
Travel Plan Monitoring		9,793	
Highways- City Centre		184,140	

**All Phases Sweet Street Policy Compliant  
20% Discount on Market Rents (90 Units)**

CIL Block 3 Resi		176,306	
CIL Block 4 Resi		78,793	
CIL Office 2		272,023	
CIL Office Phase 1		629,954	
CIL Pavillion Phase1		9,123	
CIL Public House Phase1		1,765	
			24,430,412
<b>PROFESSIONAL FEES</b>			
Professional Fees	7.00%	20,224,985	20,224,985
<b>MARKETING &amp; LETTING</b>			
Marketing		100,000	
Letting Agent Fee	10.00%	907,686	
Letting Legal Fee	1.50%	136,153	
			1,143,839
<b>DISPOSAL FEES</b>			
Purchasers Legal Fees	0.10%	110,655	110,655
<b>FINANCE</b>			
Debit Rate 6.000%, Credit Rate 1.000% (Nominal)			
Total Finance Cost			13,577,855
<b>TOTAL COSTS</b>			<b>342,484,127</b>
<b>PROFIT</b>			<b>36,269,026</b>
<b>Performance Measures</b>			
Profit on Cost%		10.59%	
Profit on GDV%		9.58%	
Profit on NDV%		9.58%	
Development Yield% (on Rent)		5.10%	
Equivalent Yield% (Nominal)		4.60%	
Equivalent Yield% (True)		4.74%	
IRR		14.51%	
Rent Cover		2 yrs 1 mth	
Profit Erosion (finance rate 6.000)		1 yr 8 mths	

(ii) Appraisal 2: Full Scheme Sub Policy Compliant Residual Land Value- Option 1**APPRAISAL SUMMARY****VALUATION OFFICE AGENCY****All Phases Sweet Street Policy Compliant  
3.5% Discount on Market Rents (44 Units) - Option 1**

## Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

## REVENUE

## Rental Area Summary

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
1B1P Type A *	28	13,552	23.00	11,132	236,889	311,696	236,889
1B1P Type E *	49	24,255	23.00	11,385	423,977	557,865	423,977
1B1P Types B,C,F,G,H,I,J *	82	41,492	23.00	11,638	725,280	954,316	725,280
1B1P Type H *	1	517	22.50	11,633	8,841	11,633	8,841
1B1P Type D *	6	3,294	22.00	12,078	55,076	72,468	55,076
1B2P Types H,D,G,E,D,D *	8	4,304	22.50	12,105	73,598	96,840	73,598
1B2P Types B,C *	7	4,067	22.00	12,782	68,000	89,474	68,000
1BST Type A *	13	5,460	24.00	10,080	99,590	131,040	99,590
1BST Type B *	9	5,328	20.00	11,840	80,986	106,560	80,986
1B2P Type F *	1	603	22.00	13,266	10,082	13,266	10,082
1B2P M4 *	9	5,715	22.00	13,970	95,555	125,730	95,555
1B2P M4 (3) *	1	700	20.00	14,000	10,640	14,000	10,640
2B3P Type B *	31	20,677	22.31	14,882	350,620	461,342	350,620
2B3P Type D *	1	689	21.60	14,882	11,311	14,882	11,311
2B3P Type A *	44	30,800	21.43	15,000	501,600	660,000	501,600
2B3P Types A,E *	8	5,680	21.27	15,100	91,808	120,800	91,808
2B3P Type A,E	4	2,884	21.08	15,200	46,208	60,800	46,208
2B4P Type A *	74	55,722	21.50	16,190	910,497	1,198,023	910,497
2B3P Type C *	13	9,932	21.00	16,044	158,515	208,572	158,515
2B3P Type A *	1	807	20.14	16,250	12,350	16,250	12,350
2B3P Type F *	1	861	19.16	16,500	12,540	16,500	12,540
3B4P Type A *	18	16,668	22.00	20,372	278,689	366,696	278,689
3B5P Type B *	2	2,130	22.00	23,430	35,614	46,860	35,614
3B5P Type A *	11	12,309	22.00	24,618	205,806	270,798	205,806
3B5P Type C *	3	3,036	22.00	22,264	50,762	66,792	50,762
3B4P Type E *	1	936	22.00	20,592	15,650	20,592	15,650
3B5P Type D *	6	5,748	22.00	21,076	96,107	126,456	96,107
3B5P Type E *	1	926	22.00	20,372	15,483	20,372	15,483
3B5P Type E *	2	1,872	22.00	20,592	31,300	41,184	31,300
Residential Car Parking	19	19	1,500.00	1,500	25,650	28,500	25,650
AFF 1BST Type A *	2	840	19.20	8,064	12,257	16,128	12,257
AFF 1B1P Type A *	8	3,872	18.40	8,906	54,146	71,245	54,146
AFF 1B2P Types H,D,G,E,D,D *	1	538	18.00	9,684	7,360	9,684	7,360
AFF 2B3P Type B *	2	1,334	17.85	11,906	18,097	23,812	18,097
AFF 2B4P Type A *	2	1,506	17.20	12,952	19,686	25,903	19,686
AFF 3B5P Type A *	1	1,119	17.60	19,694	14,968	19,694	14,968
Construction	1	387,276		0	0		
Outline MV	314	195,308	21.68	13,485	3,218,051	4,234,277	3,218,051
Outline Aff	12	7,464	17.34	10,785	98,364	129,426	98,364
Construction	1	263,033		0	0		
Outline MV Apts	474	300,516	22.40	14,202	5,115,984	6,731,558	5,115,984
Outline Aff Apartments	16	10,144	17.92	11,361	138,153	181,780	138,153
Parking	73	73	1,500.00	1,500	98,550	109,500	98,550
Construction Resi 4	1	128,438		0	0		
Construction Resi 3	1	279,867		0	0		
Office 2 Phase 4	1	44,896	28.00	1,257,088	1,257,088	1,257,088	1,257,088
Office Parking Phase 4	30	30	1,700.00	1,700	51,000	51,000	51,000
Public House	1	5,597	20.00	111,940	111,940	111,940	111,940
Pavillion Level 0	1	3,735	20.00	74,700	74,700	74,700	74,700
Convenience Store	1	3,000	20.00	60,000	60,000	60,000	60,000
Retail Units	1	4,324	19.00	82,156	82,156	82,156	82,156
Office block 1	1	88,598	28.00	2,480,744	2,480,744	2,480,744	2,480,744
Office Car Parking	82	82	1,700.00	1,700	139,400	139,400	139,400
Pavillion Level 2 Workspace	1	2,897	28.00	81,116	81,116	81,116	81,116
Construction Pavillion	1	15,296		0	0		
Pavillion Level 3	1	1,281	28.00	35,868	35,868	35,868	35,868
<b>Totals</b>	<b>1,484</b>	<b>2,032,047</b>			<b>17,908,652</b>	<b>22,157,327</b>	<b>17,908,652</b>

**All Phases Sweet Street Policy Compliant**

**3.5% Discount on Market Rents (44 Units) - Option 1**

Current Rent	725,280	YP @	4.2500%	23.5294	17,065,416
<b>1B1P Type H *</b>					
Current Rent	8,841	YP @	4.2500%	23.5294	208,016
<b>1B1P Type D *</b>					
Current Rent	55,076	YP @	4.2500%	23.5294	1,295,898
<b>1B2P Types H,D,G,E,D,D *</b>					
Current Rent	73,598	YP @	4.2500%	23.5294	1,731,727
<b>1B2P Types B,C *</b>					
Current Rent	68,000	YP @	4.2500%	23.5294	1,600,006
<b>1BST Type A *</b>					
Current Rent	99,590	YP @	4.2500%	23.5294	2,343,304
<b>1BST Type B *</b>					
Current Rent	80,986	YP @	4.2500%	23.5294	1,905,544
<b>1B2P Type F *</b>					
Current Rent	10,082	YP @	4.2500%	23.5294	237,227
<b>1B2P M4 *</b>					
Current Rent	95,555	YP @	4.2500%	23.5294	2,248,348
<b>1B2P M4 (3) *</b>					
Current Rent	10,640	YP @	4.2500%	23.5294	250,353
<b>2B3P Type B *</b>					
Current Rent	350,620	YP @	4.2500%	23.5294	8,249,880
<b>2B3P Type D *</b>					
Current Rent	11,311	YP @	4.2500%	23.5294	266,132
<b>2B3P Type A *</b>					
Current Rent	501,600	YP @	4.2500%	23.5294	11,802,353
<b>2B3P Types A,E *</b>					
Current Rent	91,808	YP @	4.2500%	23.5294	2,160,188
<b>2B3P Type A,E</b>					
Current Rent	46,208	YP @	4.2500%	23.5294	1,087,247
<b>2B4P Type A *</b>					
Current Rent	910,497	YP @	4.2500%	23.5294	21,423,470
<b>2B3P Type C *</b>					
Current Rent	158,515	YP @	4.2500%	23.5294	3,729,758
<b>2B3P Type A*</b>					
Current Rent	12,350	YP @	4.2500%	23.5294	290,588
<b>2B3P Type F *</b>					
Current Rent	12,540	YP @	4.2500%	23.5294	295,059
<b>3B4P Type A *</b>					
Current Rent	278,689	YP @	4.2500%	23.5294	6,557,387
<b>3B5P Type B *</b>					
Current Rent	35,614	YP @	4.2500%	23.5294	837,967
<b>3B5P Type A *</b>					
Current Rent	205,806	YP @	4.2500%	23.5294	4,842,505
<b>3B5P Type C *</b>					
Current Rent	50,762	YP @	4.2500%	23.5294	1,194,398
<b>3B4P Type E *</b>					
Current Rent	15,650	YP @	4.2500%	23.5294	368,233
<b>3B5P Type D *</b>					
Current Rent	96,107	YP @	4.2500%	23.5294	2,261,331
<b>3B5P Type E *</b>					
Current Rent	15,483	YP @	4.2500%	23.5294	364,299
<b>3B5P Type E*</b>					
Current Rent	31,300	YP @	4.2500%	23.5294	736,467
<b>Residential Car Parking</b>					
Current Rent	25,650	YP @	4.2500%	23.5294	603,529
<b>AFF 1BST Type A *</b>					
Current Rent	12,257	YP @	4.2500%	23.5294	288,407
<b>AFF 1B1P Type A *</b>					
Current Rent	54,146	YP @	4.2500%	23.5294	1,274,025
<b>AFF 1B2P Types H,D,G,E,D,D *</b>					
Current Rent	7,360	YP @	4.2500%	23.5294	173,173
<b>AFF 2B3P Type B *</b>					
Current Rent	18,097	YP @	4.2500%	23.5294	425,813
<b>AFF 2B4P Type A *</b>					
Current Rent	19,686	YP @	4.2500%	23.5294	463,210
<b>AFF 3B5P Type A *</b>					
Current Rent	14,968	YP @	4.2500%	23.5294	352,182
<b>Outline MV</b>					
Current Rent	3,218,051	YP @	4.2500%	23.5294	75,718,844
<b>Outline Aff</b>					
Current Rent	98,364	YP @	4.2500%	23.5294	2,314,437
<b>Outline MV Aprtments</b>					
Current Rent	5,115,984	YP @	4.2500%	23.5294	120,376,103

**All Phases Sweet Street Policy Compliant  
3.5% Discount on Market Rents (44 Units) - Option 1**

<b>Outline Aff Apartments</b>					
Current Rent	138,153	YP @	4.2500%	23.5294	3,250,663
<b>Parking</b>					
Current Rent	98,550	YP @	4.2500%	23.5294	2,318,824
<b>Office 2 Phase 4</b>					
Current Rent	1,257,088	YP @	6.0000%	16.6667	20,951,467
<b>Office Parking Phase 4</b>					
Current Rent	51,000	YP @	6.0000%	16.6667	850,000
<b>Public House</b>					
Market Rent	111,940	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	1,295,602
<b>Pavillion Level 0</b>					
Market Rent	74,700	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	800,540
<b>Convenience Store</b>					
Market Rent	60,000	YP @	6.0000%	16.6667	
(6mths Rent Free)		PV 6mths @	6.0000%	0.9713	971,286
<b>Retail Units</b>					
Market Rent	82,156	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	880,444
<b>Office block 1</b>					
Current Rent	2,480,744	YP @	6.0000%	16.6667	41,345,733
<b>Office Car Parking</b>					
Current Rent	139,400	YP @	6.0000%	16.6667	2,323,333
<b>Pavillion Level 2 Workspace</b>					
Market Rent	81,116	YP @	8.0000%	12.5000	
(6mths Rent Free)		PV 6mths @	8.0000%	0.9623	975,674
<b>Pavillion Level 3</b>					
Current Rent	35,868	YP @	8.0000%	12.5000	448,350
					<b>389,304,538</b>

**NET REALISATION 389,304,538**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		8,685,871		8,685,871
Stamp Duty		423,794		
Agent Fee	1.00%	86,859		
Legal Fee	0.50%	43,429		
				554,082

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
Construction	387,276	206.00	79,778,856	
Construction	263,033	212.00	55,762,996	
Construction Resi 4	128,438	223.00	28,641,674	
Construction Resi 3	279,867	232.00	64,929,144	
Office 2 Phase 4	59,409	251.00	14,911,659	
Public House	7,503	167.01	1,253,070	
Office block 1	117,612	287.00	33,754,644	
Construction Pavillion	<u>15,296</u>	148.15	<u>2,256,054</u>	
<b>Totals</b>	<b>2,077,399</b>		<b>281,298,097</b>	<b>281,298,097</b>

Contingency	1.00%	2,889,284	
Apportionment of Abnormal Costs		4,234,074	
Abnormal Costs		2,617,970	
Apportionment Abnormal Costs		2,925,956	
Apportionment of Externals		6,406,019	
Apportionment Externals		1,224,242	
CIL Resi Phase 1		231,159	
Apportionment of Bio Diversity Gain		600,500	
Residential Travel Plan Fund		345,518	
Greenspace		131,770	
Highways - City Centre		184,140	
Highways - Bath Road improvements		896,000	
Highways - Mineveh Road		70,000	
Highways - TRO		10,000	
Highways - Travel Plan Monitoring		9,793	
CIL Phase 2		160,320	
Green Space		131,770	
Travel Plan Monitoring		9,793	
Highways- City Centre		184,140	

**All Phases Sweet Street Policy Compliant**  
**3.5% Discount on Market Rents (44 Units) - Option 1**

CIL Block 3 Resi		176,306	
CIL Block 4 Resi		78,793	
CIL Office 2		272,023	
CIL Office Phase 1		629,954	
CIL Pavillion Phase1		9,123	
CIL Public House Phase1		1,765	
			24,430,412

**PROFESSIONAL FEES**

Professional Fees	7.00%	20,224,985	
			20,224,985

**MARKETING & LETTING**

Marketing		100,000	
Letting Agent Fee	10.00%	923,955	
Letting Legal Fee	1.50%	138,593	
			1,162,548

**DISPOSAL FEES**

Purchasers Legal Fees	0.10%	114,483	
			114,483

**FINANCE**

Debit Rate 6.000%, Credit Rate 1.000% (Nominal)			
Total Finance Cost			15,554,603

**TOTAL COSTS**

**352,025,081**

**PROFIT**

**37,279,456**

**Performance Measures**

Profit on Cost%	10.59%
Profit on GDV%	9.58%
Profit on NDV%	9.58%
Development Yield% (on Rent)	5.09%
Equivalent Yield% (Nominal)	4.59%
Equivalent Yield% (True)	4.73%
IRR	13.58%
Rent Cover	2 yrs 1 mth
Profit Erosion (finance rate 6.000)	1 yr 8 mths

(iii) Appraisal 3: Full Scheme Sub Policy Compliant Residual Land Value- Option

2

Rental Area Summary	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
1B1P Type A *	24	11,616	23.00	11,132	203,048	267,168	203,048
1B1P Type E *	49	24,255	23.00	11,385	423,977	557,865	423,977
1B1P Types B,C,F,G,H,I,J *	82	41,492	23.00	11,638	725,280	954,316	725,280
1B1P Type H *	1	517	22.50	11,633	8,841	11,633	8,841
1B1P Type D *	6	3,294	22.00	12,078	55,076	72,468	55,076
1B2P Types H,D,G,E,D,D *	7	3,766	22.50	12,105	64,399	84,735	64,399
1B2P Types B,C *	7	4,067	22.00	12,782	68,000	89,474	68,000
1BST Type A *	12	5,040	24.00	10,080	91,930	120,960	91,930
1BST Type B *	9	5,328	20.00	11,840	80,986	106,560	80,986
1B2P Type F *	1	603	22.00	13,266	10,082	13,266	10,082
1B2P M4 *	9	5,715	22.00	13,970	95,555	125,730	95,555
1B2P M4 (3) *	1	700	20.00	14,000	10,640	14,000	10,640
2B3P Type B *	29	19,343	22.31	14,882	327,999	431,578	327,999
2B3P Type D *	1	689	21.60	14,882	11,311	14,882	11,311
2B3P Type A *	44	30,800	21.43	15,000	501,600	660,000	501,600
2B3P Types A,E *	8	5,680	21.27	15,100	91,808	120,800	91,808
2B3P Type A,E	4	2,884	21.08	15,200	46,208	60,800	46,208
2B4P Type A *	74	55,722	21.50	16,190	910,497	1,198,023	910,497
2B3P Type C *	13	9,932	21.00	16,044	158,515	208,572	158,515
2B3P Type A *	1	807	20.14	16,250	12,350	16,250	12,350
2B3P Type F *	1	861	19.16	16,500	12,540	16,500	12,540
3B4P Type A *	18	16,668	22.00	20,372	278,689	366,696	278,689
3B5P Type B *	2	2,130	22.00	23,430	35,614	46,860	35,614
3B5P Type A *	10	11,190	22.00	24,618	187,097	246,180	187,097
3B5P Type C *	3	3,036	22.00	22,264	50,762	66,792	50,762
3B4P Type E *	1	936	22.00	20,592	15,650	20,592	15,650
3B5P Type D *	6	5,748	22.00	21,076	96,107	126,456	96,107
3B5P Type E *	1	926	22.00	20,372	15,483	20,372	15,483
3B5P Type E *	2	1,872	22.00	20,592	31,300	41,184	31,300
Residential Car Parking	19	19	1,500.00	1,500	25,650	28,500	25,650
AFF 1BST Type A *	3	1,260	19.20	8,064	18,386	24,192	18,386
AFF 1B1P Type A *	12	5,808	18.40	8,906	81,219	106,867	81,219
AFF 1B2P Types H,D,G,E,D,D *	2	1,076	18.00	9,684	14,720	19,368	14,720
AFF 2B3P Type B *	4	2,668	17.85	11,906	36,194	47,624	36,194
AFF 2B4P Type A *	2	1,506	17.20	12,952	19,686	25,903	19,686
AFF 3B5P Type A *	2	2,238	17.60	19,694	29,935	39,389	29,935
Construction	1	387,276		0	0		
Outline MV	308	191,576	21.68	13,485	3,156,559	4,153,368	3,156,559
Outline Aff	18	11,196	17.34	10,785	147,545	194,139	147,545
Construction	1	263,033		0	0		
Outline MV Apartments	463	293,542	22.40	14,202	4,997,259	6,575,341	4,997,259
Outline Aff Apartments	27	17,118	17.92	11,361	233,133	306,755	233,133
Parking	73	73	1,500.00	1,500	98,550	109,500	98,550
Construction Resi 4	1	128,438		0	0		
Construction Resi 3	1	279,867		0	0		
Office 2 Phase 4	1	44,896	28.00	1,257,088	1,257,088	1,257,088	1,257,088
Office Parking Phase 4	30	30	1,700.00	1,700	51,000	51,000	51,000
Public House	1	5,597	20.00	111,940	111,940	111,940	111,940
Pavillion Level 0	1	3,735	20.00	74,700	74,700	74,700	74,700
Convenience Store	1	3,000	20.00	60,000	60,000	60,000	60,000
Retail Units	1	4,324	19.00	82,156	82,156	82,156	82,156
Office block 1	1	88,598	28.00	2,480,744	2,480,744	2,480,744	2,480,744
Office Car Parking	82	82	1,700.00	1,700	139,400	139,400	139,400
Pavillion Level 2 Workspace	1	2,897	28.00	81,116	81,116	81,116	81,116
Construction Pavillion	1	15,296		0	0		
Pavillion Level 3	1	1,281	28.00	35,868	35,868	35,868	35,868
<b>Totals</b>	<b>1,484</b>	<b>2,032,047</b>			<b>17,854,191</b>	<b>22,085,669</b>	<b>17,854,191</b>
<b>Investment Valuation</b>							
<b>1B1P Type A *</b>							
Current Rent	203,048	YP @	4.2500%	23.5294	4,777,592		
<b>1B1P Type E *</b>							
Current Rent	423,977	YP @	4.2500%	23.5294	9,975,939		
<b>1B1P Types B,C,F,G,H,I,J *</b>							

**All Phases Sweet Street Policy Compliant- option 2  
5.5% Discount on Market Rents (70 Units)**

Current Rent	725,280	YP @	4.2500%	23.5294	17,065,416
<b>1B1P Type H *</b>					
Current Rent	8,841	YP @	4.2500%	23.5294	208,016
<b>1B1P Type D *</b>					
Current Rent	55,076	YP @	4.2500%	23.5294	1,295,898
<b>1B2P Types H,D,G,E,D,D *</b>					
Current Rent	64,399	YP @	4.2500%	23.5294	1,515,261
<b>1B2P Types B,C *</b>					
Current Rent	68,000	YP @	4.2500%	23.5294	1,600,006
<b>1BST Type A *</b>					
Current Rent	91,930	YP @	4.2500%	23.5294	2,163,049
<b>1BST Type B *</b>					
Current Rent	80,986	YP @	4.2500%	23.5294	1,905,544
<b>1B2P Type F *</b>					
Current Rent	10,082	YP @	4.2500%	23.5294	237,227
<b>1B2P M4 *</b>					
Current Rent	95,555	YP @	4.2500%	23.5294	2,248,348
<b>1B2P M4 (3) *</b>					
Current Rent	10,640	YP @	4.2500%	23.5294	250,353
<b>2B3P Type B *</b>					
Current Rent	327,999	YP @	4.2500%	23.5294	7,717,630
<b>2B3P Type D *</b>					
Current Rent	11,311	YP @	4.2500%	23.5294	266,132
<b>2B3P Type A *</b>					
Current Rent	501,600	YP @	4.2500%	23.5294	11,802,353
<b>2B3P Types A,E *</b>					
Current Rent	91,808	YP @	4.2500%	23.5294	2,160,188
<b>2B3P Type A,E</b>					
Current Rent	46,208	YP @	4.2500%	23.5294	1,087,247
<b>2B4P Type A *</b>					
Current Rent	910,497	YP @	4.2500%	23.5294	21,423,470
<b>2B3P Type C *</b>					
Current Rent	158,515	YP @	4.2500%	23.5294	3,729,758
<b>2B3P Type A *</b>					
Current Rent	12,350	YP @	4.2500%	23.5294	290,588
<b>2B3P Type F *</b>					
Current Rent	12,540	YP @	4.2500%	23.5294	295,059
<b>3B4P Type A *</b>					
Current Rent	278,689	YP @	4.2500%	23.5294	6,557,387
<b>3B5P Type B *</b>					
Current Rent	35,614	YP @	4.2500%	23.5294	837,967
<b>3B5P Type A *</b>					
Current Rent	187,097	YP @	4.2500%	23.5294	4,402,278
<b>3B5P Type C *</b>					
Current Rent	50,762	YP @	4.2500%	23.5294	1,194,398
<b>3B4P Type E *</b>					
Current Rent	15,650	YP @	4.2500%	23.5294	368,233
<b>3B5P Type D *</b>					
Current Rent	96,107	YP @	4.2500%	23.5294	2,261,331
<b>3B5P Type E *</b>					
Current Rent	15,483	YP @	4.2500%	23.5294	364,299
<b>3B5P Type E*</b>					
Current Rent	31,300	YP @	4.2500%	23.5294	736,467
<b>Residential Car Parking</b>					
Current Rent	25,650	YP @	4.2500%	23.5294	603,529
<b>AFF 1BST Type A *</b>					
Current Rent	18,386	YP @	4.2500%	23.5294	432,610
<b>AFF 1B1P Type A *</b>					
Current Rent	81,219	YP @	4.2500%	23.5294	1,911,037
<b>AFF 1B2P Types H,D,G,E,D,D *</b>					
Current Rent	14,720	YP @	4.2500%	23.5294	346,345
<b>AFF 2B3P Type B *</b>					
Current Rent	36,194	YP @	4.2500%	23.5294	851,626
<b>AFF 2B4P Type A *</b>					
Current Rent	19,686	YP @	4.2500%	23.5294	463,210
<b>AFF 3B5P Type A *</b>					
Current Rent	29,935	YP @	4.2500%	23.5294	704,364
<b>Outline MV</b>					
Current Rent	3,156,559	YP @	4.2500%	23.5294	74,271,987
<b>Outline Aff</b>					
Current Rent	147,545	YP @	4.2500%	23.5294	3,471,656
<b>Outline MV Aprtments</b>					
Current Rent	4,997,259	YP @	4.2500%	23.5294	117,582,565

**All Phases Sweet Street Policy Compliant- option 2  
5.5% Discount on Market Rents (70 Units)**

<b>Outline Aff Apartments</b>					
Current Rent	233,133	YP @	4.2500%	23.5294	5,485,493
<b>Parking</b>					
Current Rent	98,550	YP @	4.2500%	23.5294	2,318,824
<b>Office 2 Phase 4</b>					
Current Rent	1,257,088	YP @	6.0000%	16.6667	20,951,467
<b>Office Parking Phase 4</b>					
Current Rent	51,000	YP @	6.0000%	16.6667	850,000
<b>Public House</b>					
Market Rent	111,940	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	1,295,602
<b>Pavillion Level 0</b>					
Market Rent	74,700	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	800,540
<b>Convenience Store</b>					
Market Rent	60,000	YP @	6.0000%	16.6667	
(6mths Rent Free)		PV 6mths @	6.0000%	0.9713	971,286
<b>Retail Units</b>					
Market Rent	82,156	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	880,444
<b>Office block 1</b>					
Current Rent	2,480,744	YP @	6.0000%	16.6667	41,345,733
<b>Office Car Parking</b>					
Current Rent	139,400	YP @	6.0000%	16.6667	2,323,333
<b>Pavillion Level 2 Workspace</b>					
Market Rent	81,116	YP @	8.0000%	12.5000	
(6mths Rent Free)		PV 6mths @	8.0000%	0.9623	975,674
<b>Pavillion Level 3</b>					
Current Rent	35,868	YP @	8.0000%	12.5000	448,350
					<b>388,023,111</b>

**NET REALISATION 388,023,111**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		8,688,503		8,688,503
Stamp Duty		423,925		
Agent Fee	1.00%	86,885		
Legal Fee	0.50%	43,443		
				554,253

**CONSTRUCTION COSTS**

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
<b>Construction</b>				
Construction	387,276	206.00	79,778,856	
Construction	263,033	212.00	55,762,996	
Construction Resi 4	128,438	223.00	28,641,674	
Construction Resi 3	279,867	232.00	64,929,144	
Office 2 Phase 4	59,409	251.00	14,911,659	
Public House	7,503	167.01	1,253,070	
Office block 1	117,612	287.00	33,754,644	
Construction Pavillion	15,296	148.15	2,266,054	
<b>Totals</b>	<b>2,077,399</b>		<b>281,298,097</b>	<b>281,298,097</b>

Contingency	1.00%	2,889,284	
Apportionment of Abnormal Costs		4,234,074	
Abnormal Costs		2,617,970	
Apportionment Abnormal Costs		2,925,956	
Apportionment of Externals		6,406,019	
Aportionment Externals		1,224,242	
CIL Resi Phase1		231,159	
Residential Travel Plan Fund		100,000	
Highways - City Centre		184,140	
Highways - Bath Road improvements		896,000	
Highways - Mineveh Road		70,000	
Highways - TR0		10,000	
Highways - Travel Plan Monitoring		9,793	
CIL Phase 2		160,320	
Travel Plan Monitoring		9,793	
Highways- City Centre		184,140	
CIL Block 3 Resi		176,306	
CIL Block 4 Resi		78,793	
CIL Office 2		272,023	

**All Phases Sweet Street Policy Compliant- option 2**  
**5.5% Discount on Market Rents (70 Units)**

CIL Office Phase 1		629,954	
CIL Pavillion Phase1		9,123	
CIL Public House Phase1		1,765	
			23,320,854
<b>PROFESSIONAL FEES</b>			
Professional Fees	7.00%	20,224,985	
			20,224,985
<b>MARKETING &amp; LETTING</b>			
Marketing		100,000	
Letting Agent Fee	10.00%	922,114	
Letting Legal Fee	1.50%	138,317	
			1,160,432
<b>DISPOSAL FEES</b>			
Purchasers Legal Fees	0.10%	114,050	
			114,050
<b>FINANCE</b>			
Debit Rate 6.000%, Credit Rate 1.000% (Nominal)			
Total Finance Cost			15,505,191
<b>TOTAL COSTS</b>			<b>350,866,365</b>
<b>PROFIT</b>			<b>37,156,747</b>
<b>Performance Measures</b>			
Profit on Cost%		10.59%	
Profit on GDV%		9.58%	
Profit on NDV%		9.58%	
Development Yield% (on Rent)		5.09%	
Equivalent Yield% (Nominal)		4.60%	
Equivalent Yield% (True)		4.73%	
IRR		13.58%	
Rent Cover		2 yrs 1 mth	
Profit Erosion (finance rate 6.000)		1 yr 8 mths	

(iv) Information to support inputs – Rents, BMLV, Yields & Professional Fees

REDACTED PRS SCHEMES AGREED INPUTS LEEDS 2019-22

PRS Schemes	Gross to Net Leakage (%)	Revenue Per Parking Space	Furniture Allowance	Capitalisation Yield	Professional Fees Construction	Benchmark Land Value/acre	Finance	Advisors Fees	Purchasers Costs	Build Cost Contingency	Agreed Profit on Cost (%)	Notes
17-20 storeys comprising 463 residential units 102 parking spaces	23.78%	£1,800	£1,700	4.80%	7%	£1.328m	6%	0.55% Funding £255,000 Freehold Monitoring	0.50%	3%	8.04%	Previous consent for Office Development
349 Apartments, 53 car parking spaces	23%	£1,500	NIL	4.50%	6.2%	£1.011m	5%	2%	1.72%	3% £1740.09	8.0%	Site current occupied by modern industrial buildings on
322 Apartments across 3 blocks on two sites intersected by the public highway	25%	1500	£2000	4.65%	6.4%	£375,000	5%	0.75% Agent 0.25% Legal	1.75%	3%	8.08	3 Blocks on two separate sites
783 Units across 8 blocks of apartments with in excess of 30,000 sq.ft of commercial space	25%	£1,800	£2,000	4.5%	8%	£581,000	5%	0.25 Agent 0.1 Legal	0.25% Agent 0.15% Legal	3%	8.055	8 blocks apt blocks and large area of public realm
SOYO B	23.5%	£1,500	£2,000	4.5%	inc	£812,000	4.5%	0.5% + 0.25%	0.5 Agent 0.25 Legal	3%	8% on cost	Extant consent for Offices
410 units BTR York	23.5%	n/a	Reflected in build	4.5%	7%	£140,000 gross	5.5% debit / 0.5% credit	1% Agent 0.5% Legal	1.8%	5%	8% on GDV	Former gas works high abnormals.
375 Apartments & 55 Parking Spaces	23.5%	£1,700	Reflected in build	4.45%	8%	£720,000	5%	0.5% Agent 0.25% Legal	0.5%	2.5%	8% on cost	Blank
500 Apartments 60 Parking spaces 3 x Retail	23.5%	£1,700	£2,000	4.35%	7%	£750,000	5%	0.25 Agent 0.10 Legals	Nil	2.8%	8% on GDV	

Agreed PRS Apartment Rents 2019-2022

Location	Studio (sqm & £/sqm)	1-bed (sqm & £/sqm)	2-bed (sqm & £/sqm)	3-bed (sqm & £/sqm)
Leeds City Centre Scheme A	31.5 / £264.37	47.5 / £201.72	62.5 / £193.75	76.00 / £203.45
Leeds City Centre Scheme B	Blank	49.0 / £201.93	70.0 / £175.56	85.83 / 195.69
Leeds City Centre Scheme C	Blank	45.6 / £249.73	67.8 / £224.75	92.10 / £210.97
Leeds City Centre Scheme D	Blank	42.7 / £201.82	63.45 / £175.45	85.00 / £195.69
Leeds City Centre Scheme E	37.43 / £228.41	45.6 / £249.73	67.81 / £224.75	92.15 / £210.97
Leeds City Centre Scheme F	Blank	45.7 / £236.38 46.91 / £232.28	69.02 / £224.86 69.21 / £224.43	89.55 / 226.04 96.98 / £219.59
Leeds City Centre Scheme G	40.78 / £220.77	45.06 / £226.36 50.17 / £215.06	63.73 / £231.42 71.26 / £228.09	86.12 / £232.18
Leeds City Centre Scheme H	Blank	40.96 / £258.23 45.98 / £246	60 / £256.51 71.99 / £251.66	86 / £255 90 / £252.42
Leeds City Centre Scheme I	Blank	48 / £237.89 61 / £211.73	61 / £255.86 69.11 / £251.88	72.92 / £265.55 98 / £245.31

(v) Redacted TOE



Valuation Office  
Agency

██████████  
Principal Planner  
Central Team  
Planning Services,  
City Development  
Leeds City Council

**DVS** Property Specialists  
for the Public Sector

Valuation Office Agency  
7 Wellington Place  
Leeds  
LS1 4AJ

Our Reference : TBC  
Your Reference :  
EX000000/22/04400/FU

Please ask for : ██████████  
Tel : ██████████

E Mail : brian.maguire@voa.gov.uk

Date : ██████████

Dear ██████████

**Hybrid Planning Application for Full planning permission for construction of 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d), partial demolition and extension to existing public house, landscaping, access road and other associated works; Outline application for mixed use development comprising a maximum of 900 dwellings (Use Class C3), a maximum of 7,000sqm of office space (Use Class E (g) and a maximum of 200sqm of commercial floorspace (Use Classes E (a, b, d, e and f) and Sui Generis (drinking establishment))**

**Address: Land South Of Sweet Street West Leeds, LS11 9TE**

I refer to your instructions dated 27 September 2022 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**

Land South Of Sweet Street West Leeds, LS11 9TE

Hybrid Planning Application for Full planning permission for construction of 15 storey residential building providing 451 dwellings (Use Class C3) and ground floor commercial space (Use Classes E (a, b, c, d, e and f) and Sui Generis (drinking establishment)), 8 storey office building (Use Class E(g), pavilion building (Use Class E (b, c and d), partial demolition and extension to existing public house, landscaping, access road and other associated works; Outline application for mixed use development comprising a maximum of 900 dwellings (Use Class C3), a maximum of 7,000sqm of office space (Use Class E (g) and a maximum of 200sqm of commercial floorspace (Use Classes E (a, b, d, e and f) and Sui Generis (drinking establishment))

## **3. Purpose and Scope**

To complete this assessment DVS will:

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

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

3.2 **However**, if having completed my assessment I conclude that the planning applicant / developer may be able to provide more affordable housing and s106 payments than have been proposed, I understand that my findings report may only constitute stage 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 1<sup>st</sup> December 2022

#### **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 1<sup>st</sup> September 2019).

Regard will be made to the RICS Guidance Note "Financial viability in planning" 1<sup>st</sup> 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**' (2<sup>nd</sup> Edition) and, where relevant, the **RICS Code of Measuring Practice** (6<sup>th</sup> 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 (2<sup>nd</sup> Edition)'.

I understand that you requested this variation because this measurement standard is how the applicant has presented their data, is common and accepted practice in the construction/ 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.
- The Council has requested DVS undertake a number of scenario tests to inform their decision making an assess viability on the following basis:
  - a) Viability of entire scheme and all phases as submitted by the applicant
  - b) Phase 1 only including PRS, office building, Pavillion building and public house
  - c) PRS buildings only excluding office building, Pavillion building and public house

## **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 Savills dated May 2021.

### **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 Brian Maguire 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 15<sup>th</sup> December 2022

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 1<sup>st</sup> October 2022.

### **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:

<b>Personnel:</b>	<b>Role</b>	<b>Task</b>
[REDACTED]	Development Consultant Residential and commercial Valuer	Report and Viability Residential and commercial research and Valuation

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

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

<b>Role</b>	<b>Task</b>	<b>Hourly Fee + VAT</b>
RICS Lead Development Consultant	Report and viability discussions	[REDACTED]
RICS Residential and commercial Valuers	Residential and commercial research and Valuation	[REDACTED]

18.3 If there is a subsequent need following the delivery of my report to discuss issues with the planning applicant / developer or you, including the consideration of potential revised proposals, or to attend meetings, this will constitute a second stage requiring a

Stage 2 report and we would need to charge on a time spent basis as an additional cost at hourly rates as shown in the table above for this Stage 2 work. I am able to reduce the amount of time I need to spend upon your work by delegating some functions to colleagues who have a lower cost and this will be reflected in the invoice for this work.

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

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

Please note that that my minimum fee is £200 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](http://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 sincerley

[REDACTED]

[REDACTED]

Principal Surveyor  
RICS Registered Valuer  
DVS