

## SDNPA Planning Delegated Items – 14 May 2020

### Update Sheet for SDNP/19/04720/FUL - Workshop and land rear of 34 Lavant Street

Report Reference: PC19/20-54



Agenda Item	Page No	Para	Update	Source/Reason
N/A		N/A	<p><u>Additional information and comments received from the Applicant</u></p> <p><b>This information requires further scrutiny and Members will be updated.</b></p> <p>The Applicant has sought to further justify the loss of the employment site/allocation in relation to further information relating to viability and marketing considerations. These are summarised below.</p> <p><u>Covid – 19:</u></p> <p>Negative impact on the commercial property sector, in particular will lead to reduced demand for leasing/purchasing different types of premises and a reduction in new build. A factor within a reduced demand will be changes in future working practices, i.e more home working. This consequently will allow existing supply of premises to satisfy the need during the Local Plan period.</p> <p>Financial assumptions previously used in the appraisals to assess the commercial viability of re-developing the site cannot be relied upon and are an overly optimistic view of the market. The figures adopted for rents/yields, void periods for when premises are vacant for example will have worsened, which supports the view that a commercial scheme is unviable.</p> <p><u>Additional viability appraisal information and Applicant’s supporting commentary:</u></p> <p>Based on the above and recent published national RICS guidance on Covid-19, comparable data (eg. transactions within the market, rents/yields achieved) previously used to inform appraisals cannot be relied upon.</p> <p>Notwithstanding, the submitted historic comparable data pre Covid-19 to support the appraisals reflects the assumptions used in the other viability appraisals undertaken for affordable housing, which Bruton Knowles adopted in their own assessment in determining the value of the mixed use scheme.</p> <p>Further viability appraisals have modelled different development scenarios for the level of development on site for new office and industrial space. This includes different amounts of development and their value (eg. including more floorspace and less parking) and which</p>	Update

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			<p>include/discount taking into consideration site constraints (eg. easements). All of which all show significant financial loss and a negative land value.</p> <p>The appraisals use the same figures to those in the SDNPA's own evidence base for the Local Plan and CIL. Not adopting values used in the evidence base is contrary to NPPF and national planning guidance. The submitted appraisals also adopt the same figures and methodology agreed on other sites within the National Park and by Bruton Knowles.</p> <p>The modelled development scenarios have undergone sensitivity testing in regard to the assumptions used in the viability appraisals (i.e inputting different values to assess the results, eg. rental values) and this analysis further demonstrates a commercial re-development scheme of office or industrial use are unviable. This includes using optimistic figures which reflect optimistic commercial market conditions and higher. SDNPA's evidence base for CIL shows commercial schemes are unviable even on greenfield sites.</p> <p>The poor location of the site and its access and other constraints make it unsuitable for new industrial development in particular.</p> <p>A higher number of jobs would be created by the proposals compared with the existing site.</p> <p><u>Additional comments from Applicant in relation to marketing evidence:</u></p> <ul style="list-style-type: none"> <li>• The site has been marketed on a total of 12 industry websites since 2014, with 2 adverts being removed in 2016 and 2017 and one added to a further website in 2018.</li> <li>• Online adverts have been viewed 666 times.</li> <li>• 'Mailshots' have been sent to 500 contacts from their database periodically since 2014, including September 2019 and January 2020 more recently.</li> <li>• A further range of 13 enquiries recorded between October 2019- April 2020 and no offers made.</li> <li>• Due to Covid-19, there has been a notable reduction in enquiries for office space and likely to see reduced rents and no growth in 2020.</li> <li>• Former marketing campaign by previous Applicant not relevant.</li> <li>• The 2017 marketing material provided by EHDC (see paragraph 8.28 of the report) was not part of the marketing campaign presented to the SDNPA. The relevant period of marketing to comply with policy is from April 2018 onwards, as outlined in the committee report. Therefore the 2017 marketing material is not relevant to the consideration of the application.</li> <li>• The marketing process involving the current applicant improved upon the previous marketing campaign.</li> </ul>	

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	4	4.2	Updated consultation response received, as follows: <b>Arboriculture:</b> No objection ( <del>no conditions recommended</del> ), <b>subject to conditions</b>	Update
	5	4.7	Clarification on 13 <sup>th</sup> bullet point (as below) in the summary of the Economic Development (EHDC) comments: <ul style="list-style-type: none"> <li>In the absence of a structural survey, insufficient justification to demonstrate the buildings are not suitable for use.</li> </ul> <u>Officer comment</u> – a structural survey of the industrial building was subsequently provided by the Applicant however no further response was received from EHDC due to resources being focussed on administering grants/business support regarding Covid-19.	Clarification
	6	5.1	<u>One additional third party objection received which raises the following:</u> <ul style="list-style-type: none"> <li>Height of buildings would exceed the height of the current buildings.</li> <li>Height, orientation of the roofs and proximity of new building to rear garden boundary of Charles Street property would be overbearing and impact upon amenity including loss of sunlight within garden.</li> <li>Access between rear of new buildings and Charles Street gardens would create a thoroughfare and cause safety and security risks to existing property.</li> <li>Existing parking pressures on Charles Street could be exacerbated by the development.</li> <li>New office space could increase congestion from commuters who may drive to the site.</li> <li>Introducing a rear access for Charles Street properties would allow new off street private car parking areas (and provide potential for electric vehicle charging) and help to alleviate concern about the scale and proximity of the development to neighbouring property.</li> <li>Elevations do not ‘fit’ with the character of Petersfield.</li> </ul>	Update
	12	8.24	Amend the officer comment in the 3 <sup>rd</sup> row in the table as follows:  Letter of instruction provided, which dates from 2014, <del>but</del> <b>and</b> property particulars appended to CVR are <del>undated</del> <b>dated 5<sup>th</sup> July 2018.</b>	Correction