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Haringey Planning Policy  
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Dear Sirs

**LOCAL PLAN CONSULTATION  
RESPONSE ON BEHALF OF ARCHWAY APARTMENTS LTD**

We write on behalf of our client, Archway Apartments Ltd.

Our client's interest is focused on 191-201 Archway Road, which is located on the western side of the A1 Archway Road, at the junction with Causton Road. They are the new owner of the site.

The site and interior of all buildings is in a very poor state of repair and had been under the ownership of the same family for a number of years prior to its recent sale. Archway Apartments Ltd are in the initial stages of developing draft development proposals for this important site.

We comment in the context of these emerging development proposals and provide representations in response to the following draft documents:

- *Proposed Alterations to Haringey's Adopted Strategic Policies; and*
- *The Development Management Development Plan Document.*

As a general comment, we note that the National Planning Policy Framework (NPPF) requires all Local Plans to be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally.

The NPPF states that local planning authorities should positively seek opportunities to meet the development needs of their area and Local Plans should meet objectively assessed needs with sufficient flexibility to adapt to rapid change. They should be consistent with the principles and policies of the NPPF and should be aspirational but realistic.

Paragraph 158 of the NPPF requires the use of a proportionate evidence base which provides adequate, up-to-date and relevant evidence about the economic, social, and environmental characteristics and prospects of the area. Paragraph 173 requires careful consideration of viability and costs. Plans should be deliverable and the scale of development identified in the plan should not be subject to such obligations and policy burdens that their ability to be developed viably is threatened.

The following representations have been prepared with regard to the guidance set out within the NPPF.

**Proposed Alterations to Haringey's Adopted Strategic Policies**

We note that revised Policy SP1 proposes an increase to LBH's strategic housing requirement to 19,802 net additional homes over the plan period from 2011 to 2026 and we are supportive of this principle, which accords

with the national requirement set out at paragraph 47 of the NPPF which seeks *“to boost significantly the supply of housing.”*

Revised Policy SP2 seeks to achieve 40% affordable housing provision on a habitable room basis, which is a reduction from the currently adopted target of 50%. The policy also proposes a revised tenure split of 60% affordable rent and 40% intermediate housing. We welcome this reduced target and amended mix, however, we would note that the provision of affordable housing and the proposed tenure split should remain subject to site specific considerations and the overall viability of development proposals.

## **Development Management Development Plan Document**

### *Affordable Housing*

Emerging Policy DM19 relates to affordable housing. Part D of the policy states that *“in negotiating the level of affordable housing provision, viability assessments must be based on a standard residual valuation approach with the benchmark land value taken as the existing/ alternative use value.”*

We welcome the recognition that the provision of affordable housing within developments should be subject to viability. However, we note that LBH’s approach to viability assessment methodology is not in accordance with the NPPF, or current RICS guidance, *Financial Viability in Planning* (2012).

Firstly, the RICS guidance recognises that there are two appropriate approaches to the residual valuation model, which uses various inputs to establish a Gross Development Value (GDV) from which the Gross Development Cost (GDC) is deducted. Paragraph 3.2.1 confirms that *“GDC can include a Site Value as a fixed figure resulting in the developer’s residual profit (return) becoming the output, which is then considered against a benchmark to assess viability.”* This is known as the developer’s return approach. As this approach is recognised as a valid method of assessing viability, we see no reason why this should be excluded from emerging Policy DM19.

We would also note that paragraph 2.2.3 of the RICS guidance states that *“while the majority of financial viability assessments use the residual approach, there may be other appraisal methodologies which are appropriate and should be used by the practitioner.”*

Secondly, we would note that the adoption of existing use as a benchmark land value (BLV) is not in accordance with NPPF paragraph 173, which requires site value to be at a level which would make a landowner willing to sell their land. NPPF paragraph 173 states that development should *“provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”* Clearly, the adoption of existing use value as the BLV would not deliver a competitive return to the landowner and this approach is therefore not in accordance with the provisions of the NPPF. In order to provide a competitive return to the landowner, the existing use value should also include a premium or margin when adopted as the BLV.

This approach is also recognised by current GLA guidance, *Viability Toolkit Guidance Notes* (January 2014). However, as recognised by the RICS guidance, this approach does not necessarily reflect the workings of the market as land is not released to the market at existing use value plus a margin. The adopted margin may also be arbitrary and can be applied inconsistently.

Identifying an appropriate BLV requires judgement and, in accordance with RICS guidance, a range of options should be considered when arriving at a suitable BLV. These include existing use value plus margin, alternative use value, purchase price, and market value. Paragraph 2.3.1 of the RICS guidance supports the adoption of market value as the BLV, as follows:

*“Site value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.”*

The provisions of emerging Policy DM19 regarding the methodology adopted within viability assessments are severely limited. They do not meet the requirements of the NPPF and are not in accordance with current RICS guidance. We therefore consider that this policy should be amended to allow for a greater range of approaches to

establishing BLV, and to allow greater flexibility within the adopted methodology for undertaking viability assessments.

#### *Houses in Multiple Occupation*

Emerging Policy DM23 relates to Houses in Multiple Occupation (HMOs). It states that *'a change of use from an HMO to self contained accommodation will only be considered in the following circumstances:*

- a. Where the property does not meet the appropriate standards and has no realistic prospects of meeting the standards; or*
- b. Where the property is in a Growth Area or Area of Change and is not registered.*

We support the principle of this policy. However, we consider that the policy should also consider site specific constraints. It should allow for greater consideration of the benefits of regeneration and should balance the benefits of the provision of high quality residential or mixed use redevelopment against the loss of poor quality HMOs.

In its present wording, the policy is considered to be unduly restrictive and does not allow for the proper consideration of regeneration benefits within the wider borough that may be brought about through the redevelopment of poor quality HMOs. We therefore consider that the policy should be reworded to acknowledge the benefits that redevelopment of these sites could bring, including the delivery of high quality market and affordable housing.

#### *Employment*

Emerging Policy DM48 seeks to safeguard employment land. Outside designated employment areas, it states that *"the Council will seek to retain in employment use any non-designated employment floorspace and sites."*

Emerging Policy DM49 seeks to maximise the use of employment land and sites where employment uses are proposed. Development proposals for the renewal, modernisation, and intensification of existing employment land will be supported where they meet the following criteria:

- a. "Are consistent with the range of acceptable uses set out in other Local Plan policies;*
- b. Optimise the use of land and space, enabling the maximum amount of business floorspace and employment densities reasonably possible on site;*
- c. Are designed to allow for flexibility, including subdivision and/or amalgamation to provide for a range of business types and sizes;*
- d. Ensure an adequate separation of uses, particularly where new residential floorspace is introduced as part of a mixed use scheme;*
- e. Make adequate and appropriate provision of space for on-site servicing and waiting goods vehicles;*
- f. Improve and enhance the quality of the environment of the business area, to facilitate industrial estate renewal and area regeneration; and*
- g. Are compatible with the character of the site surroundings, including by scale, bulk and appearance."*

Emerging Policy DM52 will only permit the loss of employment floorspace where it can be demonstrated that:

- a. "The site is no longer suitable or viable for its existing or an alternative business or industrial use; and*
- b. An open and recent marketing campaign, covering of a minimum continuous period of 3 years, has been undertaken without success; or*
- c. A change of use is required to enable site redevelopment as part of a strategically coordinated regeneration scheme or programme, with demonstrable wider community benefits that outweigh those of retaining the land exclusively for industrial and business use.*
- d. Where the Council is satisfied that the loss of industrial or business floorspace is acceptable, it will require that new development proposals:*
- e. Fully investigate the potential for incorporating strategic community infrastructure and other community facilities within the scheme, where appropriate; and*
- a. f. Make a financial contribution towards employment regeneration projects, training schemes, job brokerage services or business support initiatives, in line with Local Plan Policy SP9."*

We are generally supportive of the above policies which encourage employment opportunities within the borough. However, we would note that these policies should ensure consistency with paragraph 22 of the NPPF, which seeks to avoid the long term protection of sites for employment use where there is no reasonable prospect of a site being used for that purpose.

Similarly, paragraph 5.1.4 of the LBH Local Plan states that the Council will take a more flexible approach where local employment areas are no longer suitable for industrial or other employment generating uses, and a progressive release of surplus industrial land will be carried out, in order to facilitate urban regeneration. We therefore consider that emerging Policy DM48 should be revised to acknowledge that site specific circumstances and the viability of retaining land for employment uses should be reviewed when considering whether land should be retained for employment uses.

In particular, we consider that the requirements of Policy DM52(b) are unduly onerous and should be revised to reduce the minimum marketing period. The requirement to undertake marketing for a continuous period of three years will significantly delay the delivery of redevelopment within the borough on sites which are demonstrably no longer suitable for employment uses. As such, it will also delay the delivery of regeneration benefits, including the provision of affordable housing, that could be provided on these sites.

We also consider that emerging Policies DM49 and DM52 do not offer sufficient recognition to the employment benefits of uses which do not fall within Class B uses. Employment opportunities can be provided through a wide mix of non-residential uses, other than Class B uses, and retail, leisure, and community uses can also provide significant employment benefits, in addition to promoting economic activity. We consider that these uses should be encouraged within the borough and their ability to deliver employment opportunities should be acknowledged within the emerging policy.

#### **Future Participation**

These representations have been prepared in the context of the initial emerging development proposals for the 191-201 Archway Road site. We request the right to comment on further draft proposals as appropriate.

We look forward to confirmation of receipt of these representations and request the right to be heard by the appointed examiner at the Examination in Public if we choose to participate further. We would like to be kept up to date with progress and look forward to further opportunities to engage.

Please feel free to contact Diana Thomson (020 3320 8250) of these offices if you have any queries or would like to discuss.

Yours faithfully

**Diana Thomson**  
Associate Director