

**P/14/0233/VC**

**SARISBURY**

PREMIER MARINAS (HAMBLE)  
LTD

AGENT: CBRE LTD

COMPREHENSIVE REDEVELOPMENT OF MARINA COMPRISING RETAIL, BAR, RESTAURANT, OFFICES, BOAT YARD COMPLEX TO COMPRISE WORKSHOPS, OFFICES AND STORAGE REVISED MARINA LAYOUT & 49 DWELLINGS: VARIATION OF CONDITION 35 TO REDUCE AMOUNT OF AFFORDABLE HOUSING TO 10%

SWANWICK MARINA SWANWICK SHORE BRIDGE ROAD SOUTHAMPTON SO31 1ZL

***Report By***

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***Site Description***

The site lies on the western side of Bridge Road and comprises an area of 11.42 hectares.

Swanwick Marina is predominantly open in character with large areas set aside for open-air boat storage and maintenance and car parking. Marina offices are located at the centre of the marina with new workshops sited to the west side. There is a chandlery facing the A27 close to the Bridge.

***Description of Proposal***

The original proposed development comprised the following:

- A total of 49 new build residential dwellings made up of 33 houses and 16 flats to be built on the east side of the site. The residential development is proposed as part of the comprehensive and integrated approach to the re-development of the whole site;
- A pavilion building including marina facilities as well as retail, boat sales and showrooms, offices and a restaurant and bar;
- The refurbishment and improvement of two existing buildings;
- A boatyard complex to comprise workshops, offices, marina administration and storage;
- A revised marina layout to include installation of new piles, installation of hoist dock, new fuelling pontoon with spill interceptor and holding tank pump out facility, dedicated area for boat scrubbing with underground interceptor and a water recycling system;
- A replacement river wall;
- Improvements to the public car park of Swanwick Shore Road.

Condition 35 of the original planning permission, P/07/0764/FP stated:

No residential development shall take place until a scheme for the provision of affordable housing as part of the development has been submitted to and approved in writing by the Local Planning Authority in accordance with the e-mail dated 19th March 2008 from the Housing Strategy Manager consisting of 2-bed social housing in Block B, units 2, 3, 4, 5, 6;

3 bed social housing in Block B unit 1; and in Block C units 3, 4, 5, 6, 7 2-bed shared ownership; in Block A units 1, 2, 3, 3 bed shared ownership units 1; 2.

This equated to 35% affordable housing on site provision.

This application is seeking variation of the planning condition. The applicant has submitted a viability assessment in order to demonstrate that the scheme is only able to support affordable housing provision of 10%, comprising five shared ownership units, 3 x two bedroom and 2 x three bedroom.

### ***Policies***

The following policies apply to this application:

#### **Approved Fareham Borough Core Strategy**

CS18 - Provision of Affordable Housing

### ***Relevant Planning History***

The following planning history is relevant:

<b><u>P/14/0754/FP</u></b>	<b>ERECTION OF A DRYSTACK BOAT STORAGE STRUCTURE</b> APPROVE 19/09/2014
<b><u>P/14/0426/FP</u></b>	<b>ERECTION OF ADDITIONAL BOATYARD BUILDING COMPRISING INDUSTRIAL WORKSHOPS (B2) STORAGE (B8) &amp; OFFICE (B1a) - REVISION TO REVISED BOATYARD PHASE (AS AUTHORISED BY PLANNING PERMISSION P/13/0882/FP) OF COMPREHENSIVE REDEVELOPMENT AT SWANWICK MARINA</b> APPROVE 25/06/2014
<b><u>P/13/0882/FP</u></b>	<b>DEMOLITION OF EXISTING STRUCTURES AND CLEARANCE OF SITE (EXCLUDING CHANDLERY) FOR USE AS BOAT YARD AND MAINTENANCE FACILITY. ERECTION OF BUILDING FOR MARINA RELATED USE, COMPRISING INDUSTRIAL WORKSHOPS (B2), STORAGE (B8) AND OFFICE (B1A), ASSOCIATED EXTERNAL BOAT STORAGE AND CAR PARKING - REVISION TO PART (BOATYARD PHASE) OF COMPREHENSIVE REDEVELOPMENT OF MARINA PERMITTED UNDER P/07/0764/FP</b> APPROVE 12/02/2014
<b><u>P/13/0691/FP</u></b>	<b>CONSTRUCTION OF NEW HOIST DOCK &amp; LAUNCH PAD WITHIN THE CURTILAGE OF SWANWICK MARINA TO REPLACE EXISTING HOIST DOCKS, WITH MINOR MODIFICATIONS TO PONTOON LAYOUT</b> APPROVE 11/10/2013
<b><u>P/13/0007/FP</u></b>	<b>REFURBISHMENT OF ABLUTIONS/MARINA OFFICE BUILDING INCLUDING INTERNAL ALTERATIONS CHANGES TO FENESTRATION AT GROUND FLOOR LEVEL AND REPLACEMENT EXTERNAL STAIRCASES &amp; TIMBER TERRACE/LANDING</b> APPROVE 21/02/2013
<b><u>P/07/0764/FP</u></b>	<b>COMPREHENSIVE REDEVELOPMENT OF MARINA COMPRISING RETAIL, BAR, RESTAURANT, OFFICES, BOAT YARD COMPLEX TO</b>

**COMPRISE WORKSHOPS, OFFICES AND STORAGE REVISED  
MARINA LAYOUT & 49 DWELLINGS**

PERMISSION 11/04/2008

***Representations***

No letters have been received in relation to the variation of condition 35 of planning permission P/07/0764/FP.

***Consultations***

Director of Community (Strategic Housing) -

In light of the findings of the independent viability appraisal it is evident that there is limited capacity for this development to provide new affordable homes. A position has been reached with the developer, which Strategic Housing supports being recommended for approval by Members. Our most acute need for affordable homes is for smaller rented homes. Following lengthy negotiation and the consideration of several options, the developer has agreed to the provision of 6 x 2 bedroom (4 person) flats to be let on an 'affordable rent' basis.

This is an improved offer to that originally made by the developer, who originally proposed delivering 5 x shared ownership units only. It represents a provision of 10.3% affordable homes by bedroom (12.2% by unit). The flats are of a suitable size for affordable housing and will meet the long term needs of young families and other households with a 2 bedroom need.

***Planning Considerations - Key Issues***

Introduction

Planning permission was original granted in 2008 (P/07/0764/FP refers) for the comprehensive redevelopment of the marina comprising retail, bar, restaurant, offices, boat yard complex to comprise workshops, offices and storage revised marina layout and 49 dwellings. The permission was implemented in March 2011 when the first phase of the development commenced with pile works in the marina to facilitate the relocation of the working berths and the hoist docks.

The boat yard phase of the indicative masterplan for the marina, incorporating a lesser scale of development than that originally permitted has recently been completed. This included workshops, associated external boat storage and car parking. A new hoist dock and launch ramp have also been constructed.

It is the applicant's intention to commence the residential phase of the development in the near future.

Viability appraisal

In assessing the viability of a site the approach often used is a residual valuation exercise. This means assessing the development value of the scheme and deducting from this the costs of the development to leave a gross residual sum representing the site value.

However because this appraisal involves the redevelopment of an existing working marina, the applicant has not included a land value or any notional cost attributable to the existing

value of the site and its current buildings. It has instead been carried out on a break-even basis taking account of the existing marina operations and the projected revenues and operations whilst factoring in the cost of delivery.

The Council has sought independent advice from The District Valuer (DV), and assessed the viability using the same approach by assuming a break-even basis based on the existing marina operations and allowing a reasonable level of profit. The profit level and potential surplus achievable under the proposed 10% affordable housing provision was considered.

The applicant has provided an appraisal based on a 10% on site affordable housing provision. These affordable units comprise five flats, 3 x two bed and 2 x three bed as shared ownership which are shown as a total value for these units of £715,000. The commercial elements of the development were also valued.

The nature of the redevelopment means that the total build costs including abnormal and infrastructure costs are substantial. There are flooding and health and safety issues which need to be addressed to ensure long term safety and sustainability of the marina. This will involve a large amount of structural work including piling works and construction of a retaining river wall.

The DV has reviewed the applicant's build costs and site infrastructure/abnormal costs. Whilst there are some slight differences between the abnormal and commercial build costs, the DV agree with these figures and are slightly higher than the applicant with regard to some of these costs.

Overall the total build cost figures are relatively close. There is a small difference in build costs of some £489,215 which equates to approximately 1.75% of the total.

In the current market a profit level in the range of 15% to 20% of Gross Development Value (GDV) for private residential and 6% of GDV for affordable is considered reasonable. The applicant's appraisal does not include a profit level as it has been carried out on a break even basis. The overall surplus shown is £510,540 which equates to a profit level of approximately 1.4% of the GDV. This is much lower than would be accepted for the purposes of development funding.

It should be noted that the proposed residential element is of a higher value than average for the general location meaning that the private to affordable ratio is greater than usual. This in turn means that the cost of providing affordable housing here has a relatively greater impact on the viability of the scheme than in other lower value locations.

To conclude, the overall differences between the applicant's appraisal figures and the DV's are minimal. The level of profit on GDV (1.75%) falls short of being viable and therefore the DV do not consider that the scheme can provide any additional affordable housing.

#### Officer comments

In light of the conclusion of the viability assessment officers consider it is appropriate to accept the reduced level of affordable housing.

Housing colleagues have been closely involved in the discussion on the affordable housing provision on this site and the applicant has agreed to provide six two bedroom units for

affordable rent within Block A. Block A currently shows three 2 bed units at ground floor and two 3 bed units at first floor. The principle of amending the first floor layout to provide three 2 bed units is considered acceptable. An application for variation of the layout of Block A in order to incorporate six units will be submitted accordingly.

Having carefully assessed the viability work, Officers believe the affordable housing offer put forward is acceptable in the circumstances of this particular development.

***Recommendation***

Subject to the completion of a deed of variation under S.106 of the Town and Country Planning Act linking the original legal agreements and unilateral undertaking to the current planning permission.

PERMISSION: Conditions in accordance with original planning permission: development in accordance with approved plans; levels; phasing of development; car and cycle parking; pile driving; drainage; no mud on roads; materials; hard surfacing materials; boundary treatment; bin storage; hours of work; construction arrangements; no burning on site; sewage and surface water details; width, gradient of roads; landscaping and its implementation; landscape management plan; arboricultural impact assessment and its implementation; floodlighting and external lighting; ground contamination; construction programme; archaeology; berthing arrangement for Hamble Ferry; development to be carried out in accordance with approved Flood Risk Assessment; use of marina pavilion building; affordable housing Block A (six x 2 bed units for affordable rent).

***Notes for Information***

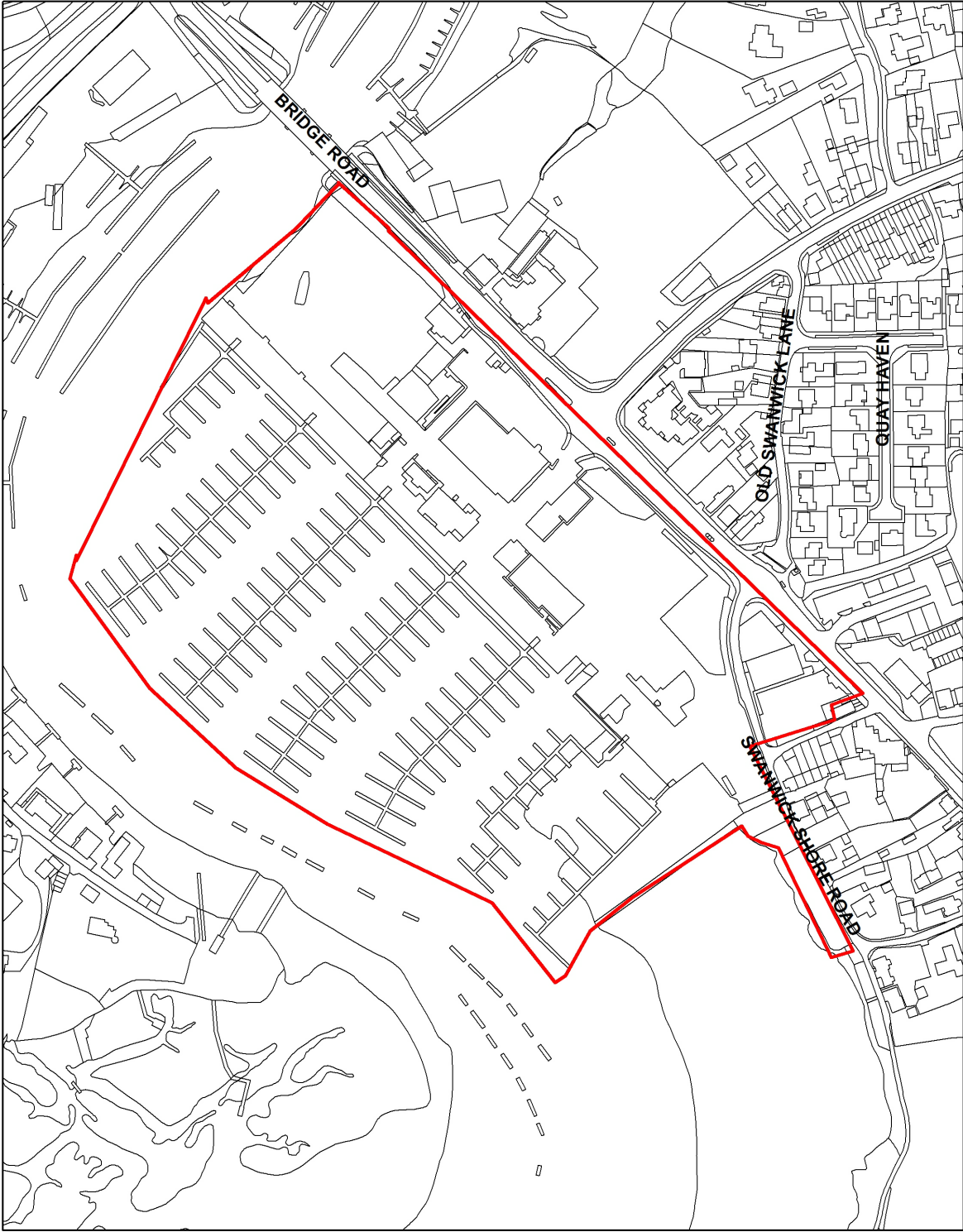
For the avoidance of doubt the approved drawings are those set out in the Swanwick Marina Drawing Schedule received on 11 April 2008 under planning reference P/07/0764/FP.

***Background Papers***

See above.

# FAREHAM

BOROUGH COUNCIL



Swanwick Marina  
Scale 1: 3,000



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