Exeter Local Plan: Examination in Public

Hearing Statement – Matter 14 (Infrastructure, Facilities and Viability)

Prepared by Savills on behalf of Morgan Real Estate (respondent reference number: C-25)

Issue 2 – Viability – Policy IF2

Q1 How were the zones defined and are they accurate and appropriate? How were the affordable housing assumptions determined for the viability testing for each zone? How was the 75% level of planned housing delivery for zone VA1 determined? Could residential development in Zone VA1 viably contribute more affordable housing?

1. Morgan Real Estate do not have any specific comment in relation to how the value area zones have been defined within the Viability Assessment. In so far as it relates to the allocation of East Gate, Morgan Real Estate support the 75% level of housing delivery planned for zone VA1, as it demonstrates the capacity of brownfield sites to deliver the vast majority of dwellings in Exeter. The 75% figure appears to be accurately based on the capacity across VA1 sites, with the only caveat being that East Gate should be recognised as able to accommodate 700 dwellings rather than 609.

2. Morgan Real Estate do not consider that residential development in Zone VA1 can viability provide more affordable housing. No evidence has been provided to justify the viability of a higher affordable housing requirement within the VA1 zone. Indeed, it is clear that the published Viability Assessment has already demonstrated that the viability of smaller flatted schemes is marginal with a 15% affordable requirement. While the Viability Assessment Addendum suggests through forecasting that currently marginal schemes could become more viable in the future, it only bases this on looking at one specific residential typology and then assumes a similar improvement across all. Therefore, we do not consider there to be sufficient evidence that residential development in Zone VA1 could viably contribute more affordable housing.

Q4 Does the LPVA differentiate between strategic and non-strategic site allocations, and if so, how is this reflected in the Plan? Have all the proposed site allocations in the Plan been subjected to viability testing?

3. The original Viability Assessment did not subject the strategic site allocations to specific viability testing, however this has been done in the Viability Assessment Addendum. We are supportive of the capacity uplift within the Viability Assessment Addendum for the East Gate allocation to 691 dwellings, however would

suggest this is increased to 700 dwellings for flexibility. We are also supportive of the testing of purpose built student accommodation as an alternative form of housing provision on the allocation.

Q6 How would the viability exemption set out in Policy IF2 work in practice if there were no significant changes as set out under criteria a, b and c? Is this approach consistent with national planning policy?

4. Morgan Real Estate have concerns about the wording of Policy IF2, which is too restrictive in setting the circumstances under which deviation from policy on the grounds of viability is considered appropriate. The PPG on viability does not set an exhaustive list of circumstances which would justify a viability assessment at application stage. In order to align with National Policy, Policy IF2 should not attempt to define all possible circumstances in which a viability assessment would be justified and rather should reflect Paragraph 59 of the NPPF which states that the *"weight to be given to a viability assessment is a matter for the decision maker, having regard to* ***all*** *the circumstances in the case* [our emphasis]". For example, the policy fails to account for circumstances in which the plan and the viability evidence underpinning it is no longer up to date, which is specifically cited in the NPPF. The policy should be reworded in line with the Suggested Main Modification SMM82 to provide an illustrative list of the circumstances that could justify a viability assessment, but leave flexibility for other circumstances.

Q7 How would the review mechanism under Policy IF2 work in practice? What is the justification for its inclusion in the Plan? Would it apply to all development?

5. It is considered that the review mechanism as set out under Policy IF2 is too broad, and appears to apply to all development equally. It is unclear how the viability review will be secured, or why an arbitrary three year period is being used. Morgan Real Estate are concerned that the policy is too rigid, and does not allow for case specific details to be considered during the decision-taking process, nor for specific trigger points for the review to be defined. The policy should be reworded in line with Suggested Main Modification SMM84.

Q8 In terms of this issue, are any of the suggested modifications in the Schedule of Suggested Modifications necessary for soundness?

6. As noted above, it is our view that Suggested Main Modifications SMM82 and SMM84 are required in order to ensure the soundness of the policy.