

WYCOMBE DISTRICT LOCAL PLAN EXAMINATION
MATTER 7: DEVELOPMENT FRAMEWORK HIGH WYCOMBE
ALLOCATION HW19
HIGHSHORE COMMERCIAL LTD REF. 0978

Q1 Are the following allocations soundly based and is there evidence that the development of the sites is viable and deliverable?

p) HW19 - Office outlet Site, Queen Alexandra Road, High Wycombe

1. This additional statement responds to the Inspector's Schedule of Matters, Issues and Questions in relation to Matter 7 on behalf of Highshore Commercial Ltd (HC). These representations draw together the evidence to demonstrate that proposed allocation HW19 is neither soundly based, viable nor deliverable. This statement should be read in conjunction with:

- i) the representations made by HC under Regulation 19; and
- ii) the additional statement submitted by HC in relation to Matter 4.

2. Policy HW19 allocates the site for "...mixed office and retail development..." but does not quantify either the amount of office or retail development the allocation is expected to deliver.

3. HELS1.4 page 23 confirms that the site is expected to deliver 3,500 sqm of office space but is silent on the delivery of retail space. At the Matter 4 hearing under Q4.7 the Council said that in any redevelopment there was to be no loss of retail space. It was confirmed that the expected site capacity of HW19 was 3,500 sqm of office space and 1,500 sqm of retail space.

4. The Council did not say at the Matter 4 Hearing why the allocation was expected to re-provide the existing amount of retail floorspace in any redevelopment. However, to provide less would conflict with proposed policy CP6 Securing Vibrant and High Quality Town Centres in which the Council says that it will make the best use of existing town centre retail space. The HELLA (page 10 table 3) also forecasts unmet need for both convenience and retail floorspace in High Wycombe.

5. The Council's evidence base which has led to the proposed HW19 allocation is confined to the Chandler Garvey March 2017 report - An Assessment of the Office Market in High Wycombe Town Centre (HELS10).

6. HC has obtained, under a Freedom of Information request, the Council's instructing email to Chandler Garvey (CG) (this email is not produced as part of this Statement but can be made available if required.) The email simply asks CG to consider the suitability of the HW19 site "...for offices...". The email does not ask CG to consider the suitability of the site for a mix of offices and retail.

7. The Matter 4 Statement of HC makes the point that the CG report was not robust. Its assessment of the site lacked any detail. This was in contrast to, for example, evidence in HELS16 (16.1 and 16.2) which contained detailed viability testing of other employment sites. There is a clear gap and imbalance in the Council's evidence base between sites.

8. However, it is now clear that CG were never asked to consider the suitability of HW19 as a mixed office/retail site. The Council has no evidence to support the HW19 mixed-use allocation.

9. Despite this position, the Council's proforma for HW19 (HELS1.4 page 23) says of the site, "It is considered available for mixed use development". Two points to be made: first, (and briefly since it will be addressed later in this Statement) the availability of the site has never been discussed with HC; second, by using "available" rather than, say, "suitable" this confirms that there is no assessment in the Council's evidence base of the site's ability to accommodate mixed uses.

10. At best the CG commentary on HW19 (paras. 5.4.1 - 5.4.3 incl.) is that the location has "potential". This is not evidence and in any event this "potential" relates to the use of the site for offices and not as a mixed-use office/retail site.

11. There are critical distinctions between a single use office site and a mixed office/retail site in terms of market perception and attractiveness. A mixed-use site is not conducive to the Council's aim of providing a high quality office environment:

- A single HQ office occupier along the M4/M40 corridor will not want to "share" a site and will not want to be located above retail accommodation. With no control over the type of retail tenant in occupation this is a severe market constraint;
- If letting the offices on a multi-let basis, occupiers will regard this as a compromise and will only be prepared to pay a lower rent compared to a standalone office building. (However it should be noted that a multi-let office development will require a speculative development which is highly unlikely in the High Wycombe office market. CG make the point in their report at 4.2.2 that the last speculative office development in High Wycombe was in 1995, some 23 years ago.);
- Office occupiers are also likely be deterred by potential restrictions on access and noise from retail deliveries;.
- A shared car park with a retail use also creates security and management issues that will deter and diminish the attractiveness of the site for office occupiers; and
- From the retail perspective, operators have to have a clearly defined access with parking allowing easy access to and from the store for customers. Effectively, this is surface level free parking. They would generally not be prepared to share a car park with an office occupier (see also paras. 17 and 18 below).

12. In relation to viability, there is no testing of the site in the Council's evidence base. The CG report is silent on the capacity of the site. The Council's proforma for HW19 (HELS1.4 page 23) identifies an office capacity of 3,500 sqm and confirms this is the Council's own assessment of capacity. The proforma says "For the propose of the HELLA, WDC consider the site capable of delivering 3,500 sqm of B1a/b office spaces" [sic]. To HC, the inference here is that 3,500 sqm has not been derived from any viability assessment or site assessment but is merely an estimate for the HELLA employment floorspace calculations.

13. The Regulation 19 representation of HC considered site viability against three different scenarios since, at that time, the expected capacity of the site had not been confirmed by the Council.

14. Scenario 1 did, however, consider a redevelopment which re-provided the existing 1,500 sqm of retail space alongside 3,500 sqm of offices, the Council's confirmed expectations for the site. The appraisal for this scenario which adopts robust and realistic inputs for yields and rents results in a 7 figure loss in the region of £4,000,000.00.

15. As an exercise in the Regulation 19 representations, an appraisal for an office only scheme on the site demonstrated that in order to achieve a marginal profit of between 2% and 3% the quantum of offices required would be between 11,000 and 12,000 sqm.

16. These appraisals did not, however, take into account the requirements of Policy HW19 part 2 a) to d) (incl.). The further impact of these requirements on viability are set out in the Regulation 19 representations.

17. In particular criteria - 2 a) Result in no net loss of car parking - has a significant impact on viability. Further site appraisal work since the Regulation 19 representation shows that the parking requirement for the uses will almost exclusively need to be provided underground. The requirements of HW19 are simply too onerous, especially given the size of the site, and results in a highly compromised scheme for both uses. The provision of basement car parking dramatically increases build costs and impacts viability. This adds significantly to the build costs of a scheme that is already showing a £4,000,000.00 loss.

18. Given the weakness of the market, confirmed by CG, funders are only prepared to finance the best schemes and will be deterred by compromised developments such as HW19. The Council has not taken into consideration how its proposed allocation increases the potential risks. Both the retail and office schemes are highly compromised. The significantly higher costs associated with basement car parking construction all but rules out securing funding from an institution.

19. By any measure the proposed allocation is demonstrably unviable.

20. In relation to deliverability, there have been no discussions between HC commercial and the Council. Had there been, the Council would have known that the site is not available for development. Paragraph 9 of this Statement touched on the Council's proforma for HW19 (HELS1.4 page 23) which says of the site "It is considered available for mixed use development". HC cannot understand the basis for this statement by the Council. Such a statement can only be made following confirmation from HC on the site's availability which has not been sought nor given.

21. In addition, the Council's proforma also estimates delivery of the floorspace within 6-10 years. Aside from the fact that the site is not available for development in any event, this raises two particular points; first, the existing lease expiry date makes this delivery period impossible to meet and second; the requirement of HW19 2 b) effectively prevents proposals for the site coming forward until the redevelopment plans (if any) for Wycombe Hospital are known. The regulation 19 Representations address this point in further detail but effectively this sterilises the site (even were it available).

22. In summary, the HW19 allocation is not soundly based. The Council has no evidence to support the mixed use allocation of the site. In any event, the proposed uses are demonstrably unviable and the site cannot be delivered since it is not available for development.

23. Regulation 19 Representations have also been submitted by Ozma Hafiz - Save Wycombe Hospital Campaign (SWHC) (ID 0811). These seek to widen the HW19 uses to include hospital use alongside office and retail and remove paragraph 5.1.139 of the supporting text to HW19.

24. The adjacent Wycombe Hospital site is allocated under Policy HWTC11 in the Council's Delivery and Site Allocations Plan adopted July 2013. This is a mixed use allocation for hospital use and associated car parking, offices and residential uses. The policy is clear that any redevelopment or partial redevelopment on this site should maintain Wycombe Hospital on the site "for the long term". The whole thrust of the HWTC11 allocation is to support the continued use of the site for

hospital use while potentially allowing non-hospital uses that do not prejudice the "provision of hospital services at the site". There is clear planning policy protection for hospital use on the Wycombe Hospital site.

25. It is not clear to HC why SWHC say additional land is required outside of the HWTC11 allocation either now or at any point within the Plan period. SWHC say the HW19 land could be potentially used for a full maternity unit or staff car park. Policy HWTC11 specifically provides for hospital facilities (HWTC11 2 first bullet point) and for additional car parking (HWTC11 3).

26. No representations have been made to the Local Plan by the NHS in relation to the HW19 site to indicate that the land is required for hospital expansion.

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Planning Works Ltd 17th August 2018.