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Planning
Reading Borough Council Civic Offices
Bridge Street
Reading
RG1 2LU

FAO Brian Conlon

20 May 2021

Dear Brian,

EATON COURT, 104-112 OXFORD ROAD, READING, RG1 7LL

APPLICATION REFERENCE 210639

AFFORDABLE HOUSING ADDENDUM

On behalf of our client, Cannon Capital Developments Ltd, we hereby submit an addendum to application ref. 210639 which relates to Eaton Court, 104-112 Oxford Road, Reading, RG1 7LL. The application for the redevelopment of the site was submitted to Reading Borough Council in April 2021 and it is currently in the process of being validated. The description of development reads as follows:

"Demolition and residential-led mixed use redevelopment to provide three buildings comprising residential units (Use Class C3), one ground floor unit comprising flexible commercial floorspace (Use Class E & F2) and one ground floor unit comprising flexible commercial and residential floorspace (Use Class E, F2 & C3), along with car parking, cycle parking, servicing bay and associated landscaping, amenity space, plant and refuse areas, and access arrangements".

BACKGROUND AND DEVELOPMENT PROPOSALS

The site is located at 104-112 Oxford Road and consists of a part two and three storey office building and a decked car park, comprising a total floorspace of 3,550 sq.m. (GIA). The majority of the Site has a lawful Class E(c) use; however, there is a small portion of Class F floorspace (approximately 213 sq.m. (GIA)) on the ground floor which was previously occupied by the Department of Work and Pensions (DWP).

The site currently provides a private multi-storey car park to the rear, accessed via Eaton Place, with parking for 106 vehicles. There is also forecourt parking to the front of the site along Oxford Road, providing space for 10 vehicles to park. The main office entrance is accessed from Oxford Road.

The site does not contain any statutorily or non-statutorily listed buildings. It does however sit within the setting of the Grade II Listed Mansion House which is located directly to the south east of the site. It is not located within a conservation area, however the Russell Street / Castle Hill Conservation Area is located on the southern side of Oxford Road.

The site forms part of an adopted Local Plan allocation (CR12c) which is identified for residential development of up to 260 dwellings, with ancillary community uses and small scale retail units.

The wording of the allocation states:

“CR12c, CHATHAM STREET, EATON PLACE AND OXFORD ROAD:

Development of this area will be primarily for residential, with potential for community uses. There may also be some small scale retail and leisure uses on the Oxford Road frontage. This area is surrounded by heritage assets or low-rise residential, and inappropriate building scale at the fringes of the site will not be permitted.

Site size: 1.15 ha Indicative potential: 180-260 dwellings.”

The proposed development, submitted under application 210639, will comprise 131 residential dwellings (Use Class C3) and 532 sq.m. (GIA) of flexible commercial and residential floorspace (Use Class E, F2 & C3) located on the Oxford Road frontage. The proposals constitute three buildings which will rise between ground plus four to ground plus seven storeys. A total of 42 car parking spaces will be provided within an undercroft car park on the site.

AFFORDABLE HOUSING

This addendum relates specifically to the affordable housing provision on site. The applicant has undergone extensive pre-application discussions with officers at Reading Borough Council to determine what they would consider to be an acceptable scheme for submission. With the scheme's physical nature and extent agreed (subject to formal consideration by Reading Borough Council), the Applicant has now been able to assess what quantity of Affordable Housing the scheme can support financially.

Policy position

Paragraph 64 of the NPPF sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of homes to be available for affordable home ownership. Exemptions to this 10% requirement should be made where the site or proposed development provides solely for Build to Rent homes.

The proposed development seeks to provide a Build to Rent scheme, and **Policy H4** (*Build to Rent schemes*) of the Reading Local Plan sets out that planning permission will be granted for developments of self-contained, private rented homes which:

- *Provide 30% on-site affordable housing, either in accordance with Policy H3 and any relevant Supplementary Planning Document; or in the form of Affordable Private Rent Housing as defined and set out in a relevant Supplementary Planning Document.*

Policy H3 (*Affordable Housing*) of the Local Plan outlines that on sites of 10 or more dwellings, 30% of total dwellings will be in the form of affordable housing. The policy confirms that for sites of 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate.

In determining residential applications, **Policy H3** confirms that the council will assess the site size, suitability and types of units to be delivered in relation to the current evidence of identified needs. The council will seek an appropriate tenure mix of affordable housing to include social rented, affordable rent, intermediate rent and shared ownership affordable units. The affordable units provided should be integrated into the development.

Policy H3 goes on to state that in all cases where proposals fall short of the policy target, as a result of viability considerations, an open-book approach will be taken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution.

The enclosed Financial Viability Assessment (FVA) demonstrates the proposals cannot viably support any affordable housing. However, the Applicant is prepared to offer a 15% on-site affordable housing provision at a 20% discount from market value (in order that the overall provision of affordable housing is maximised).

This equates to the provision of 20 affordable units, out of a total of 131 proposed residential units. Whilst we recognise this is below the 30% target set out under **Policy H3**, it is well in excess of the that which is justifiable in policy terms due to the scheme's lack of financial viability and is therefore compliant in policy terms.

Given the proposals constitute a Build to Rent scheme, the affordable housing offer will be delivered as Affordable Private Rent. The unit mix of the proposed affordable housing is:

- 10 x 1 beds
- 7 x 2-beds
- 3 x 3-beds

The proposed development will ensure the configuration of the scheme, including affordable housing units, is tenure-blind.

Over the course of determining the application, the applicant team will engage positively with Officers and third party reviewers to ensure the maximum amount of affordable housing that the proposals can viably support is provided.

RANGE OF PUBLIC BENEFITS

It is important to note that the proposals also deliver a range of public benefits, beyond affordable housing. It will deliver 131 high quality residential units in blocks of the highest quality architecture by award winning practice, Squire and Partners. The units will be delivered as part of a mixed-use scheme that includes up to 532 sq m of ground floor commercial space that will help activate Oxford Road.

Secure residential podium gardens will afford exceptional amenity for the people and families that live in the market and affordable housing.

At ground floor, the public realm is transformed along Oxford Road, where trees will proliferate as part of a high quality soft landscaping scheme. Additional new public realm, also attractively soft landscaped, is delivered in the north of the site forging a new pedestrian route leading west from Eaton Place (as required by plan policy).

The scheme will also provide approximately £1.4 million in Community Infrastructure Levy paid directly to Reading Borough Council.

CLOSING

As mentioned above, we enclose a Financial Viability Assessment prepared by BNP Paribas and request that this is formally incorporated into the submission documents for application ref. 210639.

We would be happy to discuss the content of this addendum further with officers at Reading Borough Council in due course. However, should you require any further information in the meantime please do not hesitate to contact Gareth Fox (gareth.fox@montagu-evans.co.uk / 07894 815 343) or Lucy Battersby (lucy.battersby@montagu-evans.co.uk / 07818 012 424) in the first instance.



Yours sincerely

Montagu Evans

MONTAGU EVANS LLP