

23rd November 2021

Chief Officer Planning and Regulatory
Guildhall
Wrexham
LL11 1AY

Dear Sir

**Re: Application to vary condition no 29 of permission ref: P/2014/0021.
Ruabon Business Park Site.**

We are instructed by our Clients, Pure Residential and Commercial Ltd, to submit the attached application for a variation of Condition 29 on the above application which relates to affordable housing provision.

The provision of affordable housing in relation to the residential elements of this development is also governed by the S.106 Agreement that was entered in to when the permission was originally granted (P/2014/0021), however, it is condition 29(i) that specifies that the affordable housing component within the development should be 25% of the total dwellings.

This application looks to vary this element of the condition so that the affordable housing contribution is revised to 10%, the change is necessary given the significant changes in viability since the site was acquired. As will be explained, the proposed 10% affordable housing contribution is also consistent with the Council's own assessment of viability relative to the delivery of affordable housing.

In order to justify this proposal, our Clients have obtained the advice of an independent firm of quantity surveyors, Sedulo Surveying Ltd, who have particular experience associated with residential development projects.

Their advice is attached to this application. Sedulo make reference to two viability appraisals that they have prepared:

- The first is based on the provision of 25% affordable housing using 2018 construction costs when Pure agreed to acquire the site. At this point the return on investment was assessed as being 18.3%.
- The second appraisal is based on current market conditions. In order to make the viability work, the affordable housing contribution has had to be reduced to 10% and, even at this level, the return on investment, at 15.8%, is below that which could have been achieved in 2018.

The above appraisals contain commercially sensitive information and, therefore, they have not been submitted at this stage as part of the planning application. However, once the application has been registered and a planning officer appointed, then we would be happy to submit the detailed assessments so that the full details can be properly understood, on the understanding that these documents remain confidential.

However, Sedulo explain in their letter that, notwithstanding an increase in house prices, the costs of materials, labour and professional fees, shortages in labour and materials resulting in increased construction times, and an increase in finance costs, have all combined to bring about the markedly different conditions which have resulted in a 25% affordable housing contribution no longer being viable.

In order to further corroborate the above findings, we have also attached a report from the North Wales Construction Partnership. The North Wales Construction Partnership is a local authority driven organisation that has come together in order to secure best value and sustainability in the delivery of construction projects; Wrexham County Borough Council are a member of the Partnership.

The report references a period of “unprecedented changes” in the UK due to Brexit and Covid and sets out a whole series of increased costs, problems and other delays faced by the construction industry, it sets out a series of recommendations which include the need to thoroughly review and reappraise project budgets.

The Applicants approach in this application, therefore, does nothing more than reflect the changed circumstances that have now been acknowledged by the six councils, including Wrexham, in North Wales. Development is extremely important as a factor in the future growth of North Wales, but for it

to be delivered it must be viable and, given the changed circumstances, that necessitates a recognition that considerations relating to viability have markedly changed.

As further support for the proposed change, we would also refer to the Council's own work in relation to the viability of providing affordable housing in connection with the emerging Local Development Plan (LDP) and, in particular, the document provided to the LDP Examination 'Viability of Providing Affordable Housing Across Wrexham County' which has been prepared by the District Valuer Services.

This document has considered the viability of providing affordable housing as part of residential developments across six market sub-areas within the County. The application site falls within the Rural West and Chirk market sub-area where, based on the viability assessment, it is proposed that a 10% affordable housing contribution would be appropriate. Consequently, the assessment undertaken by Sedulo is generally consistent in its findings with that undertaken by the District Valuer Services, both conclude that 10% affordable housing provision is viable within this location whereas a higher percentage is not.

For all of the above reasons, we hope you will agree that Condition 29(i) should be amended to refer to a 10% affordable housing requirement in recognition of the materially changed circumstances which have impacted on the construction costs and viability of residential development.

If you have any queries regarding the details submitted with this application or feel there might be any reason why the proposal may not be supported, then we would be grateful if you could contact us.

Yours faithfully

M GILBERT