

Greater Norwich Local Plan

East Norwich Strategic Regeneration Area

Delivery Justification

May 2022

Contents

1.	Introduction.....	3
2.	Ownership and Site Status	3
3.	Context.....	5
4.	The Delivery Trajectory	6

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For and on behalf of Avison Young (UK) Limited

1. Introduction

1.1 Following Examination Hearings in March 2022, the Planning Inspectors have sought further evidence to support the delivery of the East Norwich Strategic Regeneration Area.

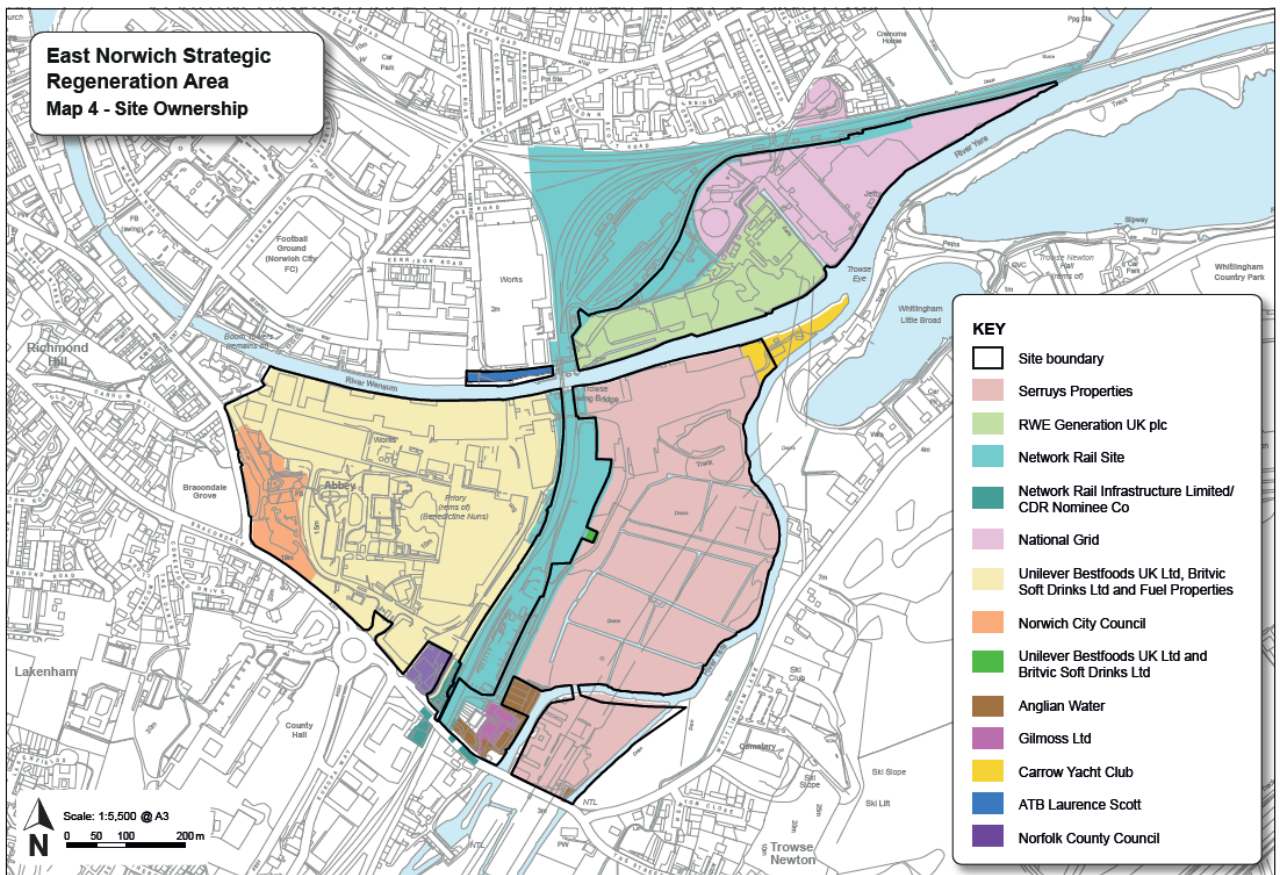
1.2 This updated Delivery Report covers the following topics:

- Ownership and Site Status
- Context including the role of the East Norwich Partnership
- The Delivery Trajectory.

2. Ownership and Site Status

2.1 The below plan sets out the ownership of the key parcels of land which collectively form the East Norwich Strategic Regeneration Area.

Figure 1 – Site Ownership



- 2.2 The site is divided into four main ownerships Serruys Properties, Britvic/ Unilever, Norwich City Council, and RWE Generation / National Grid.
- 2.3 All parties have been actively engaged in the masterplanning process over the course of 2021 and remain committed to bringing their respective landholdings forward for redevelopment within the Plan period to 2038.
- 2.4 The ownership status is discussed in detail below:

Serruys Properties

- 2.5 Serruys Properties own both the Deal Ground and May Gurney Sites which collectively extend to c. 20 hectares.
- 2.6 The sites benefit from outline planning consent (12/00875/O) granted in July 2013 with all matters reserved except access. This provides for a maximum of 670 dwellings of which 76 would be on the May Gurney site in addition to a local centre with commercial uses.
- 2.7 Expressly the consent provides for a principal access through the May Gurney site with a pedestrian/ cycle/ vehicular bridge over the River Yare and a new bridge for pedestrian, cycle and emergency vehicular use over the River Wensum which would provide linkages to the Utilities Site.
- 2.8 The owner of the site is a local developer with a track record of delivering mixed use schemes. To date demolition and site clearance works have been undertaken on the site.

Fuel Properties and Britvic/ Unilever

- 2.9 The former Carrow Works site extends to 13 hectares and is collectively owned by Britvic Soft Drinks Ltd and Unilever UK Ltd. A development agreement has been entered into with Fuel Properties who will bring the site forward for redevelopment.
- 2.10 Fuel Properties are mixed use regeneration specialists with particular expertise on brownfield land. Of note they are currently bringing forward the former Shredded Wheat Factory in Welwyn Garden City which will deliver c. 1,000 homes, a care home and 160,000 sq ft of commercial space.
- 2.11 Fuel Properties have engaged a consultant team led by planning consultants; Turleys and are seeking to submit a planning application by the end of June 2022.

Norwich City Council

- 2.12 The council purchased Carrow House and its associated car park which sit on a site of 1.8 hectares in 2021. The site contains the Grade II listed Carrow House which extends to 50,000 sqft and is currently being renovated to provide meanwhile office space which will be leased on short term agreements. The council purchased the site to ensure that it will be redeveloped in accordance with the aspirations set out in the masterplan.

RWE Generation UK Plc and National Grid

- 2.13 Collectively both RWE and National Grid own the Utilities site which extends to c 10 hectares. The site was formerly a power station and gas works but the majority of the site is now redundant and the power station was demolished a number of years ago.

- 2.14 The site has been identified for strategic regeneration for a number of years and government funded detailed feasibility work was undertaken in 2007 to investigate flood risk, ecology, contamination and the transport implications of any redevelopment.
- 2.15 The site is already partially vacant and all parties are looking to completely vacate the site and bring it forward for redevelopment. Owing to the nature of the existing owners they have identified that either a delivery partner or a site disposal would be their preferred approach to redevelopment.

3. Context

- 3.1 The East Norwich Partnership was established in 2020 to bring forward the comprehensive and coordinated regeneration of the East Norwich area.
- 3.2 Its role is to provide strategic oversight of the regeneration of East Norwich and production of the masterplan, and for partners to work together in delivering a masterplan that will drive production of a vision for the regeneration of East Norwich that is deliverable, capable of informing policy in the GNLP, and which will form the basis of a supplementary planning document capable of adoption by the relevant planning authorities.
- 3.3 It is also focused on delivery, seeking to work to identify an appropriate delivery mechanism to ensure the provision of the common infrastructure needed to unlock the East Norwich sites and implement the vision.
- 3.4 The Partnership is formed of the following parties all of whom have been actively engaged and supportive of the masterplanning process which is a testament of their joint commitment to see this area brought forward for major redevelopment.
- 3.5 Of note, the cost of the masterplanning work has been co-funded by a number of Partnership members including the councils, Homes England and landowners as a further demonstration to their combined commitment. Funding members of the Partnership also sit on the East Norwich Steering Group which has provided a more detailed steer of the masterplan process.
- 3.6 The parties are:
- Norwich City Council
 - Homes England
 - New Anglia LEP
 - Norfolk County Council
 - Broads Authority
 - South Norfolk Council
 - Utilities Site Owners (RWE Generation UK Plc and National Grid)
 - Deal Ground / May Gurney Owner (Serruys Property Company)
 - Carrow Works Owner / Contracted Private Sector Developer (Britvic Unilever /Fuel Properties)

- Carrow House Owner (Norwich City Council)
 - Network Rail
- 3.7 Collectively the Partnership undertook a formal procurement of the consultant team in 2021 with the key objective of developing a deliverable masterplan and supplementary planning document to drive forward comprehensive and sustainable redevelopment across the whole site and act as a catalyst for regeneration of east Norwich and the wider city.
- 3.8 The Partnership has met regularly following the appointment of the Avison Young/ Allies and Morrison combined team and has been fully briefed and engaged on matters of viability, delivery trajectory, scale/ massing and proposed mix. The Partnership meets approximately every 2 months as required; since the start of the masterplan process in March 2021 it has met 7 times to provide high level oversight of the masterplanning process.

4. The Delivery Trajectory

- 4.1 The masterplan seeks to explore ways in which the sites could come forward for redevelopment and importantly should not be viewed as a fixed 'blueprint' but rather a framework of key principles that developers/ landowners can collectively work within.
- 4.2 Detailed modelling has been undertaken by Avison Young to explore likely developer returns from the proposed scheme and to identify any delivery challenges, this is discussed in detail within the ENRA Viability Report (Avison Young - April 2022)
- 4.3 As part of the masterplanning exercise a comprehensive review of the market for both commercial and residential uses was undertaken. This exercise highlighted levels of market appetite for space and informed the trajectory of the development (East Norwich Property Market Analysis, Avison Young - May 2021).
- 4.4 This Property Market Analysis was supplemented with further research undertaken in May 2022 which is discussed below and provides details of the sales rates for current schemes within the vicinity of the subject site.

St James Quay, Barrack Street, NR3 1FS

- This development is situated circa 1.9km to the north west of the site, on the edge of Norwich city centre and also fronting the River Wensum. It comprises a total of 218 residential units, comprising one, two and three bedroom apartments and broken down into two phases.
- Generally the scheme has been designed to deliver larger and higher specification units, with the average unit size at 850 sq ft.
- Phase 1 - 88 residential apartments in total comprising 30 x one beds, 52 x two beds, and 6 x three beds. The scheme launched initially off-plan in October 2020 with limited success. The scheme then relaunched in July 2021 after practical completion. To date, about 66 units have sold equating to c. 6 sales per month with 18 units remaining unsold as at May 2022.

- Phase 2 is due to launch soon and comprising 130 units in total.
- Purchaser groups are typically the downsizer retiree market and second property purchasers for the 'premium' units with river frontage and cathedral views. First time buyers and buy-to-let investors have also been prominent but targeting the cheaper units without river and cathedral views.
- The sales agents consider that an average of 2 sales per week is achievable in the current market.

Aldwych House, Cattle Market Street NR2 1NR

- The scheme is situated circa 2.0km north west in Norwich city centre and contains 52 residential units in total comprising 49 x one bed and 3 x two-bedroom apartments.
- The scheme initially launched in October 2020, however, the marketing process was put on hold whilst issues were resolved around fire regulations. The scheme has just sold out and the marketing agent (Abbot Fox) believes that the scheme has been achieving circa 2 sales per week for the past 3 – 4 months.
- Purchaser demand has primarily been from buy-to-let investors, in addition to some first time buyers.

Castle House, Castle Meadow, NR1 3DH

- The scheme is situated circa 1.5km north west in Norwich city centre. It contains 23 residential units, comprising 8 x one, 13 x two and 2 x three bedroom apartments.
- About half of the sales were reserved off-plan following launch in June 2020. The remaining have all been sold in approximately 2 months since practical completion. This equates to a sales rate of approximately 6.5 sales per month.
- The sales agent (Pymm & Co) consider that 2 flat sales per week is definitely achievable in the current market if pricing is correct.

Chapters, Park Lane, NR2 3EQ

- The scheme is situated circa 2.6km to the north west, outside of Norwich city centre to its western suburbs. It contains 20 residential units comprising 6 x one bed, 5 x two bed, 7 x three and 1 x four bed apartments / duplexes / townhouses across three blocks detailed below.
 - Church building – 2 x one bed apartments, 4 x three bed townhouse and 1 x four bed townhouse
 - Church Hall – 4 x one bed apartments, and 2 x two bed apartments, 3 x two bed duplexes, and 2 x three bed townhouses

- Boys Brigade – 3 bed detached house.
- The scheme launched in October 2021 (which agents consider was too soon) – there have been a couple of reservations, however they have been difficult to sell whilst construction is ongoing as they can't get people on site to view the units.
- Overall the marketing agent (Savills) consider that a sales rate of 6 – 8 units per month for flats is achievable with purchaser groups including first time buyers, downsizers and buy-to-let investors, whilst houses would be lower around 4 sales per month and targeted almost entirely at the owner occupier market.

Building Typologies and Mix

- 4.5 The key to delivering a scheme with the scale and ambition anticipated at East Norwich is ensuring that there is an appropriate mix of housing typologies. Importantly, this ensures that development serves a diverse and balanced community and also ensures that the market is not over supplied with a single type of unit.
- 4.6 As the masterplan details, a series of distinct character areas are proposed which will all provide differing land use, scale, density & form and public realm.

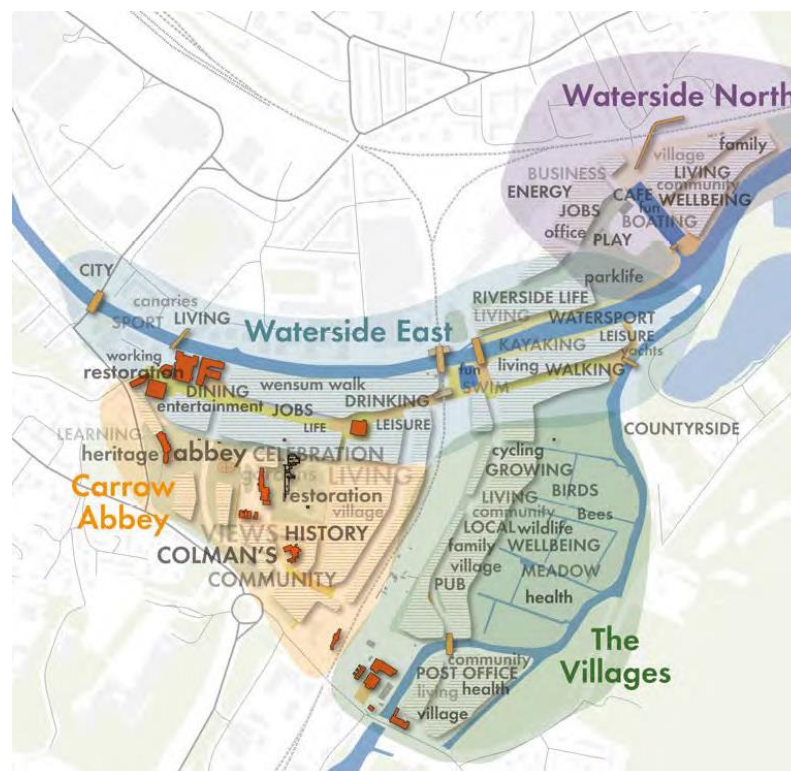


Figure 2 – Character Areas (East Norwich SPD – May 2022 – Allies and Morrison)

4.7 The following table shows the division of units across the core areas:

Residential Unit Mix by Tenure		
Category	Tenure	Units
Carrow Works		
	Build to Rent	300
Residential Apartments	Market	915
	Social Rent	383
	Shared Ownership	68
Residential Houses	Market	217
	Social Rent	91
	Shared Ownership	16
Total		1,689
Deal Ground		
	Build to Rent	150
Residential Apartments	Market	579
	Social Rent	242
	Shared Ownership	43
Residential Houses	Market	158
	Social Rent	66
	Shared Ownership	12
Total		1,100
May Gurney		
Residential Apartments	Market	46
	Social Rent	19
	Shared Ownership	3
Residential Houses	Market	60
	Social Rent	25
	Shared Ownership	4
Total		158
Utilities Site		
Residential Apartments	Market	263
	Social Rent	110
	Shared Ownership	19
Residential Houses	Market	195
	Social Rent	82
	Shared Ownership	14
Total		684
TOTAL		3,632

- 4.8 In addition to there being a number of distinct character areas proposed across the site as a whole there is also a mix within this of:
- Houses and flats – split 25% / 75%
 - Build to Rent flats – 450 units – 12% overall
 - Affordable housing (both social rented and shared ownership) modelled at both 33% and 20% of the overall mix (33 % = 1,198 units / 20% = 726 units)
- 4.9 Based on the differing ownerships across the whole site and the different delivery trajectories it is highly likely that a mix of developers/ housebuilders will be bringing units forward across the lifecycle of the development.
- 4.10 This will bring with it further differentiation of product but will also mean that there will be number of different sales outlets across the site which will help to attract a mix of buyers.

Sales Programme

- 4.11 We have provided programmes at both 33% and 20% affordable housing levels to show the number of units per annum proposed to be delivered.
- 4.12 The following programme updates have been made over the course of May 2022, reflecting on landowner feedback and refinements to the delivery modelling:
- Carrow Works and May Gurney construction start dates pushed out by 16 months to June 2024 to account for the likely associated timescales with obtaining planning consent, discharging conditions and detailed design. The start dates for the Deal Ground and Utilities site are unchanged.
 - Carrow Works BTR element (300 units) revenue has been distributed across the first 36 months of the construction period. Previously it was the whole 94-month construction period.
 - Carrow Works affordable housing element (558 units) revenue has been distributed across the first 67 months of the construction period. Previously it was the whole 94-month construction period.
 - May Gurney affordable housing element (51 units) revenue has been distributed across the first 6 months of the construction period. Previously it was the whole 18-month construction period.
 - Deal Ground BTR element (150 units) revenue has been distributed across the first 18 months of the construction period. Previously it was the entirety of the 60-month construction period
 - Deal Ground affordable housing element (363 units) revenue has been distributed across the first 44 months of the construction period. Previously it was the whole 60-month construction period.

- Utilities Site affordable housing element (225 units) revenue has been distributed across the first 27 months of the construction period. Previously it was the whole 60-month construction period.

4.13 It is important to note that the figures show the timings for completions, as detailed below:

- For affordable housing units it is anticipated that these would be sold to a Registered Provider via a 'golden brick' payment profile and will be delivered early to meet likely planning obligations
- The Built to Rent units are proposed as distinct blocks of flats which will be delivered on a 'forward funding' arrangement with an institutional investor. On this basis the blocks are likely to be delivered on a standalone basis
- The remaining private sales units will be offered to market with proposed sales rates as follows:
 - 33% affordable housing – an average of 162 private for sale units per annum over the life of the project and a peak of 405 unit sales per annum
 - 20% affordable housing – an average of 193 private for sale units per annum over the life of the project and a peak of 491 unit sales per annum

4.14 We consider that these rates of sale are appropriate for the following reasons:

- They are split over a range of houses and flats which will offer a mix of unit sizes from smaller 1 bedroom dwellings through to large family houses
- The units are proposed across the different character areas which will offer distinctive products and appeal to a wide range of purchasers
- The market data provided at 4.4 indicates that smaller schemes in the vicinity are selling 1.5 - 2 flats per week each and 1 house per week.
- At our proposed peak projection (20% affordable housing) we are targeting 334 flat sales per annum from three different sales points. This equates to 110 sales per 'character area' per annum which is consistent with the rate of 2 units per week reported by agents.
- At our proposed peak (20% affordable housing) we are anticipating, 157 housing sales per annum across the three sales points which equates to 50 units per 'character area', per annum or 1 unit per week. This is consistent with the evidence from local agents.
- In the event that a higher level of affordable housing is secured, for example 33%, then there will be a lower number of private units brought to market which will reduce the pressure on sales rates.

East Norwich Strategic Regeneration Area

Residential Sales Trajectory – 33% Affordable Housing

		Key														
		Private Sales														
		BTR Sales														
		Affordable														
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Carrow Works																
	BTR				158		142									
Residential Apartments	Market Units							185	96	96	96	96	47			
	Social Rent Units			40	69	69	69	69	69							
	Shared Ownership Units			7	12	12	12	12	12							
Residential Houses	Market Units								65	51	51	51				
	Social Rent Units			10	16	16	16	16	16							
	Shared Ownership Units			2	3	3	3	3	3							
Deal Ground																
	BTR							150								
Residential Apartments	Market Units								185	96	96	52				
	Social Rent Units						61	66	66	50						
	Shared Ownership Units						11	12	12	9						
Residential Houses	Market Units									79	48	31				
	Social Rent Units						17	18	18	14						
	Shared Ownership Units						3	3	3	2						
May Gurney																
Residential Apartments	Market Units				14	32										
	Social Rent Units			19												
	Shared Ownership Units			3												
Residential Houses	Market Units				18	42										
	Social Rent Units			25												
	Shared Ownership Units			4												
Utilities Site																
Residential Apartments	Market Units											127	96	40		
	Social Rent Units								45	49	16					
	Shared Ownership Units								8	9	3					
Residential Houses	Market Units										86	48	48	12		
	Social Rent Units								33	36	12					
	Shared Ownership Units								6	6	2					
Sub-total		0	0	110	290	174	333	533	637	497	411	405	191	53	0	0
Private				-	32	74	-	185	346	322	377	405	191	53		
BtR					158		142	150	-							
Affordable				110	100	100	191	199	291	175	33	-	-	-	-	-

East Norwich Strategic Regeneration Area

Residential Sales Trajectory – 20% Affordable Housing

		Key														
		Private Sales														
		BTR Sales														
		Affordable														
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Carrow Works																
	BTR				150		150									
Residential Apartments	Market Units							238	96	96	96	96	96	74		
	Social Rent Units			40	68	68	57									
	Shared Ownership Units			7	12	12	10									
Residential Houses	Market Units								78	61	61	61				
	Social Rent Units			9	16	16	13									
	Shared Ownership Units			2	3	3	2									
Deal Ground																
	BTR							150								
Residential Apartments	Market Units								218	96	96	96	35			
	Social Rent Units						62	68	17							
	Shared Ownership Units						11	12	3							
Residential Houses	Market Units									89	48	48	4			
	Social Rent Units						17	18	5							
	Shared Ownership Units						3	3	1							
May Gurney																
Residential Apartments	Market Units				17	39										
	Social Rent Units			12												
	Shared Ownership Units			2												
Residential Houses	Market Units				21	50										
	Social Rent Units			15												
	Shared Ownership Units			3												
Utilities Site																
Residential Apartments	Market Units										142	96	76			
	Social Rent Units							46	21							
	Shared Ownership Units							8	4							
Residential Houses	Market Units									98	48	48	39			
	Social Rent Units							34	15							
	Shared Ownership Units							6	3							
Sub-total		0	0	89	287	187	325	489	512	384	398	491	279	190	0	0
Private				-	38	89	-	238	392	341	398	491	279	190		
BTR				-	150	-	150	150	-	-	-	-	-	-		
Affordable				89	99	99	175	102	119	43	-	-	-	-	-	-

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