FBC042

NEXUS PLANNING

FAREHAM BOROUGH COUNCIL

Policy BL1 – Broad Location for Housing Growth

Fareham Borough Council Position Statement

On behalf of Fareham Borough Council

February 2022

Contents

1 Executive Summary

1.1 *Policy BL1: Broad Location for Housing Growth* (BLHG) comprises of an area within Fareham Town Centre identified for its potential to deliver up to 620 new homes in years 10-16 of the Local Plan period. In addition to new homes, development in this location would facilitate the renewal and redevelopment of the town centre, and the policy recognises the wider place making, economic regeneration and health benefits that a scheme could provide.

1.2 The BLHG has an area of 10.66ha (the vast majority of which is owned by the Council) and the Council owns or has a controlling interest in a number of other sites around the boundary of the Broad Location that may assist in facilitating its delivery.

1.3 Positive discussions have been held with many of the Council's leaseholders and other key freeholders, including the owners or Fareham Shopping Centre and Market Quay. Discussions have also been held with the Office of the Police and Crime Commissioner (OPCC), who operate the Police Station.

1.4 This engagement has demonstrated that important stakeholders with control over key sites with future redevelopment potential within the BLHG are aligned with the aspiration of Policy BL1 and support substantial growth in the town centre. This is a very promising starting position from which to begin developing a Masterplan for the area.

1.5 The Council has carefully considered the suitability and capacity of the Broad Location for the development proposed. Analysis demonstrates that alongside supportive stakeholders, there is a wide selection of opportunities within the area to deliver the aspirations of BL1. What this analysis clearly indicates is whilst the masterplan is yet to be prepared; there is substantial headroom available to look at a range of options to deliver the quantum of growth planned for by Policy BL1.

1.6 Those decisions would be made through the Masterplan, in consultation with key stakeholders. Preliminary work has already been undertaken, of which the Local Plan submissions are part, and the Council has committed to the document being prepared and consulted on later in 2022.

1.7 Independent property consultancy advice has been sought and soft market testing undertaken. This has demonstrated that there is interest from the market in developing in the town centre, in a range of typologies, housing types and tenures.

1.8 The Council's proposed affordable housing policy acknowledges the particular challenges, especially around higher costs, that can be presented by town centre redevelopment. It is also important to highlight that the Council owns a large part of BL1 and is therefore able to take a long-term view on returns.

1.9 The Broad Location for Housing Growth is available, suitable and likely to be viable for the amount of development proposed by Policy BL1. There is, at the least, a reasonable prospect of the delivery between year 10 and year 16 of the Plan period.

2 Introduction

Purpose of the Position Statement

2.1 Paragraph 68 of the National Planning Policy Framework (2021) requires that planning policies identify a supply of:

a. Specific, deliverable sites for years one to five of the plan period; and

b. Specific, developable sites or broad locations for growth, for years 6-10 and; where possible, for years 11-15 of the plan (our emphasis).

2.2 Policy BL1 identifies a Broad Location for Housing Growth (BLHG) within Fareham Town Centre with potential to deliver up to 620 new homes in years 10-16 of the Local Plan period.

2.3 Paragraph 68 states that when identifying sites, including broad locations for growth, regard should be had to their availability, suitability and likely economic viability.

2.4 The purpose of this Position Statement is to demonstrate that these factors have and continue to be carefully considered by the Council when identifying the BHLG, and that there is a reasonable prospect that it will come forward within the timescale envisaged.

Structure of the Position Statement

2.5 The Position Statement begins by describing the context of Fareham Town Centre as it is today. It summarises the key land uses that exist within the centre, and summarises the three broad primary 'zones' of Fareham Shopping Centre, the Market Quay and the Civic Quarter.

2.6 The Statement summarises the current condition of the retail market within the centre (like many centres, it has seen falling demand accelerated by the Covid-19 Pandemic), the role that car parking, green space and heritage currently play in the town, and explains the ownership context of land within the BL1 boundary. The vast majority of land within the boundary is owned by the Council.

2.7 The Statement then sets out why the BLHG is available, suitable and likely to be economically viable in relation to the broad quantum of development proposed and concludes that there is, at the least, a *reasonable prospect* that development will come forward within the timescale envisaged.

Policy BL1

2.8 Policy BL1 – Broad Location for Housing Growth says that:

The Town Centre broad location, as identified on the policies map, has the potential to deliver up to 620 homes in years 10 to 16 of the Plan to meet the borough's housing need. The continued renewal and redevelopment of the town centre is a priority for the Plan. The Council has a strong ambition to secure delivery, recognising the wider place making, economic regeneration and health benefits that the scheme will provide.

The area identified as the broad location currently includes surface and multi-storey car parks, the police station and bus station offices, Fareham Shopping Centre, Fareham Library, Ferneham Hall and the civic offices. The town centre like others across the country faces challenges from the economic downturn and changing retail patterns. Fareham town centre also supports a wide range of leisure and cultural attractions and enjoys an active night-time economy.

The redevelopment of the town centre site will be a key component of the Local Plan housing delivery in the second half of the Plan period with the Council developing a supplementary planning document to secure the comprehensive mixed-use redevelopment of the area including a consolidated, varied, and integrated retail and leisure offer and opportunities for residential development for approximately 620 dwellings in years 10 to 16 of the Local Plan, significant improvement to the public realm and improved accessibility to and through the town centre creating a healthier environment through improvements to air quality.

Development proposals for the area will be required to meet the following broad criteria which will be set out in the Fareham Town Centre Masterplan Supplementary Planning Document:

a) *New development should demonstrate a quality of design that responds positively to the existing townscape, providing a variable and interesting form that will enhance the area as the focal point and gateway to Fareham; and*

b) *Proposals should protect and consolidate retail uses and ensure a mix of commercial leisure and retail operators creating a variety of uses to ensure an interesting streetscape and vibrant uses during the day and evening; and*

c) *Proposals will be expected to deliver vibrant, high quality outdoor public spaces including a new town square, linked by pedestrian spaces to other key town centre destinations.*

2.9 The Policy makes a public commitment to the Council leading the development and delivery of a Masterplan Supplementary Planning Document. This process would see further engagement with relevant stakeholders and would articulate how and where development would come forward in the Masterplan area, in accordance with the objectives and requirements of the policy.

2.10 The policy would deliver up to 620 homes. Of this quantum, 120 formed the basis of two site allocations in a previous version of the Plan (FTC1 – Palmerston Car Park; and FTC2 – Market Quay). Up to 500 additional homes would be provided across the BLHG. This Position Statement describes how the site is suitable for the quantum of development proposed within it.

3 Context

Fareham Town Centre Today

Land uses

3.1 The BLHG has a site area of 10.66ha and includes a wide range of existing land uses, including:

- Fareham Shopping Centre
- Fareham Shopping Centre Multi-storey Car Park
- Fareham Library and surrounding open space
- Osborne Road Multi-storey Car Park
- Palmerston Avenue Car Park
- Civic Way Car Parks
- Ferneham Hall (being renamed 'Fareham Live') and its car park
- Civic Centre
- Civic gardens open space
- Market Quay Shopping centre
- Market Quay Car Park
- Police Station
- Health Centre
- Retailers with frontage to West Street
- Fareham Job Centre

3.2 These buildings and spaces are identified for wayfinding purposes at Appendix B.

Land Ownership

3.3 Fareham Borough Council is the majority landowner, with nearly 77% of the BLHG within its ownership. The remaining land is largely in public sector ownership, including Hampshire County Council, the OPCC and NHS Property Services.

3.4 A plan showing landownership within the BLHG is at Appendix F.

3.5 The site includes community uses, such as the library, health centre and police station. These could potentially be re-provided in a different form or location as part of a Masterplan for the area.

3.6 Outside of the site boundary and at the periphery of the BLHG, the Council owns or has a controlling interest in a number of other sites including the bus station, located at the corner of Harper Way and Hartlands Road, Bath Lane Recreation Ground, located to the south of the A27, and various nearby surface level car parks (as shown at Appendix C). These sites may assist in facilitating the delivery of BL1 and will be considered as part of the master planning process to shortly follow.

3.7 Key sites within the BLHG area are described in further detail below.

Fareham Shopping Centre

3.8 Fareham Shopping Centre is a covered shopping centre located in the primary shopping area of the town, on the northern side of West Street. The centre contains 25,868sqm of retail floorspace and associated circulation space, and offers a range of units of varying sizes. The main two pedestrian accesses are from West Street, with a further entrance located to the north, opposite the Library building.

3.9 The latest Health Check Assessment of Fareham Town Centre carried out by the Council in 2021 determined that there was 7,160sqm of vacant floorspace within the shopping centre site, equating to almost a third.

3.10 Fareham Borough Council owns the freehold of the shopping centre site. Roubaix Group Ltd hold a long lease from the Council.

3.11 The Shopping Centre Multi-storey car park is located on the eastern side of the centre, with access from Civic Way, and has 207 spaces. The Shopping Centre is also served by the Osborne Road Multi-storey car park, which is owned by FBC. The car park is located just to the north of the shopping centre, providing 797 car parking spaces.

Market Quay

3.12 The freehold of Market Quay is owned by FBC and leased to Zurich. The shopping precinct is located on the southern side of West Street. Market Quay is anchored by Wilko and TK Maxx, and provides a range of evening and leisure uses, including Reel Cinema and a range of food and beverage options.

3.13 Market Quay is serviced by the Market Quay car park to the south, which has access from the A27 and has 280 car parking spaces. Fareham Borough Council lease the Market Quay car park back from Zurich, which is the most used of all the available car parks within Fareham Town Centre.

Civic Quarter

3.14 The Civic Quarter is located to the north of Fareham Shopping Centre, and is broadly comprised of the Civic Offices, Civic Gardens, Library building, Ferneham Hall, and associated car parking.

Ferneham Hall, which is an existing theatre, is soon to be refurbished as a new and improved theatre called 'Fareham Live', which is due to open in 2023.

3.15 The Civic Offices comprise a ten storey building in the north east portion of the BL1 site. The Civic Gardens are located between the Civic Offices and the Fareham Shopping Centre.

The Current Context for Retail

3.16 The Fareham Retail and Commercial Leisure Study Update Report was published in April 2020. The Update Report followed the original Fareham Retail and Commercial Leisure Study, which was published in 2017.

3.17 One of the Study's key outputs is a quantitative capacity assessment. The assessment takes the level of available retail expenditure attracted to the Borough across the plan period, and calculates the amount of surplus or deficit expenditure at each interval by subtracting the benchmark turnover of existing floorspace and committed retail floorspace. The resulting surplus or deficit expenditure is converted to floorspace capacity. Importantly, capacity does not equate to need. Need is more than just a quantitative measure; it should also involve qualitative considerations around issues such any residents' dissatisfaction with the current level of provision, and the potential impacts of realising capacities on the ground.

3.18 In terms of retail floorspace capacity projections, the Update Report (2020) concludes there would be negative retail capacity across the Borough (-379sqm) to 2031, but that by 2036, there is positive retail capacity across the Borough (3,525sqm). Within these capacity figures, there is negative capacity for comparison goods floorspace across the plan period, but positive capacity for convenience, and food and beverage floorspace.

3.19 However, given the current high level of vacancy across the town centre and downward trend, any long-term retail floorspace capacity projections (up to 2036) could, in theory, be accommodated within existing vacant units, thereby negating any need to create new retail floorspace. It is important to note that if this were to happen this would likely still leave significant vacancy.

3.20 With the above in mind, some potential implications for the provision of retail floorspace within the BL1 site are as follows:

- There is limited evidence at the current time to suggest that future development within the BLHG should incorporate an increase in the quantum of retail floorspace;

- The existing provision is dated, and the shopping centre suffers from high vacancy rates. Improvements to the quality and type of retail stock, whether through remodelling and upgrading the existing or complete redevelopment, are likely to assist in improving the vitality and viability of retail provision in the BL1 site and Fareham Town Centre as a whole;
- A carefully managed loss of retail floorspace may be justifiable when considering the following:
  - The high existing level of vacancy within Fareham Shopping Centre (7,160sqm) and across Fareham Town Centre (13,181sqm);
  - The general, accepted trend towards the contraction of town centres;
  - Any capacity found in the Retail Study should be viewed cautiously, given the Study was published pre-pandemic; and
- Provision for flexibility in terms of retail floorspace quantum, type and adaptability should be incorporated into the Masterplan.

Car parking

3.21 The BLHG is located in a highly accessible location by a range of modes of transport. From the core town centre, it is possible to walk to a range of services and facilities. The town centre is served by a railway station to the west which is a 10-minute walk from Fareham Shopping Centre. The station offers direct services to Portsmouth (21 minutes), Southampton (24 minutes) and London Waterloo (120 minutes).

3.22 Fareham Town Centre's bus station is located just outside of the BLHG site boundary, to the west of Market Quay. The station is used by buses that link Fareham Town Centre to nearby towns across Hampshire and further afield. The station is also used by routes of the Eclipse Busway – the Bus Rapid Transit (BRT) system that links Fareham with Gosport.

3.23 Fareham Town Centre is located just north of the A27, which links the area to the south of the M27. By car, Portsmouth can be reached in 15 minutes, and Southampton in 30 minutes.

3.24 The BLHG is served by a series of existing car parks, within, and just outside the BL1 boundary. The key car parking locations within the boundary are listed below, along with their car parking capacity:

- Market Quay (314 spaces);
- Osborne Road Multi-storey (802);

- Fareham Shopping Centre Multi-storey (207);
- Civic Way Surface car parks (126);
- Ferneham Hall (77); and
- Palmerston Avenue (26).

3.25 In total, this equates to 1,552 car parking spaces within the BL1 site area. Information on occupancy is provided in section 5.

3.26 There are also some bicycle parking spaces throughout Fareham Town Centre, including along West Street.

Green spaces

3.27 Whilst there is limited available green space within the BL1 site (the exception being the Civic Gardens), there are numerous green spaces just outside of Fareham Town Centre including:

- Bath Lane Recreation Ground, located south of the A27, a 6 minute walk from Fareham Shopping Centre; and
- Park Lane Recreation ground, location northwest of the centre at Trinity Street, a 10 minute walk from Fareham Shopping Centre.

Heritage

3.28 The Fareham High Street Conservation Area runs north to south along the eastern edge of the BLHG, with the Osborn Road Conservation Area running along part of the northern boundary. Whilst adjacent, both Conservation Areas are outside of the BLHG.

3.29 There are three Listed Buildings within the boundary, all located on the south side of West Street:

- Portland Chambers Trustee Savings Bank (Grade II);
- United Reformed Church (Grade II); and
- The Crown Public House (Grade II).

3.30 The location of the listed buildings and conservation areas relative to the Broad Location is shown at Appendix A.

3.31 In the following sections of this Position Statement we set out what work has been undertaken by the Council to establish that the BLHG is available, suitable and likely to be viable and that there is, at the least, a reasonable prospect of the development coming forward by years 10 – 16 of the Plan period.

4 Availability

Land Ownership

4.1 The vast majority of land within the BLHG boundary is within the Council's ownership. This is clearly a very promising position from which to start developing a Masterplan. Additionally, positive discussions continue with many of the Council's leaseholders and other key freeholders, including the owners of Fareham Shopping Centre and Market Quay. Discussions have also been held with OPCC (who operate the Police Station), Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (health centre) and Hampshire County Council (library).

4.2 A summary of the landowners and key stakeholders in the Broad Location area, and engagement undertaken to date is set out in the table below.

Stakeholder	Holdings/Interest	Discussions to Date
Fareham Borough Council (FBC)	Freehold of 8.12ha (76.2%) within the site boundary	FBC is the majority landowner of nearly 77% of the allocation and has signalled its intention to release land a required within its ownership through the Local Plan process. The Council's freehold interests within BL1 are shown at Appendix F, and listed below: • Fareham Shopping Centre and car park; • Market Quay and car park; • Osborn Road Multi-storey car park; • Civic Offices and gardens; • Ferneham Hall and car park; • Palmerston Avenue car park; • Job centre. The Council is soon to commence work on a Masterplan for the Broad Location which will set out how the site can come forward and meet both policy expectations as well as being attractive for investment.
Roubaix Group (leaseholder)	Leaseholder and operator of Fareham Shopping Centre	The Council is in ongoing dialogue with the Roubaix Group. Engagement has been positive, with Roubaix confirming that:

		• It is a long leaseholder of one of the largest parcels within the site boundary; • It is fully supportive of objective to deliver up to 620 new homes in the town centre; • The shopping centre presents an opportunity for residential development; • Roubaix Group intend to form part of any future working group for the preparation of the Masterplan; and • Roubaix Group is not aware of any impediment of the site to deliver new homes within the Fareham Town Centre via the emerging Policy BL1. A copy of this correspondence is provided at Appendix E.
Zurich (leaseholder of the car park and owner of the buildings)	Market Quay	The Council has met with representatives of Columbia Threadneedle, agents to Zurich. Discussions have been positive with Zurich confirming that are supportive of the aspirations of BL1. Like with other key stakeholders, further meetings are planned with Columbia Threadneedle alongside the development of masterplan options.
Office of the Police and Crime Commissioner for Hampshire (freeholder)	Owner of police station	The Council has met with representatives from Hampshire Police, who have expressed their support for the principles of BL1. More specifically, they have made the following comments: • Whilst the OPCC has an ongoing requirement for Fareham Police Station, it would consider re-provision of a station within BL1 that would meet both operational policing requirements and also the commitments of the current Police and Crime Commissioner; • They are aware of Policy BL1 and the emerging revised Fareham local plan

		2037 and are supportive of what the plan sets out to achieve; and • OPCC has confirmed that it will work with FBC in the development of the masterplan to deliver its growth and housing aspirations for the town centre. A copy of this correspondence is provided at Appendix E.
Hampshire County Council	Fareham Library	The Council has previously received a consultation response from Hampshire County Council in relation to Fareham Library. It is categorised as a Tier 1 library, Tier 1 being the largest and busiest libraries, providing widest range of services. Investment in Fareham Library is being sought to further develop this building as a Community Hub, offering a range of services under one roof. There is potential to work with the Council in a redevelopment scheme.
Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (health centre)/NHS Property Services	Health Centre	The Council has discussed the master planning approach with the CCG. Fareham Heath Centre is considered a valuable asset in a central location and is only GP surgery in the area with scope to expand its estate and cope with a significant growth in list size. The building itself is an NHS Property Services owned asset without which they could not support existing primary or community services in Fareham. The CCG is happy to engage with the Council regarding proposals for the future however it is not their intention to dispose of this site, but may consider refurbishment, redevelopment or new provision providing the alternative is affordable and appropriately sized. The building is in satisfactory condition and studies undertaken by the NHS indicate that the building is approximately 40% underutilised.

4.3 This engagement demonstrates that those with control over key potential future sites within the BLHG are aligned with, and some are positively working towards, the aspiration of Policy BL1 and support substantial growth in the town centre. This is a very promising starting position from which to begin developing a Masterplan for the area.

4.4 Therefore, it is likely that across this stakeholder group, which includes the Council and its ownership, the necessary land to deliver the BLHG aspiration is available.

5 Suitability and Capacity

5.1 In the following section we consider whether the BLHG is suitable for the development proposed by the Policy.

5.2 This is a town centre, highly sustainable location where future residents will have easy access to a wide range of services on their doorstep. In that sense, it is intrinsically the most suitable area/site for growth within the Borough.

5.3 The Council has also carefully considered whether the amount of development proposed is suitable, with regard the key objectives of the policy and the size and make-up of the BL site area.

New homes

5.4 The BLHG would deliver up to 620 new homes in the town centre, within a total site area of around 10.6ha.

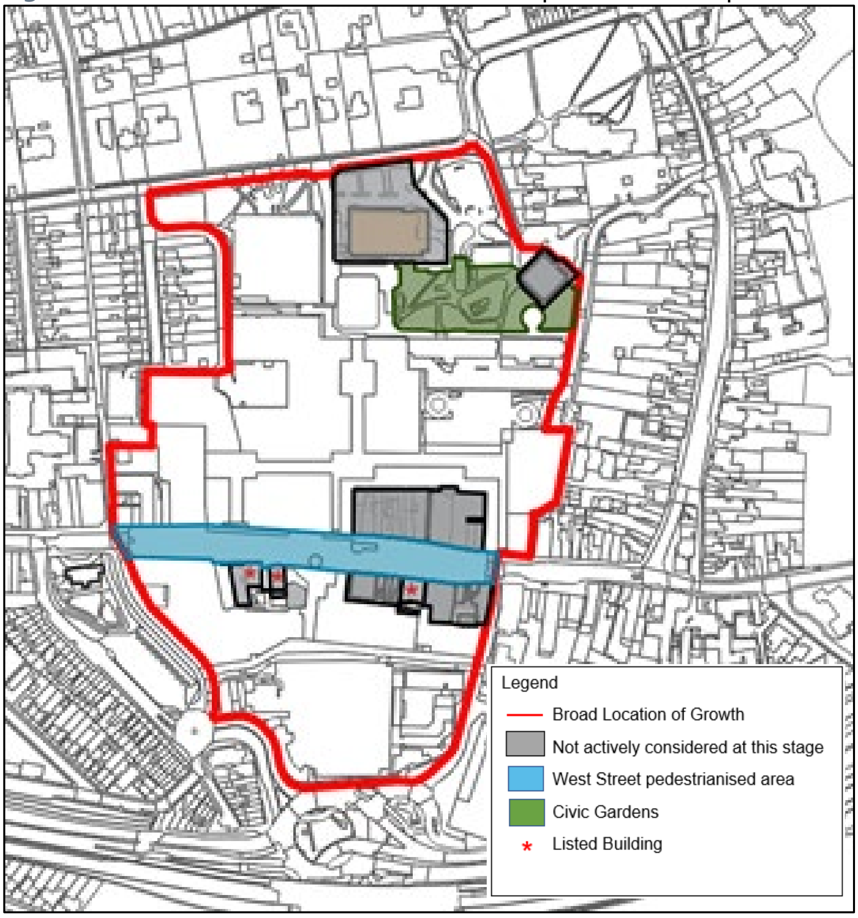
5.5 The Council recognises that not all of that 10.6ha would, or should, come forward for development during the Plan period. West Street, for example, is the main thoroughfare through the town centre and is highly unlikely to be developed. There are other existing buildings and spaces that are also less likely to come forward as potential development sites during the plan period, including the Civic Offices and the Civic Gardens.

5.6 The Council has plans to extensively refurbish Fareham Live and so this area within the BLHG is not likely to come forward for development in 10 to 16 years' time.

5.7 Additionally, there are three listed buildings within the BLHG and some smaller sites that are outside of the Council's, and other public or key stakeholder control.

5.8 Taking into account all of the above areas, there is around 7.7ha of land within the BLHG that should be actively considered as part of the development of masterplan options work. This extent of this area, and the land that has been excluded when arriving at it is shown at Figure 1.

Figure 1. Land to be considered as part of Masterplan



5.9 Whilst the BLHG is, not within a Conservation Area, there are some areas that are more sensitive than others to the scale/massing of new development because of the adjacent conservation areas adjacent to the eastern and northern boundaries of the site. A Plan showing areas of greater sensitivity is at Appendix A.

5.10 Taking this area of opportunity, some rudimentary and high-level capacity analysis has been undertaken, using typical building typologies. Two typologies have been used; firstly, a four storey flatted development, with car parking at ground level that generates a housing density of around 230 dwellings per hectare (dph). Secondly, and for more sensitive locations, a smaller 2.5 to 3 storey development with parking that would generate a density of around 150dph.

5.11 For the purposes of developing a high level capacity estimate, applying the higher density to 80% of the 7.7ha developable site area and the lower density to 20% of it, to reflect development in more sensitive location, would deliver around <u>1,650 new homes</u> in the BLHG.

5.12 However, the Council entirely recognises that 1,650 new homes will not come forward in the BHLG because there are a range of other factors that will inform the quantum of development that will be delivered by a Masterplan, for example, refurbished/replacement retail and commercial floorspace and public car parking. It is also possible that lower density, non-flatted forms of development will be appropriate in some parts of the BLHG.

5.13 Decisions made relating to these factors during the Masterplanning process will inform what comes forward where, and how, but, as this high-level capacity exercise has demonstrated, there is clearly substantial scope to make a range of different decisions relating to all of these factors, whilst still comfortably delivering up to 620 new homes at the site. Some of these influencing factors are summarised below.

Replacement retail floor space

5.14 The Masterplanning process will present an opportunity to consider consolidating and improving retail and leisure floorspace within Fareham Town Centre. A carefully managed net-loss of retail floorspace, compared to the existing provision, is likely to be appropriate based on the following:

- There is a currently a high level of vacancy within Fareham Shopping Centre and across the town centre as a whole;
- There is a general, accepted trend towards the contraction of town centres; and
- Improvements to the quality of retail stock, whether by upgrading the existing or redeveloping, are likely to assist in improving the vitality and viability of retail provision in the Masterplan area and Fareham Town Centre as a whole.

5.15 Provision for flexibility in terms of retail floorspace quantum, type and adaptability can be incorporated into a Masterplan, in line with contemporary retail requirements, noting that Policy BL1 anticipates delivery within the Broad Location from year 10 of the Plan period.

Car parking

5.16 Recent car parking audits and analysis have established that the public car parks located within the BLHG (Osborn Road, Market Quay and Fareham Shopping Centre Shopper's Car Park) operate below full capacity, and in some cases, significantly so.

5.17 Osborn Road and Fareham Shopping Centre Multi-Storey car parks in particular, have an average occupancy of less than 30% (based on a four month sample between July and October 2021).

5.18 Whilst further modelling will need to be done, the Masterplan presents an opportunity to consider consolidating car parking arrangements within the BL1 boundary (and potentially the car parks just outside) to maximise efficiency and deliver opportunities for sustainable growth.

5.19 It is also likely that movement patterns will further develop by year 10 of the Plan period, and residents are likely to be less reliant then than they are now on private car ownership and new homes may require fewer on-site parking spaces than currently. Even if that was not the case, the BLHG is likely to accommodate sufficient public parking and 620 units with on-site car parking aligned with current standards.

Other publically owned land

5.20 There are a range of public sector uses operating from the BLHG, including the police station, the heath centre and the library. The Council anticipates that these uses would be retained; they fulfil important public functions and are all appropriate in the town centre context.

5.21 It may be that the outcome of future master planning work is that these uses should stay in their current buildings and locations. It may also be that there are opportunities to re-provide these uses in a different configuration, or location, perhaps alongside other uses in a more efficient arrangement with a smaller overall footprint.

5.22 The substantial 'headroom' provided for by the Council's initial high-level capacity analysis demonstrates that all options can be explored within the comfort that there is capacity to deliver at least 620 units in any scenario.

Heritage

5.23 The relationship between the town centre and its neighbouring conservation areas is a strength as they provide an attractive and historic context to the area. New development does however need to sensitive to the town's heritage. As described above, sensitivity analysis has been undertaken and lower building typologies that could respond to more sensitive areas within the BLHG have been factored into the aforementioned high-level capacity estimate.

5.24 The Council is committed to ongoing engagement with Historic England. Indeed a joint site visit to discuss areas of potential development sensitivity has recently been undertaken.

5.25 The Council anticipates that Historic England would continue their role as an important stakeholder in plans for the town centre, and through the Masterplan process. This commitment to ongoing joint working is reflected in a Statement of Common Ground between the Council and Historic England.

Summary

5.26 High-level capacity analysis demonstrates that there is capacity to deliver the 620 new homes planned for within the BLHG. The initial analysis shows a much larger potential but this has yet to factor in retail, public parking and other public uses. The analysis is however relatively conservative in terms of the dwellings per hectare applied and greater density may be achieved in specific areas of low heritage sensitivity.

5.27 There is a range of further factors that will inform the final number of new homes that will be delivered and decisions will be made about those during the masterplanning process. All of these factors demonstrate that the Council has thought carefully about the suitability of the site for the amount of development proposed and is satisfied that this is a suitable site.

5.28 Ahead of the masterplan work being undertaken, and the culmination of ongoing discussions with landowners, it would be premature and unhelpful commercially and otherwise to specify where the proposed homes and other uses would be located. What is clear though is that the area and range of opportunities is very significant. When factoring in all land that may become available in whole or part, and the existing uses that may be reduced in land take, amalgamated or re-provided for greater efficiencies, then it is clear that the required capacity is available.

5.29 Draft Policy BL1 presents an exciting opportunity to reimagine and invigorate Fareham Town Centre. The Council will deliver a Masterplan, in consultation with stakeholders, and this will describe how key requirements of the policy will be delivered, and where. Analysis of evidence shows that existing retail floor space and car parking could be rationalised and that there are potential opportunities to consider how non-Council public buildings within the BLHG are better integrated.

6 Viability

6.1 The Council has instructed Three Dragons, an independent property consultancy, to consider the likelihood of the delivery of the BLHG being viable, taking into account the longer term nature of this type of policy and that a masterplan is to be prepared.

6.2 Their findings are encouraging and are summarised below. A full report prepared by Three Dragons is provided at Appendix D.

Soft Market Testing

6.3 Three Dragons engaged with five local agents as part of their market testing, and the key feedback included that:

- The housing market has been strong and that Fareham is generally sought after by buyers and renters;
- The town centre is a popular place for professionals;
- Recent developments of centrally located flats sold relatively easily but noting that there have not been large-scale developments such as might be found in major nearby centres;
- Demand both for rented and sale dwellings – larger scale private rented accommodation could be popular but there is limited local evidence; and
- Some housing demand in the future will be met by the large-scale development at Welborne; although this is seen as a different proposition to town centre living.

6.4 Overall, the agents provided confirmation that there would be market demand for new residential development in the town centre across different types of dwellings and tenures, subject to providing a quality town centre environment.

6.5 As part of their analysis, Three Dragons also contacted a range of potential developers to gauge market interest in bringing a development forward in Fareham Town Centre. Broadly, the relevant contacts fell within the following categories:

- Private sector developers known for town centre development;
- Private sector developers with a specialism in the build to rent sector;
- Older person specialists;

- Registered and affordable housing providers with a developing capability; and
- Public sector partnerships that develop.

6.6 In total 33 organisations were contacted in December 2021-January 2022, with 27 responding. The overall feedback from the development industry was positive with nearly two thirds of those directly involved in development responding that there would be interest in taking forward development at BL1. This level of interest suggests that it would be viable to bring forward development in the location during the plan period.

6.7 A summary of feedback from the different groups is provided below:

6.8 Developers: All of the developers approached are experienced in town centre type development. The developers generally agreed that both apartments and town houses would be appropriate in this location. These could be a mixture of sale or rent. Transport links and car parking were considered key to success. All emphasised the need for a clear phasing and delivery plan and were keen to explore how they could assist the council as it moves forward.

6.9 Older person housing: All three responded positively to the potential opportunities at BL1 with the two providers expressing an interest to be involved in the next stages of bringing sites forward.

6.10 Registered providers: A mixed tenure approach was favoured by most of the providers with both apartments and town houses seen as a viable proposition. As with the others consulted, political support and commitment from the council to take proposals forward (not only as masterplanners but as part of a possible JV partnership) were considered key in developing and taking forward market interest in BL1.

6.11 Development companies: Those involved in Aspect (a housing delivery vehicle part owned by Fareham Borough Council) have indicated an interest in the BL1 site and are able to bring their expertise to assist the council in whatever way is appropriate, including direct development.

Affordable Housing

6.12 The biggest policy impact on viability of a development is the proportion of affordable housing sought. The Council's Viability Assessment (2019) acknowledges that development viability can come under greater pressure on brownfield sites, and on sites within the town centre boundary than on greenfield sites.

6.13 The Viability Assessment therefore recommends that it is appropriate that an affordable housing requirement of 20% should apply within the Fareham Town Centre boundary. This requirement is set out in Policy HP5 (Provision of Affordable Housing) of the Plan.

6.14 By recognising the potential viability challenges presented by town centre brownfield development, and mitigating them with a bespoke affordable housing policy requirement, the Council has maximised the prospects of a viable delivery of development within the Broad Location.

6.15 The Council would also be able, if appropriate, to review Community Infrastructure Levy requirements for the development during the Plan period.

6.16 The Council has a choice to make in terms of the direct development involvement or otherwise that it may seek in this project. The opportunity is there as principal landowner to guide development and make decisions around place making and supporting infrastructure. This also provides the opportunity for the council to enable and de-risk development as it has a choice regarding its commercial aspirations in terms of land values and return.

Summary

6.17 Through independent consultants, the Council has established that it is likely that the market would be interested in delivering the new growth planned within the BLHG. This is clearly encouraging and points to the likelihood of the development planned for being viable.

6.18 That said, the Council recognises that redeveloping in brownfield and town centre locations can be more challenging than on Greenfield sites. To mitigate that, the affordable housing requirement for sites within the town centre are proposed to be reduced in policy HP5, further boosting the prospects of a viable series of developments coming forward during the Plan period.

7 Summary and Next Steps

7.1 Draft Policy BL1 presents an exciting opportunity to reimagine and invigorate Fareham Town Centre, whilst delivering much needed new homes. Significantly, the Council owns much of the land to which the Masterplan would relate, and key third party landowners (including leaseholders) have confirmed their support for the policy and its objectives.

7.2 The town centre presents significant opportunities and analysis shows that existing car parking and retail floor space can be rationalised, that there are opportunities across the wider public estate, and that the market is likely to support a range of new homes across types and tenures. Initial capacity analysis shows that taken this into account and the masterplan site area, there is ample scope to deliver the BLHG.

7.3 The analysis set out in this Position Statement demonstrates that the BLHG is available, suitable and likely to be viable. There is, at the least, a reasonable prospect of the development coming forward between years 10-16 of the Plan period.

7.4 The Council will next deliver a Masterplan, in consultation with stakeholders, and this will describe how key requirements of the policy will be delivered, and where.

8 Schedule of Appendices

Appendix A Heritage Sensitivity Analysis Plan

Appendix B Land Uses within BLHG Site Boundary Plan

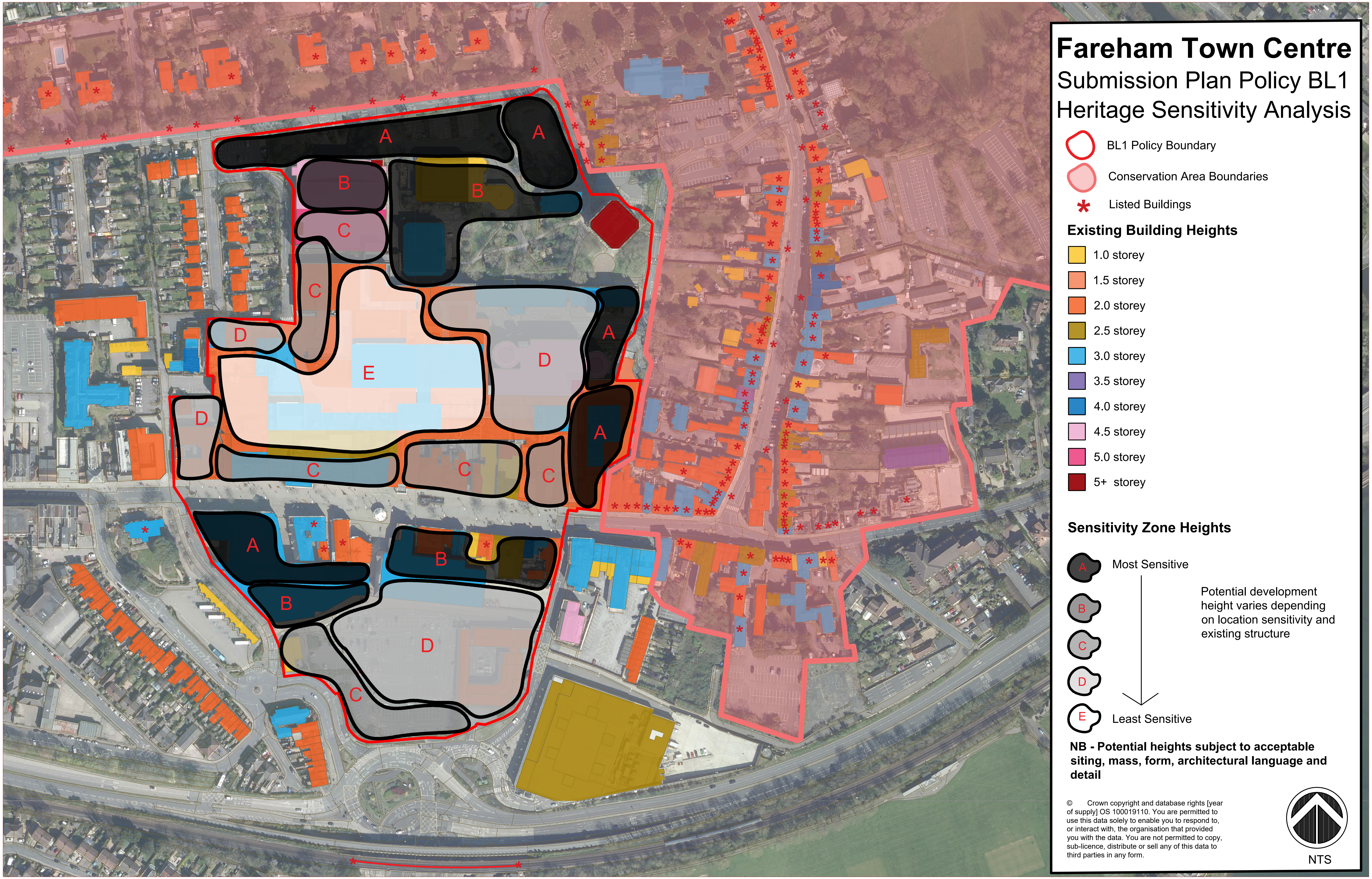
Appendix C Plan Showing Car Parking and Bus Station Locations

Appendix D Three Dragons & Bespoke Property Consultants Delivery at Fareham Town Centre Report – February 2022

Appendix E Correspondence from Key Stakeholders

Appendix F Land Ownership Plan

Appendix A: Heritage Sensitivity Analysis Plan


Fareham Town Centre
Submission Plan Policy BL1
Heritage Sensitivity Analysis
BL1 Policy Boundary
Conservation Area Boundaries
Listed Buildings
Existing Building Heights
1.0 storey
1.5 storey
2.0 storey
2.5 storey
3.0 storey
3.5 storey
4.0 storey
4.5 storey
5.0 storey
5+ storey
Sensitivity Zone Heights
Most Sensitive
Potential development height varies depending on location sensitivity and existing structure
Least Sensitive
A
B
C
D
E
NB - Potential heights subject to acceptable siting, mass, form, architectural language and detail
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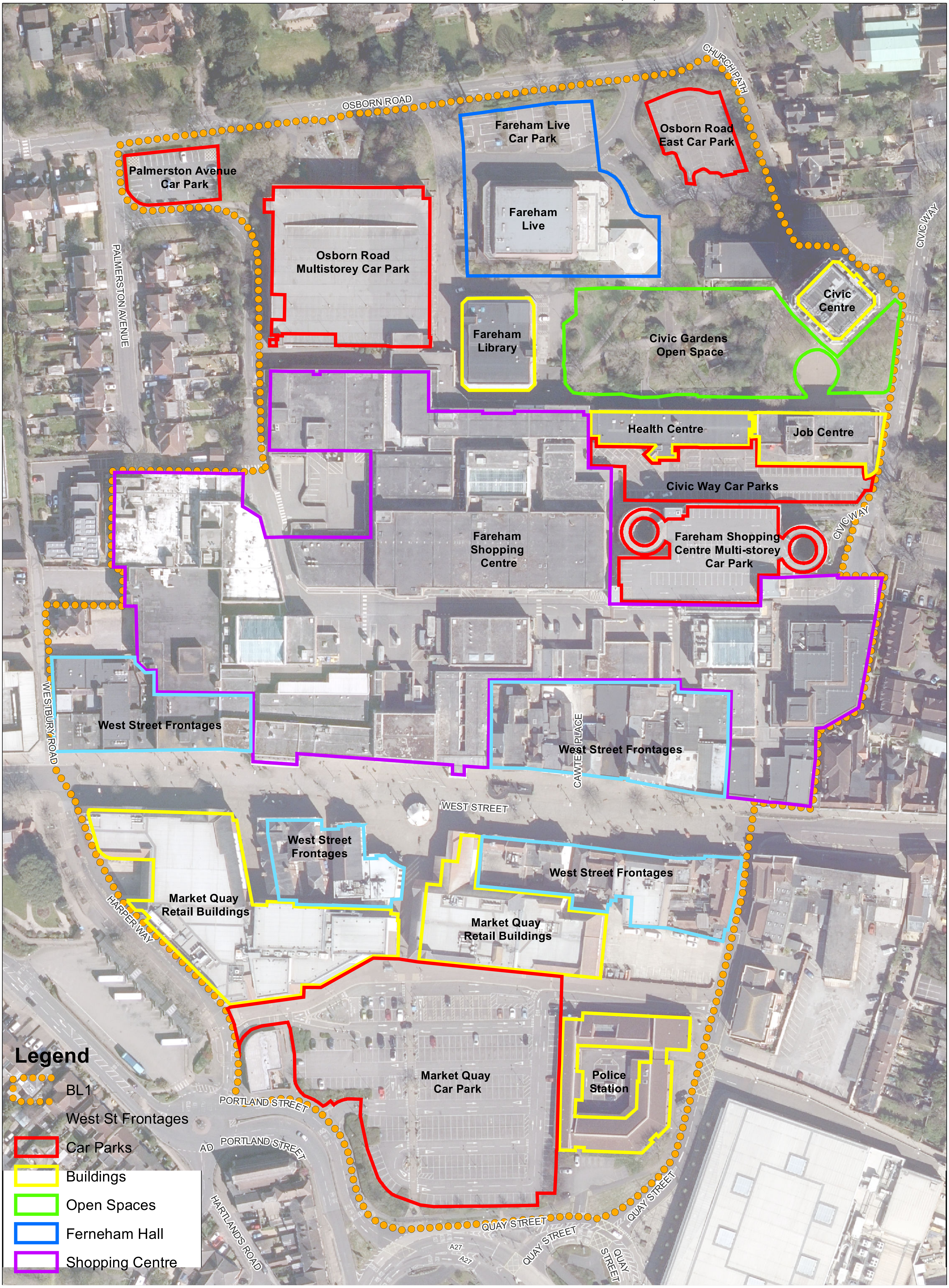
Appendix B: Land Uses within BLHG Site Boundary Plan

BROAD LOCATION FOR HOUSING GROWTH (BL1)



FAREHAM
BOROUGH COUNCIL

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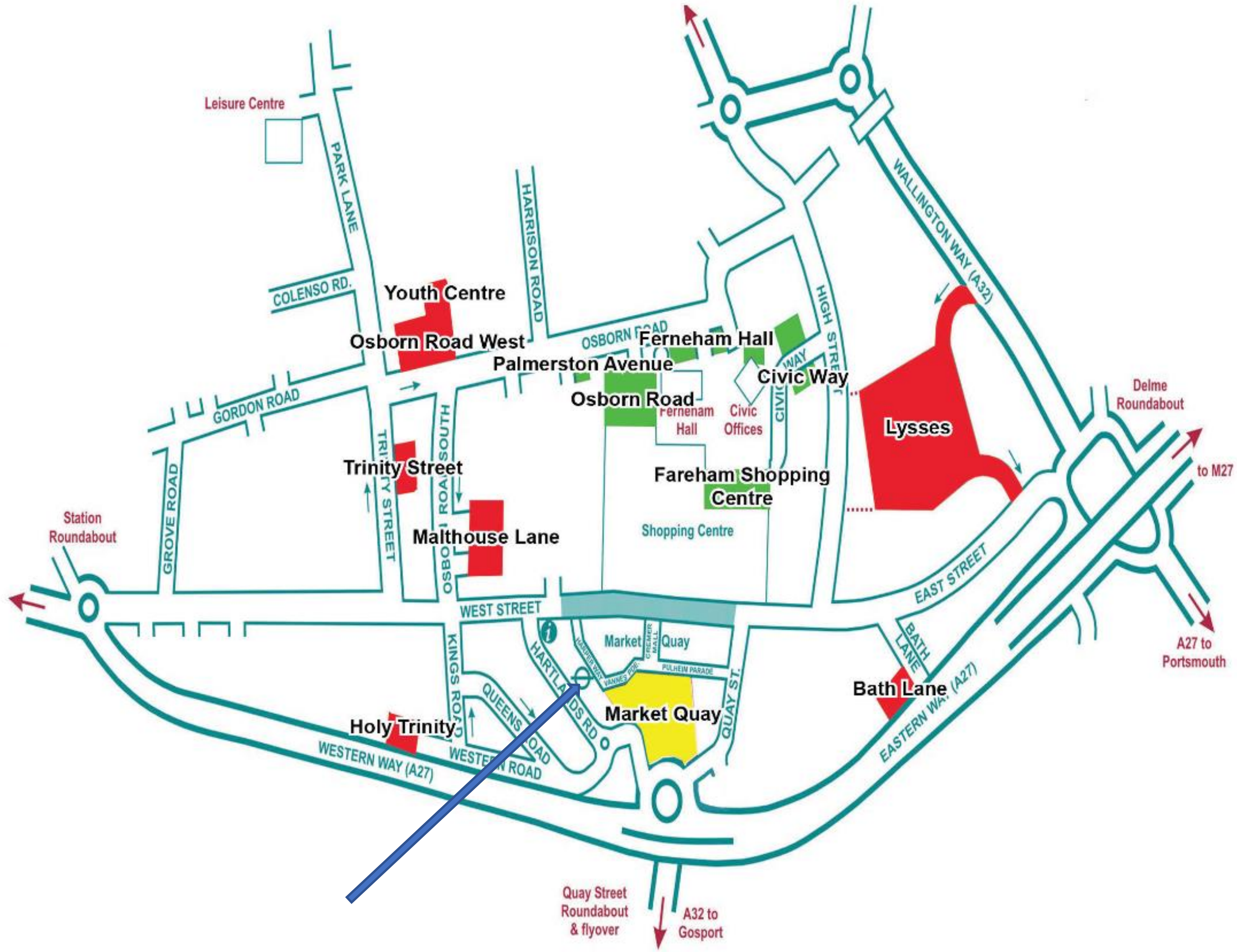
February 7, 2022

Scale 1:1,300

Appendix C: Plan Showing Car Parking and Bus Station Locations



Leisure Centre
PARK LANE
HARRISON ROAD
COLENSO RD.
Youth Centre
Osborn Road West
OSBORN ROAD
Ferneham Hall
Palmerston Avenue
Civic Way
CIVIC WAY
HIGH STREET
WALLINGTON WAY (A32)
Osborn Road
Ferneham Hall
Civic Offices
Lysses
Delme Roundabout
to M27
GORDON ROAD
Trinity Street
TRINITY STREET
OSBORN ROAD SOUTH
Malthouse Lane
Fareham Shopping Centre
Shopping Centre
GROVE ROAD
Station Roundabout
WEST STREET
EAST STREET
Market Quay
BATH LANE
A27 to Portsmouth
KINGS ROAD
QUEENS ROAD
HARTLANDS RD
PULHEIM PARADE
QUAY ST.
Bath Lane
EASTERN WAY (A27)
Market Quay
Holy Trinity
WESTERN WAY (A27)
WESTERN ROAD
Quay Street Roundabout & flyover
A32 to Gosport

Appendix D: Three Dragons & Bespoke Property Consultants Delivery at Fareham Town Centre Report – February 2022

Report for Fareham Borough Council

Local Plan – Policy BL1

Delivery at Fareham Town Centre – February 2022

Three Dragons & Bespoke Property Consultants

Document control sheet	
Project name	Fareham Local Plan
Project reference	Supporting evidence
Report title	Delivery at Fareham Town Centre
Doc ref	Report
Date	February 2022
Prepared by	Mark Felgate, Dominic Houston, Tom Marshall and Peter Griffiths
Reviewed by	Lin Cousins and Andy Leahy
Quality statement	In preparing this report, the authors have followed national and professional standards, acted with objectivity, impartially, without interference and with reference to appropriate available sources of information. No performance-related or contingent fees have been agreed and there is no known conflict of interest in advising the client group.
Use of this report	This report is a high-level review of market interest in delivering town centre redevelopment. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.

CONTENTS

EXECUTIVE SUMMARY

1. Fareham Borough Council (FBC) commissioned Three Dragons and Bespoke Property Consultants (BPC) to ascertain development interest in bringing forward redevelopment of Fareham Town Centre in an area identified in the new Local Plan Policy BL1 Broad Location for Housing Growth. This location has been identified for up to 620 dwellings to be delivered towards the latter stages of the Plan period. The objective of the work is to determine whether development could come forward at this location within the NPPF definition of 'developable'[1] in respect of site supply.

Council's approach

2. BL1 is a core part of Fareham Town Centre, with a range of current uses. The broad location is around 11 hectares. FBC is the majority landowner with nearly 80% of the area and has signalled its intention to release land within its ownership. The remaining land is largely in public sector ownership, including Hampshire County Council, Hampshire Constabulary and NHS Property Services.
3. The Council is already preparing a masterplan for the area which will set out how the site can come forward and meet both policy expectations as well as being attractive for investment.
4. FBC is also positively working with the other landowners including Hampshire Constabulary (Fareham Police Station) and Columbia Threadneedle (Market Quay) and major leaseholders, including Fareham Shopping Centre (Roubaix Group) regarding how areas within their interest can be bought forward for development.

The local market

5. The demographic review shows that the Borough's population is expected to have more people over 75 years old, as well as more people aged 30-44 at the time development at BL1 is anticipated in the Plan This indicates that there may be a greater demand for older persons housing, as well as potentially demand for more family orientated housing to support the 30 to 44 years old age group.
6. The review also notes the the increase of the under 20s and then decrease of the 20 – 30 age group, which may suggest that there needs to be a flexible set of housing opportunities for these age groups.
7. Both the younger adults and the 30-44 aged adults are likely to require rented accommodation, both affordable and private and could potentially include build to rent in the future. The build to rent sector is expected (property market insights from EGi and Savills) to play an increasing role in the future and whilst it has started in the larger cities it is likely that it will spread elsewhere in due course.

[1] https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes

8. Sales values for houses in Fareham are relatively strong compared to neighbouring locations, although the sales values for flats are relatively low. Rental values for flats generally were lower in Fareham than neighbouring locations although smaller and newer purpose-built flats had stronger rental values. Sales values for older persons housing were less than in other parts of the South East, although these are still more than general market flats.

9. Discussion with local agents provided confirmation that there would be market demand for new residential development in the town centre across different types of dwellings and tenures, subject to maintaining a strong town centre environment.

Consultation with potential developers

10. A range of developing organisations was contacted to explore their views on new housing in Fareham town centre. This showed that there are good prospects for development and that, subject to the necessary plans, this could happen earlier than the timetable set out in the BL1 policy wording i.e. (years 10 to 16). However, these prospects are most apparent from smaller scale developers, developing housing associations and older persons housing developers, where there was clear enthusiasm to be involved in taking parts of this site forward. The response from build to rent developers showed that currently, whilst this form of development is starting to mature in the large cities, it has not been seen as an investment opportunity as yet in smaller town centres.

11. FBC also has the option to undertake some direct development on BL1 through its joint ownership with Eastleigh Borough Council of Aspect Building Communities, a development company tasked with bringing forward public sector land for housing development. Aspect is already delivering projects, including both market and affordable housing tenures, with several hundred units completed or coming forward.

Chapter 1 Introduction

Introduction

1.1 Fareham Borough Council (FBC) has commissioned Three Dragons and Bespoke Property Consultants (BPC) to ascertain development interest in bringing forward redevelopment of Fareham Town Centre in an area identified in Policy BL1 Broad Location for Housing Growth as set out in the Fareham Local Plan 2037 (as revised).

1.2 The Council has identified this area for up to 620 dwellings to be delivered towards the latter stages of the Plan period (years 10 to 16). The broad location is within the heart of Fareham Town Centre and provides not only an opportunity to deliver housing in a sustainable location but also to provide wider placemaking and economic regeneration benefits.

1.3 The Council is seeking evidence to support the identification of BL1 and that it will meet the definitions set out National Planning Policy Framework (NPPF)[2] in respect of the Council being able to identify deliverable sites for years 1-5 of the plan period and developable sites or broad locations for growth for years 6-10 and where possible, for years 11-15 of the Plan. The Council has stated that in terms of the Local Plan, BL1 is within the final category (11-15 years) of site supply.

1.4 BL1 as a broad location should therefore, where possible, be shown to be developable and in terms of meeting the NPPF requirement. Developable is defined in Annex 2: Glossary NPPF as:

> "sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged"

1.5 The aim of this report is to provide evidence, within the context of NPPF, that there is a reasonable prospect that development could come forward at this location and will set out:

- the Council's approach
- the local market in terms of demographic and demand
- results of consultation with potential developers in terms of whether town centre redevelopment is appealing, the form and tenure of development, delivery options and the prospect of interest in the delivery of BL1.

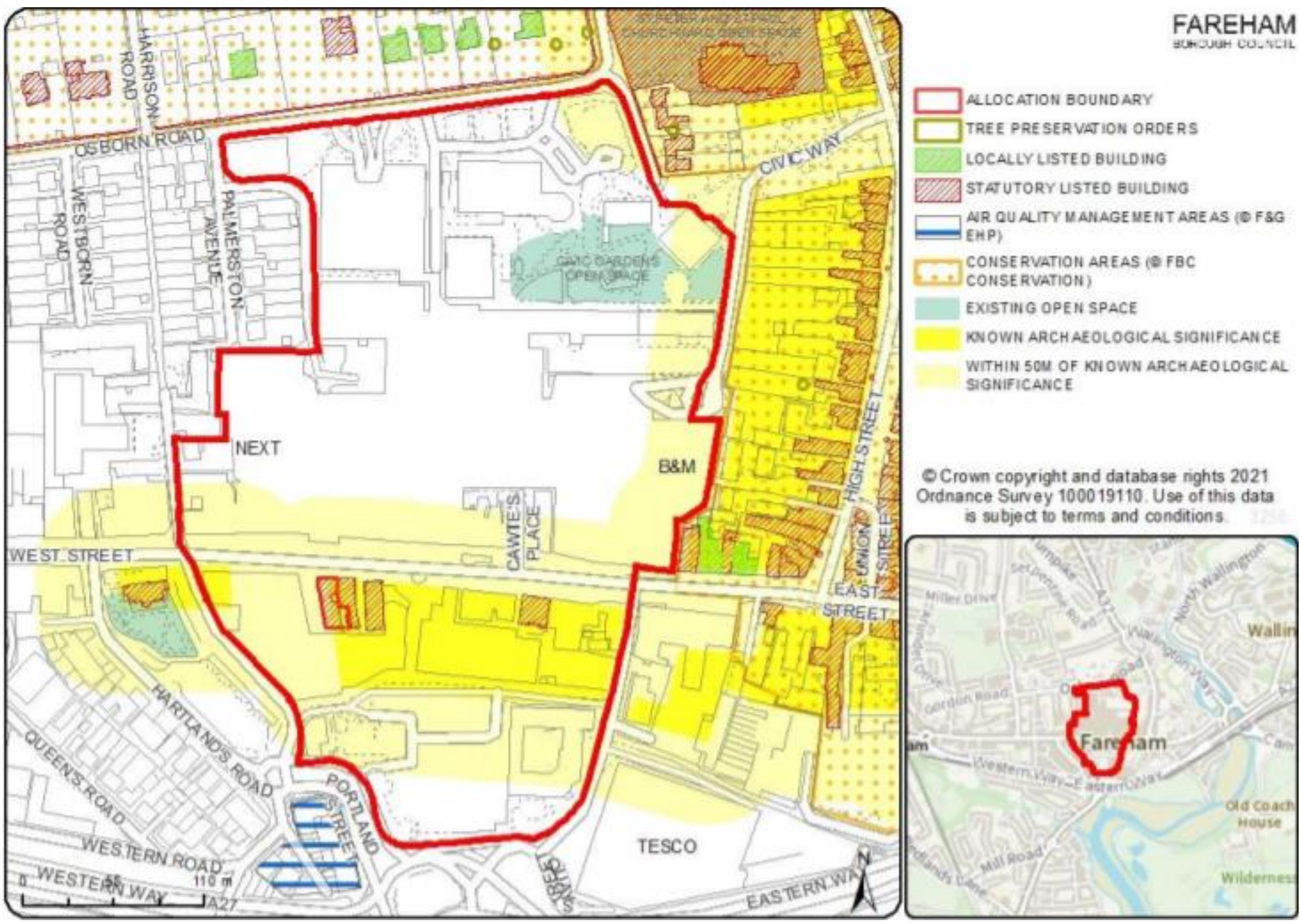
[2] https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes

Description

1.6 BL1 is a core part of Fareham Town Centre, with a range of current uses including:

- Fareham Borough Council main offices
- Fareham Live (performance space) and Fareham library
- Fareham health centre and Fareham job centre
- Osborn Road multistorey car park and Market Quay car park
- Fareham Shopping Centre and car park and the properties on West Street

Figure 1.1 BL1 boundary – as set out in the draft Local Plan



1.7 The allocation is around 11 hectares. FBC is the majority landowner with nearly 80% of the allocation. The remainder of BL1 is largely in public sector ownership, including Hampshire County Council, Hampshire Constabulary and NHS Property Services.

Chapter 2 Fareham Borough Council position

Disposal

2.1 The Council has signalled its intention to release land within its ownership within the redline (as shown in Figure 1.1), through identifying it for development within the Fareham Local Plan. The Council recognises this is the first stage and that town centre redevelopments can take several years to come forward. This is the reason the housing numbers are identified towards the end of the plan period to provide sufficient time to plan the redevelopment.

2.2 The Council is already preparing a masterplan for the area which will set out how the site can come forward and meet both policy expectations as well as being attractive to investment. This also shows that FBC, as the major landowner for the allocation, is making the allocation available for development and it is prepared to resource the background work to provide an attractive proposition for delivery.

2.3 FBC is also working with the other landowners including Hampshire Constabulary (Fareham Police Station) and Columbia Threadneedle (Market Quay) and major leaseholders, including Fareham Shopping Centre (Roubaix Group) regarding how areas within their interest can be bought forward for development. The Council has confirmed that these discussions are positive and that they will continue to engage with all parties.

Further steps

2.4 Assuming that the allocation proceeds within the Local Plan and is part of adopted policy, the Council will consider a range of options for delivery. These are currently at an early stage of consideration but could include:

- publishing a masterplan independently of the local plan process (a masterplan is already underway with the intention of taking it forward as an SPD)
- further detailed policy direction through either an SPD, DPD or LDO to help guide development and provide confidence to the market – this will build upon the masterplan work already underway
- exploration with potential partners about how best to bring forward development, with full consideration of the range of disposal mechanisms including, sale, joint venture, development companies etc
- working with potential developers to set out a prospectus and disposal strategy for the allocations dealing with matters such as phasing and development types and tenures.

Chapter 3 Market demand

3.1 To bring forward a viable development it is important to understand the types of development that would have market support in the town centre. To help inform this, the report sets out the likely demographic position in Fareham towards the middle to end of the plan period, data on current property prices and a review of local market perspectives gained from discussion with local agents involved in the Fareham market.

Demography

3.2 Hampshire County Council's Joint Strategic Needs Assessment Demography chapter[3] provides an estimate of the likely population in 2025 compared to 2018. The chapter notes that the population in Hampshire is ageing with increases predicted mainly amongst the older age groups.

3.3 The Small Area Population Forecasts (SAPF) published by Hampshire County Council[4] provide a breakdown of the changing population by district and show forecast data ranging from 2020 to 2027. The estimates indicate that the population is forecast to grow by 4.7% in Fareham compared to 5.8% in Hampshire.

3.4 To understand the likely demographic profile of Fareham at the end of this period, 2027, Figure 3.1 provides a breakdown by age group, against the Hampshire profile for comparison. The figure confirms that the population in Fareham, consistent with Hampshire as a whole, is one that is ageing, with larger increases in the 75 years and above groups.

3.5 The data also shows notable increases in those aged 30 to 44, with the increase in Fareham likely to be greater than in Hampshire as a whole. Conversely, in the age groups where there is likely to be significant decline (those aged 45-49, 50-54 and 70-74) the rate of decrease in Fareham is also likely to be greater than for Hampshire.

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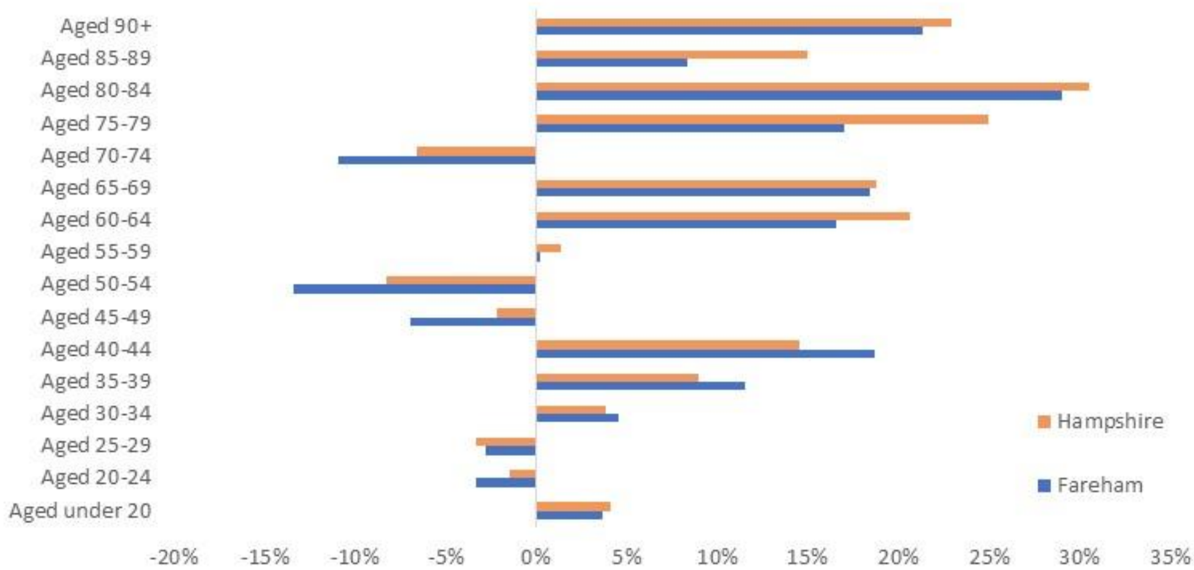
[3] Hampshire County Council (2019), Joint Strategic Needs Assessment Demography Chapter

[4] Accessed via https://www.hants.gov.uk/landplanningandenvironment/facts-figures/population/estimates-forecasts

Figure 3.1 Population forecasts – Age profile changes 2020 - 2027



Source: Hampshire County Environment Department's 2020 & 2027 based Small Area Population Forecasts

3.6 These changes in age profile suggest:

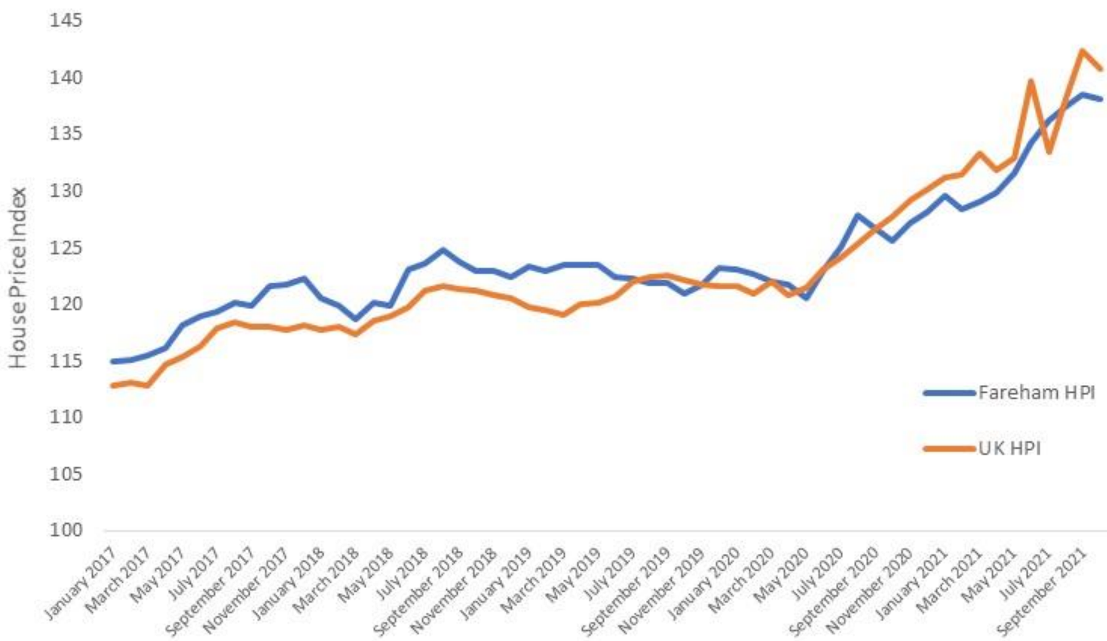
- a greater demand for older persons housing, given the large increases in those aged 75 and above
- potentially demand for more family orientated housing to support the 30 to 44 years old age group
- the decreases in population are happening across the age groups – there could be a range of reasons for this, which could include availability of accommodation

3.7 Therefore, the demographic position suggests that there could be demand for specialist older person housing, including sheltered, extra/supported care and care homes as well as family housing at BL1. There is also an opportunity to widen the range of accommodation, such as greater provision of rented accommodation, both affordable and private and could potentially include build to rent in the future.

Sales market

3.8 The House Price Index (HPI), which tracks average prices for all types of properties and for both new and existing, demonstrates that the average price of a home in Fareham has closely followed national trends, showing significant growth over the past 18 months.

Figure 3.2 House Price Index in Fareham compared to the UK



Source: Land Registry, House Price Index

3.9 In terms of local comparison the data shown in Table 3.1 shows the average per square metre value for the different property types[5] within Fareham. As of January 2022, houses sell for between £2,800 and £3,100 per sqm depending on type, and flats selling for approximately £2,700 per sqm. These figures include both second-hand properties and new build.

3.10 Table 3.1 also compares Fareham with its neighbours. This indicates that houses tend attract a higher £ per sqm value in Fareham compared to Portsmouth and Gosport but weaker than Southampton and Eastleigh. For sales prices of flatted development, Fareham is a weaker location, with only Gosport ranked lower.

Table 3.1. Sales price per square metre in Fareham and neighbouring locations

	Fareham	Portsmouth	Southampton	Gosport	Eastleigh	Waterlooville
Detached	£3,100	£2,917	£3,326	£2,723	£3,477	£3,046
Semi	£2,960	£2,788	£3,014	£2,519	£3,154	£2,992
Terraced	£2,799	£2,562	£2,906	£2,400	£3,035	£2,852
Flats	£2,691	£3,025	£2,982	£2,648	£2,895	£2,745

Source: Zoopla as of January 2022

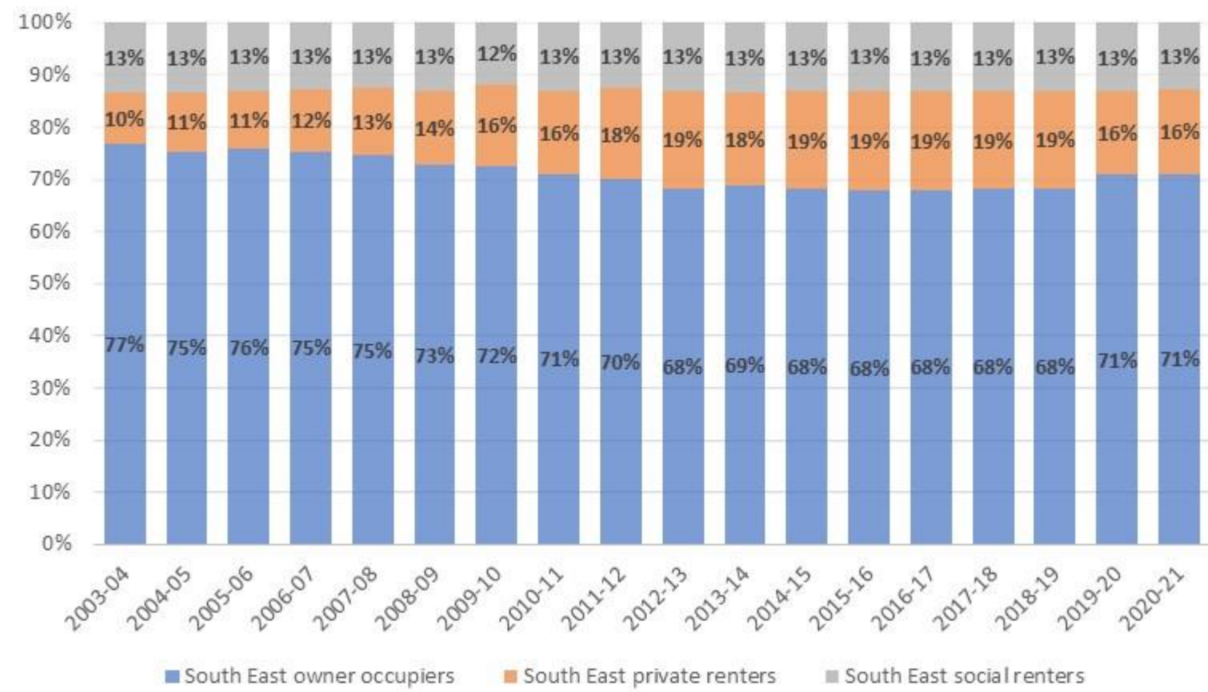
[5] Source - Zoopla.com

Rental market

3.11 Latest data from the English Housing Survey[6] suggest that approximately one fifth of households in England are privately renting, compared to 65% being owner-occupied. The English Housing Survey also notes that about two thirds (65%) of households in the private rented sector were aged under 45 years, compared with just over a quarter (27%) that are homeowners.

3.12 In the Southeast, the English Housing Survey identifies that the private rented sector has grown strongly over the period largely at the expense of home ownership which has seen a fall. Despite this, the two most recent years (2019/20 and 2020/21) show a small reversal in this trend. A publication by Savills in April 2020[7] notes that an increase in first time buyers in recent years, aided by increasing support from 'the bank of Mum and Dad' along with other impacts such as Help to Buy and higher loan to value mortgages are likely to provide some explanation of this recent change. That said, Savills suggest that this phenomenon could be short-lived, arguing that there is "significant scope for expansion of a Build to Rent sector".

Figure 3.3. Change in Tenure in the Southeast 2003-2021



Source: 2020-21 English Housing Survey Headline Report

[6] Department for Levelling Up, Housing & Communities 'English Housing Survey Headline Report 2020-21' published 2021

[7] Savills 'Changing drivers of tenure' published 29th April 2020

3.13 In terms of rents likely to be achieved, data compiled by Home.co.uk shows a mixed picture for Fareham. Table 3.2 identifies that rental values for houses tend to be lower than for the neighbouring locations. Flats, generally, are also shown to be lower in Fareham compared to neighbouring areas, though this is more likely to be regarding 2 and 3 bedroom properties compared to 1 bed properties.

Table 3.2. Average monthly rents in Fareham and neighbouring locations by bedrooms and unit type

	Fareham	Portsmouth	Southampton	Gosport	Eastleigh	Waterlooville[8]
1 bed	£767	£750	£797	£756	£725	£860
2 bed	£930	£1,052	£1,048	£1,068	£923	£1,149
3 bed	£1,201	£1,230	£1,243	£1,226	£1,322	£1,356
4 bed	£2,200	£1,540	£1,520	£1,539	£1,471	£1,925
5 bed	n/a	£1,912	£1,949	£1,890	£1,850	£2,750
Room	£477	£1,689	£681	£1,723	£568	£360
Flat	£796	£1,076	£1,077	£1,090	£963	£952
House	£1,207	£1,786	£1,892	£1,798	£1,733	£1,388

Source: Home.co.uk

3.14 The figures in Table 3.2 refer to the stock of all unit types within each area. Rents vary considerably both in terms of location and quality of the development, but also the type – for example a top floor 2 bed apartment with a view will be very different to a 2 bed maisonette in a large housing estate or an HMO. New apartments in particular will often achieve a premium over poorer grade flats. A review of newer and higher quality apartments that are currently for rent within 5 mile radius of Fareham town centre (25 units) show higher average monthly rents as follows:

- 1 bed: £900 per month
- 2 bed: £1,185 per month
- 3 bed: £1,460 per month

Source: Residential lettings websites such as Zoopla.com, Rightmove.com, Vebra.com plus other local agents

3.15 Whilst it is acknowledged that this review is subjective, essentially looking at the images of the stock and making a judgment as to whether it is purpose built and modern, it does suggest that improved quality/modern premium is circa 25% for a two bed unit. Improved values such as these will help attract investment.

[8] Waterlooville is located in the Borough of Havant

Build to Rent sector

3.16 Despite the recent slowing down in the growth of the private rental market overall described earlier, market commentators continue to indicate that the Build to Rent (BtR) market is growing. An article published by Estates Gazette[9] in May 2021 indicated that there were 98 such developments in the year to March 2021, which demonstrated an increase of 53% compared to the previous year and double that of two years ago. The same article also found that in the past 12 months the average number of homes per development was 393, and the size has been steadily increasing over recent years. The article states that BtR make up 6.4% of homes proposed in the previous 12 months, up from 3.7% in the year before. This suggests that though the sector is making steady gains, it still represents a fairly small part of the overall delivery of new homes. This evidence of demand is supported by Savills, in an article[10] which states that at September 2021, the UK's BtR stock stood at 63,950 homes, plus a further 42,000 under construction. Including a future pipeline of 99,500 homes, the size of the sector in September 2021 was estimated at 205,500. In 2013, the sector was less than 20,000.

3.17 Looking at future growth, Savills[11] suggest that "*evidence from mature markets elsewhere overwhelmingly indicates that the UK has not got close to its potential in terms of scale*". Estates Gazette report that London has been the focus for such developments, with BtR accounting for 28% of applications (up from 19% the year before) however the sector has also found opportunities in smaller markets outside the 'Big Six' (Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester). A separate article[12] published by Egi in May 2021 notes that the pipeline outside of London is 47% larger than within London. An article published by Savills[13] in December 2020 supports this view, stating development is "moving away from traditional BtR city centre locations and looking to the suburbs". A more recent Savills[14] article suggests that in the year to Q3 2021 "*more than twice as many schemes started construction outside the capital (43) than within (19)*". It is understood that there is a growing appetite for BtR schemes within nearby locations as evidenced by a number of recent news stories and company announcements[15][16]

3.18 In November 2021 Estates Gazette published statistics[17] prepared by Dataloft, alongside the British Property Federation, London First and the UK Apartment Association relating to the typical demographics of tenants in the UK's largest BtR schemes. The data found that:

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[9] EGi (2021) 'Skyscrapers and shopping centres: BTR's £11bn lockdown boom' published 21.05.2021
[10] Savills (2021) 'UK Build to Rent Market Update' Residential Research Q32021 published xxxxx
[11] Savills (2021) 'UK Build to Rent Market' published August 2021
[12] EGi (2021) 'Suburban BTR grows as London slows' published 24.05.2021
[13] Savills (2020) 'The UK Private Rented Sector' published December 2020
[14] Savills (2021) 'UK Build to Rent Market Update' Residential Research Q32021 published xxxxx
[15] EGi (2021) 'Fiera and Packaged Living enter Bournemouth BTR' published 16.12.2021
[16] EGi (2021) 'LGIM forward funds Southampton BTR' published 19.11.2021
[17] EGi (2021) 'Couples, sharers and students dominate BTR lets' published 17.11.2021

- 58% of BtR tenants were couples or sharers, compared to 41% in the private rented sector (PRS)[18]
- 35% of BtR tenants were single persons, compared to 37% in PRS
- 7% of BtR tenants were families, compared to 22% in PRS
- 75% of BtR tenants were under 35 years of age, compared to 66% in PRS

3.19 Whilst the BtR sector is currently concentrated in the larger conurbations there is potential for portfolios to widen (geographically), especially to areas, such as Fareham, with good connections into the major cities.

Specialist older persons accommodation

3.20 In broad terms the UK older persons housing market continue to grow with market commentators such as Knight Frank reporting[19] £1.85bn of institutional investment in 2021. They also forecast this to continue with number of units set to increase by over 70,000 from 2021 to 2025 and annual delivery set to arise from just over 10,000 per annum in 2021 to over 16,000 per annum in 2025.

3.21 In the South East average sale prices for specialist older person housing are above those achieved locally in Fareham[20]. However, as set out in VIA001 Fareham Local Plan Viability Assessment (Table 5.5) the local values still exceed the values for general market flats. Whilst there has not been a specific assessment for older person rental data in Fareham, the regional figures older person monthly[21] rents far exceed the unrestricted market rents found in Fareham[22].

Agent review

3.22 As part of our market assessment five local agents were contacted to provide views on the property market in Fareham town centre and scope for new development. The feedback from these agents was:

- the housing market has been strong and that Fareham is generally sought after by buyers and renters - this applies to Fareham town centre as well as other locations in the borough

[18] Private rented sector is property owned by a landlord and leased to a tenant. The landlord could be an individual, a property company or an institutional investor and could be any property type. Build to Rent is a subset of private rented sector and is purpose built housing that is typically 100% rented out. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

[19] Knight Frank Seniors Housing Annual Review- 2021

[20] Knight Frank Seniors Housing Annual Review - 2021 sets out average values in south east of £382,000 for sheltered/retirement housing and £489,000 for extra care/housing with care

[21] Knight Frank Seniors Housing Annual Review – 2021 sets out for the south east region 2 bed rents in excess of £2,300 per month for retirement housing and in excess of £3,200 per month for housing with care, which is around £1,000 to £2,000 more than achieved for market flats in Fareham.

[22] It is recognised that development costs associated with specialised older person housing are often higher than the equivalent standard development, which will also account for some of the value differentials.

and was attributed to quality of life, along with road and rail access to employment centres in the wider area and for families, good schools

- the housing market includes people moving within the borough as well as others moving from larger settlements such as Portsmouth
- the town centre is a popular place for professionals, based on good rail and motorway access, although there is also demand from families
- recent developments of centrally located flats sold relatively easily but noting that there have not been large-scale developments such as might be found in major nearby centres e.g. Portsmouth - town houses are also said to be popular in central locations
- demand both for rented and sale dwellings - larger scale private rented accommodation could be popular but there is limited local evidence
- the impact of Covid and working from home has meant people have been seeking more space and this may continue into the future.
- Some housing demand in the future will be met by the large-scale development at Welborne; although this is seen as a different proposition to the town centre living that may be provided as part of BL1.

3.23 Overall, the agents provided confirmation that there would be market demand for new residential development in the town centre across different types of dwellings and tenures, subject to maintaining a strong town centre environment.

Chapter 4 Market interest

4.1 To gauge market interest in bringing development forward in Fareham Town Centre a range of potential developers were contacted. These were drawn from the Council, the consultant team and from initial research as to the most likely organisation who may undertake town centre redevelopments of this scale and type. They fall broadly into the following categories:

- private sector developers known for town centre development
- private sector developers with a specialism in build to rent sector
- older person specialists
- registered and affordable housing providers with a developing capability
- public sector partnerships that develop

4.2 All organisations on the long list were contacted initially by email with a follow-up conversation to discuss their interest. Broadly they were asked as to whether their organisation undertook town centre developments, whether Fareham Town Centre and the area of BL1 would be of interest and what type of development they would envisage as being viable and then also potential delivery options.

4.3 In total 33 organisations were contacted in December 2021 – January 2022, with 27 responding. This included contact with 5 local agencies, whose comments were reviewed at the end of chapter 3. The overall message from the development industry was positive with nearly two thirds of those directly involved in development responding that there would be interest in taking forward development at BL1. This level of interest suggests that it would be viable to bring forward development in the location during the plan period. The following summarises the main response by each category:

Developers

4.4 Three developers responded to the request to discuss opportunities at BL1. All three developers are experienced in town centre type development. The developers generally agreed that both apartments and town houses would be appropriate in this location. These could be a mixture of sale or rent. Transport links and car parking were considered key to success. All emphasised the need for a clear phasing and delivery plan and were keen to explore how they could assist the council as it moves forward.

Build to Rent

4.5 Nearly 10 build to rent developers were contacted, of which 4 responded within the consultation timeframe. It was clear from the responses that whilst there is growing interest and evidence of market expansion it is still in its infancy as a development product outside London and the large cities. However, one of the consultees did express an interest in being involved in bringing forward development at BL1 but emphasised that this required strong political leadership, and like the developers, a clear delivery plan.

Older person housing

4.6 Two specialist older person housing providers (in providing sheltered/retirement and extra care/supported housing) were contacted as well as an older person representation group. All three responded positively to the potential opportunities at BL1 with the two providers expressing an interest to be involved in the next stages of bringing sites forward. Like the developers, parking was seen as an important part of the offer to be attractive to market and both expressed a desire for any older person provision to be at the periphery of the site with a scheme of around 40 to 60 units. Both indicated that potential development could be brought forward ahead of the Local Plan timescales. None of the organisations suggested that only one scheme was possible or that further provision of other older person accommodation such as a care home would prejudice development.

4.7 It is also of note that permission has recently been granted for an older person scheme close to BL1 and whilst the older person housing developers were aware of the scheme, neither felt that it would detract from potential at BL1.

Registered providers and other affordable housing providers

4.8 A range of affordable housing providers (eleven in total) that are known to develop were contacted, all but one has responded. Of these, half indicated an interest in bringing forward development at Fareham Town Centre. The difficulty for these types of developers in finding sites, combined with recently announced funding streams are considered key factors in their interest to develop. A number of those with interest would be happy to bring forward development earlier than expressed in the Local Plan.

4.9 A mixed tenure approach was favoured by most of the providers with both apartments and town houses seen as a viable proposition. In terms of the market element, sale was favoured over rented but it was recognised that there could be some scope for private rented units.

4.10 As with the others consulted, political support and commitment from the council to take proposals forward (not only as masterplanners but as part of a possible JV partnership) were considered key in developing and taking forward market interest in BL1.

Development company

4.11 FBC is within a partnership with Eastleigh Borough Council and Vivid Homes and has formed Aspect Building Communities, a development company tasked with bringing forward public sector land for housing development. Aspect is already delivering projects, including both market and affordable housing tenures, with several hundred units completed or coming forward. Those involved in Aspect have indicated an interest in the BL1 site and are able to bring their expertise to assist the council in whatever way is appropriate this could, for example, be as a master developer or through direct development.

Other matters

4.12 There was a consistent message from many of the contacted organisations about the importance of place making and the overall attractiveness of the centre. This included maintaining and extending the vitality of the town centre in terms of shops, places to eat and drink, leisure and activity. This would be important in terms of the potential new residents (those in new rented accommodation, first time buyers and older downsizers) as well as the wider set of town centre users. The attractiveness of the centre will help with both demand, sales values and general competitiveness with other areas.

4.13 The feedback also referenced the importance of parking for both new residents and also the town centre users as well as maintaining good access to the railway station.

Chapter 5 Conclusions

5.1 The demand assessment and market review suggest that development at BL1 could come forward given the right circumstances in terms of form and types of uses put forward. There is potential to provide a mix and range of development types that help meet the identified demand. Whilst the site is put towards the latter stages of the plan period there is clear interest from the market that some forms of development could be brought forward and that traction in the marketplace will help the overall delivery.

5.2 The Council has a choice to make in terms of the direct development involvement or otherwise that it may seek in this project. The opportunity is there as principal landowner to guide development and make decisions around place making and supporting infrastructure. This also provides the opportunity for the council to enable and de-risk development as it has a choice regarding its commercial aspirations in terms of land values and return.

Appendix E: Correspondence from Key Stakeholders

From: Chris Beckerman
To: Wootton, Gayle
Subject: Revised Fareham Local Plan 2037
Date: 24 January 2022 15:17:23

Gayle

Roubaix Group as owner and asset manager of Fareham Shopping Centre, is fully supportive of Fareham Borough Council's planning objective to deliver up to 620 new homes in Fareham town centre and have previously made representations in the Local Plan process that the Shopping Centre presents an opportunity to support residential delivery in the town centre. We intend to fully form part of the working group that will be required to develop a masterplan to deliver residential growth within the town centre and are not aware of an impediment of the allocation for new homes within the town centre under emerging Policy BL1 from coming forward.

The role of town centres is evolving and the opportunities to create new communities within them to re-purpose and redevelop space no longer in viable commercial use is fully consistent with sustainable development objectives that seek to deliver new residential development on brownfield land that in turn promote and support the vitality and viability of centres. Such an approach is consistent with national planning policy.

Regards

Chris Beckerman BSc (Hons) MRICS
Roubaix Group Limited | Managing Director
[redacted]
www.roubaixgroup.com

From: Ottaway, Mike ([redacted]
To: Wootton, Gayle
Cc: Cutler, Nick; Clayton, David
Subject: RE: Contacts for the police re Fareham Police Station
Date: 01 February 2022 10:51:41
Attachments: image001.png
image002.png
image003.jpg
image004.jpg
image005.png

Hi Gayle

[redacted]

As discussed on our call of the 19th January 2022, the OPCC does not have any intention to dispose of Fareham Police Station on the basis that it is now one of the busiest stations which is open to the public in the county. The recent closures of stations in the local area, such as Gosport, Cosham etc. have only increased the importance of the station and its facilities from both a regional policing and public accessibility perspective.

As discussed, any planning for the area will need to either include for the retention of the existing police station or the reprovision of a station that would meet both operational policing requirements and also the commitments of the current Police and Crime Commissioner.

That said, I am happy to work with FBC in the development of the masterplan for Fareham to deliver its growth and housing aspirations for the town centre. As discussed I am aware of Policy BL1 and the emerging revised Fareham local plan 2037 and am supportive of what the plan sets out to achieve.

Please let me know if/when you require further input from myself or my team and I will coordinate accordingly. My diary is managed by [redacted] please reach out to Shirley as required.

Thanks

Mike

Mike Ottaway Tech IOSH
Head of Estate
[redacted]

OPCC-Logo-210px

Office of the Police and Crime Commissioner for Hampshire
St Georges Chambers | St Georges Street | Winchester | Hampshire | SO23 8AJ
[redacted]
Facebook: Police and Crime Commissioner for Hampshire
Twitter: @Hants PCC
Web: www.hampshire-pcc.gov.uk

[redacted]

From: [redacted] (NHS HAMPSHIRE, SOUTHAMPTON AND ISLE OF WIGHT CCG) [redacted]
Sent: 07 February 2022 16:42
To: [redacted]
Cc:
Subject: RE: Fareham Health Centre

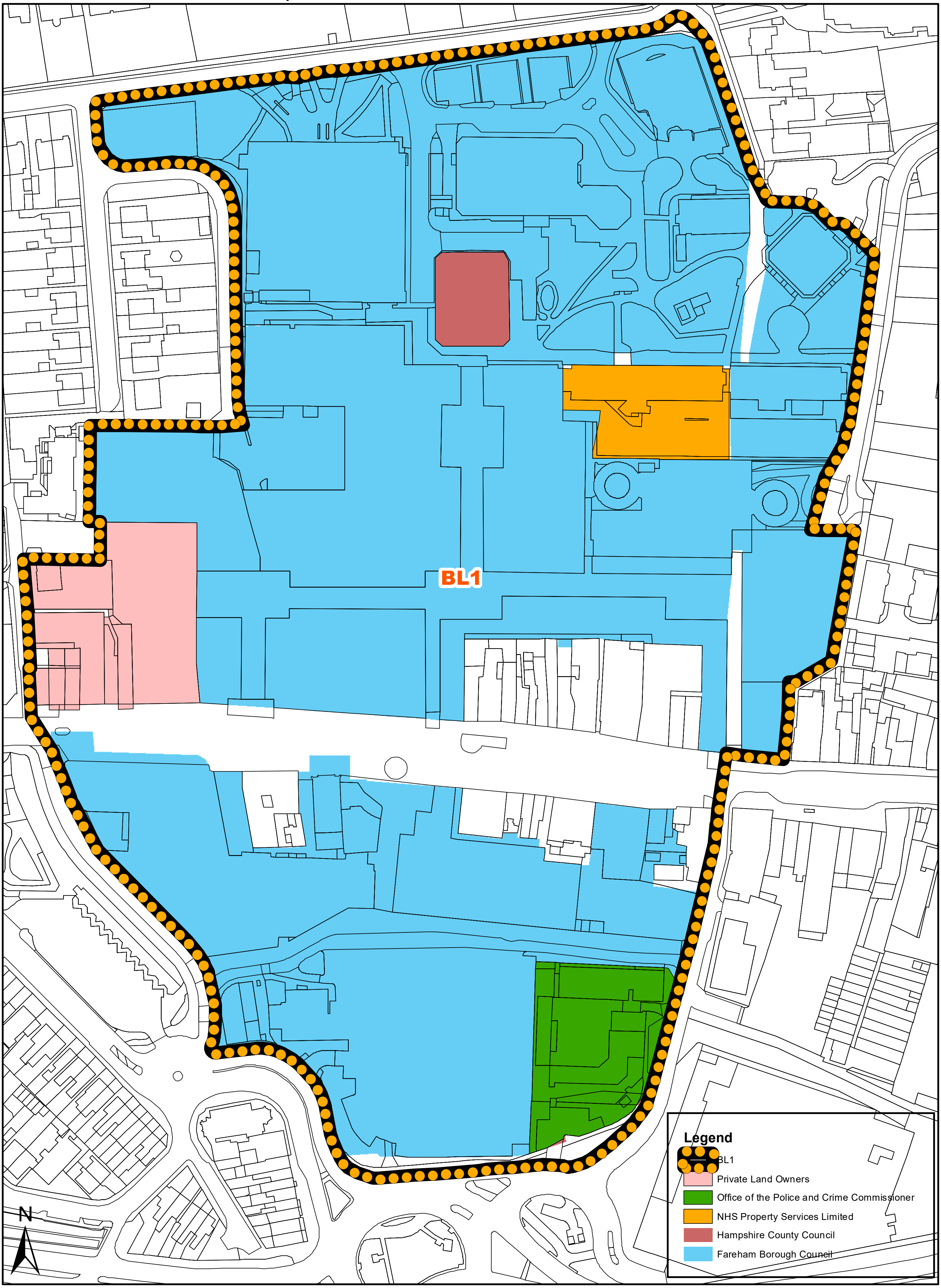
Hi Pete,

Thank you for your message. We are aware of the plan intention to grow housing in the centre location, and believe we have responded to the draft plan advising the capacity of existing accommodation. Fareham Heath Centre is a valuable asset in a central location which make it easy to access for the centre practice and for community services also on the site. The building itself is an NHS Property Services owned asset without which we could not support existing primary or community services in Fareham. We would be happy to engage with the council regarding proposals for the future however it is not our intention to dispose of this site. we may consider and refurbishment, or redevelopment or new provision providing the alternative is affordable and appropriately sized. NHS PS also own Sharland House (Dental Surgery) in that area. I have copied colleagues at NHS PS into this message so that they are aware of the town centre development and may also wish to be included in the master planning discussion/process

With best regards
[redacted]

Appendix F: Land Ownership Plan

Current Freehold Ownerships in BL1



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