

Town And Country Planning Act 1990 - Planning Appeal

**FORMER DXC TECHNOLOGY SITE, EUXTON HOUSE, EUXTON
LANE CHORLEY PR7 6FE**

By Bellway Homes Limited

**REBUTTAL PROOF OF EVIDENCE OF VINCENT GEORGE
SANDWELL**

**APPLICATION REFERENCE: 21/01475/FULMAJ
APPEAL REFERENCE: APP/D2320/W/22/3309262**



Vincent Sandwell Rebuttal Proof of Evidence

1. This Rebuttal Proof of Evidence (PoE) should be read in conjunction with my main PoE (CD 16.2) on which I continue to rely. It provides additional evidence on the development of Strawberry Meadows, which is referred to in Mr Aherne's PoE (CD 15.2) at Section 3 paragraph 40; provides clarification of the methodology used by BE Group in its 2022 Central Lancashire Employment Land Study (CD 6.5) which has been interpreted incorrectly at Section 4, paragraph 19; and clarifies my position on yields that are used by Mr Aherne in his development appraisals at Section 7: Development Appraisal, paragraphs 28-47 and Appendix 24. It is not to be understood that I agree with other points raised in the Appellant's evidence simply because I do not respond to them here.

2. In regard to Strawberry Meadows, at Section 3, paragraph 40 of Mr Aherne's PoE (CD 15.2) he states that his understanding is:
 - That the development at Strawberry Meadows has taken place on land gifted to the Council by the former Commission for New Towns at nil value – Chorley Borough Council have confirmed that this is not the case and that the land was subject to a land swap with the Former Commission for New Towns (now Homes England).
 - That the development benefitted from £2.25million of funding from Lancashire LEP – This is correct, in that the Funding came from the Getting Building fund. However, it was to fund abnormal costs and infrastructure for the wider development that incorporated development beyond the Strawberry Meadows development and not directly for the industrial development. It included contributions to cycleway and nature reserve as well as other infrastructure costs.
 - That the development was cross subsidised by housing development –This was not the case. The housing development formed part of a separate private sector development, unrelated to the Strawberry Meadows industrial development.

3. In relation to the 2022 Central Lancashire Employment Land Study (CD 6.5), at Section 4. paragraph 19 of his PoE, Mr Aherne suggests that the jobs forecast in the largest growth sectors, namely Accommodation and Food Service Activities, Human Health and Social Work and Education would not result in any increase in demand for E(g)/B-Class employment, and the inference is that employment land need has been overstated. It is correct that these uses would not contribute to any significant increase in demand for employment land. But the impacts they do have are taken into account in the 2022 Central Lancashire Employment Land Study (CD 6.5) as shown at Table 32, pages 136-137. This is re-iterated at paragraph 7.36 page 135 which states that not all employment growth would result in demand for B class employment land and only certain industrial sectors are typically located there. Thus, in deriving an OAN using Cambridge Econometrics only those jobs attributed to B class land are used to determine the land need.

4. In Section 7, paragraphs 28-33 of Mr Aherne's PoE (CD 15.2), he assumes an initial yield to be included in the viability appraisals for each of the three industrial developments. These are set out in the appraisals in Appendix 24 of his PoE (CD 15.2.1), and range from 5.75 percent to 6.00 percent. At Paragraph 4.4, page 43, of my Proof (CD 16.2) I state that yield evidence researched by me shows a range of 3.00-5.00 percent. The research supporting this statement is set out in Appendix 4 of my Proof (CD 16.2) and shows recent and current transactions for sales of completed industrial development sold as investments and the resultant investment yield achieved.

5. This represents a difference in our market evidence and consequently will have a significant bearing on the viability of the site development. By way of example, a reduction in the yield by a single percentage point for each of the industrial schemes set out in Mr Aherne's proof has the following effect on the gross development value:

Larger Small unit Industrial Development

Yield @ 6.00% - £14,907,274

Yield @5.00% - £17,990,000

Starter Unit Industrial Development

Yield @6.00% - £11,401,442

Yield @5.00% - £13,814,664

Mid box Industrial Scheme

Yield @ 5.75% - £14,105,322

Yield @ 4.75% - £17,309,788

6. This yield reduction is at the upper end of the range my research points to. I have not sought to re-run the development appraisals and accept that to determine a new residual land value this would be necessary, but the shift in value does point in each case to the residual land value changing from a negative to a positive figure.

Conclusion

7. As set out above, in response to points raised by Mr Aherne's PoE (CD 15.2), I note that:
- Strawberry Meadows – The development land was subject to a land swap with the Former Commission for New Towns (now Homes England), public funding in the scheme was to develop infrastructure for the wider mixed-use scheme and the industrial development was not cross funded by the housing development.
 - I note that the 2022 Central Lancashire Employment Land Study (CD 6.5) does allow for the impact of the largest forecast growth sectors, namely Accommodation and Food Service Activities, Human Health and Social Work and Education in demand assessments for E(g)/B-Class employment.
 - I highlight the impact of changing investment yields on development viability, and how even a reduction of one percentage point can significantly alter the resulting values.