

Affordable Housing

Policy AH SP2 requires 30% of units as affordable housing. A scheme of 35 flats would require 11 affordable dwellings. For 35 flats, this would equate to 3 First Homes, 1 Intermediate and 7 Affordable Rented. Policy AH SP2 states that; **“Where it can be proven that 30% affordable housing provision is not viable, then a reduction in the amount of affordable housing on a site or off-site provision as part of another development within the Arun district may be considered. The provision of affordable housing on a site at less than 30% or an alternative site or by way of a commuted sum will only be allowed in very exceptional circumstances and if supported by robust evidence including, where appropriate, viability evidence.”**

The Council acquired the building in 2017, by which time the upper floors were already in a very poor state of repair. Their condition has continued to worsen since. Limited ‘enabling works’ have recently been carried out in preparation for redevelopment, but these only seek to stabilise the fabric of the building. A feasibility study commissioned by the Council for the reuse of the upper floors confirmed that there are no other viable uses that would fund the long-term building maintenance costs. Whilst residential use of the upper floors presents significant viability challenges in its own right, it is the only conceivable use that would deliver notable benefits to the economy and contribute towards meeting the Council’s clear need for housing sites in sustainable locations. It has been shown through the viability evidence that there are no uses that are truly ‘viable’ to the extent that they would be directly profitable, let alone contribute to wide objectives.

The pressure on development viability comes from the challenges of working within the constraints of a historic building meaning affordable housing is unlikely to be ever deliverable in this location. The proposal is supported by a viability assessment demonstrating any level of affordable housing cannot be provided. The report demonstrates that the proposed development is not financially viable from a purely commercial perspective and its delivery could only be facilitated as a publicly funded scheme to secure wider regeneration and heritage benefits.

Public investment is the only opportunity to secure the long-term future of the building, which has an important role in the future of the town centre. Without that investment, the building would continue to deteriorate, but in the context of the lack of commercial viability, it is clear that there is no scope for the inclusion of affordable housing in the scheme.

In the context of these real and severe viability challenges, it will be a decision for Arun District Council as to whether the clear wider benefits of the development to Bognor Regis, to job creation and provision of much needed market housing outweigh the absence of any affordable housing provision in this unique situation.

The nature of the development, the size of the units and the absence of included private amenity space (within most units) and private parking spaces (for any units) ensure that the market value of the units is lower than might otherwise be the case.