



# HARMERS

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Date:

5272/LAF/caj

1st September, 2014

Mr. M. Goldsworthy,  
Operational Manager Development and Building Control  
Vale of Glamorgan Council  
Dock Office  
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02 SEP 2014

ENVIRONMENTAL  
AND ECONOMIC  
REGENERATION

Dear Sir

**TOWN AND COUNTRY PLANNING ACT 1990  
PROPOSED REMOVAL OF OCCUPANCY CONDITION IN RESPECT OF LETTONS  
HOUSE, DINAS POWYS**

With reference to the above, I attach a further application in respect of the above. The applicant, Mr. Hayman, is a 74 year old widower, and as you know now lives alone at the property and is in poor health.

The property itself, Lettons House, is a five bedroomed detached property situated at the end of a private drive serving an adjacent horticultural nursery. This drive is an unlit access, and mains sewerage is not available to the property.

At the present time the occupation of the property is restricted to:

(a) A person solely or mainly working or last working on a rural enterprise in the locality, or a widow/widower surviving civil partner of such a person, and to any resident dependant;

Or, if it can be demonstrated that there are no such eligible occupiers;

(b) A person or persons who would be eligible for consideration for affordable housing under the local authority's housing policies, or a widow, widower or surviving civil partner of such a person and to any resident dependants.

The application seeks to remove the above occupancy condition on the basis that there has been no firm expressed need for the property to be retained for such purposes.

The current application therefore is in response to the lack of interested parties sufficient to conclude a sale of the property. It is a matter of fact, and as previously concluded by your Affordable Housing Enabler in January 2013, that:

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*“Having assessed the size, design and location of the house in question in relation to the established housing need for the Dinas Powys area, I have to conclude that we would not be able to make constructive use of the property as an affordable housing unit”.*

As indicated above the selling agents have not managed to find a buyer despite the fact that the property has been on the market for in excess of three years. A copy of their original marketing report and the subsequent Addenda are attached to confirm that point. There has been no firm interest from parties compliant with the rural resource condition, nor in respect of affordable housing. There has been interest expressed via the United Welsh Housing Association, apparently acting on behalf of the Vale of Glamorgan Council, but such interest culminated with the Housing Association indicating on 6<sup>th</sup> June 2014 that:

*“My client has confirmed they are not interested in taking a scheme forward”.*

I should add for completeness sake that the other Housing Associations active in the Vale – Newydd, Hafod, and Wales & West were also re-circulated in April regarding the potential availability of the property, but no interest was expressed.

In the context of the above, we comment briefly on the other main issues involved in the determination of this application. This is that there should be a consideration of the appropriate discount rate to be applied to a market price, and the price at which the property has been marketed.

#### **Discount Rate**

In letters both to ourselves as the applicant’s agents, and subsequently to the Council, the Welsh Government (copies attached) have indicated that there is no firm guidance on the matter. They have, however, indicated that

*“traditionally agricultural dwellings have been marketed at prices generally between 70 – 75% of the open market value”.*

This is consistent with their advice to ourselves that in respect of a rural enterprise/affordable housing type dwelling, then:

*“the price or rent of the property would reflect the occupancy restrictions generally around 75 - 80% of market value”.*

There is therefore consistency between the advice offered by the Welsh Government, and with a wider potential market in respect of possible rural enterprise occupiers, and affordable housing, one would expect the discount to be less than that for an agriculturally tied dwelling. As such Welsh Government’s suggestion of a discount rate of 20 – 25% is a reasonable one.

However, and somewhat unfairly, you have indicated in your report on the previous application, that:

*“The marketing has not considered the guidance of a minimum of 30% reduction, and thus has not been marketed at a realistic price”.*

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This assertion is both inaccurate and ill founded, as there is no guidance either nationally or locally that suggests a discount rate of 30% is a firm figure. Somewhat curiously, the 30% figure apparently comes from your Supplementary Planning Guidance on Affordable Housing which was approved by Cabinet on 6<sup>th</sup> April 2005

As such that 30% figure quoted from that document clearly takes no account whatsoever of the Welsh Government's Guidance issued in June 2011, and is not directly relevant to the current situation. Indeed, the reference that it relied upon comes from a section on local housing need and a paragraph headed "*Addressing the need*". The advice recognised that existing properties in the Vale are already outside the reach of those households in need – which is clearly the case in respect of a five bedroomed property such as this. The guidance indicated that:

*"In order for new low cost market housing to be affordable, the Council considers that there should normally be a discount of at least 30% on the market value"*.

Your Council's reliance on internal guidance relating to the provision of new low cost market housing and pre-dating by more than six year, Welsh Government advice on broadening the agricultural occupancy condition is clearly misdirected.

### Price

The applicant's valuers originally placed an open market value on the property of £600,000 and a subsequent independent valuation jointly funded by the United Welsh Housing Association and the vendor came up with an open market of £595,000 (copy attached), thereby largely vindicating the originally valuation.

Applying the greater discount rate of 25% to the two valuations this would give a discounted value for the property in the region of £446,000 to £450,000. Clearly an asking price of £450,000 is reasonable under the circumstances, and it is highly likely that any seriously interested party would have potentially haggled over paying the full asking price, and would more than likely have submitted an offer somewhat below the asking price. However, no firm offer or negotiation of a final sale price has been undertaken with any party.

Another interesting fact to note is that Zoopla Research indicates that over three years, property prices for detached houses in Dinas Powys have increased by some 9.66%. This would have raised the asking price to £657,960 in relation to which the current asking price of £450,000 represents a discount of 31.6% before any final haggling on price takes place.

In conclusion the property has been marketed over a considerable period of time at a price which reflects the effect of the rural enterprise/affordable housing occupancy condition, but without any serious interest having resulted in a firm offer or any detailed negotiations to finalise a potential purchase price..

On the issue of the possibility of a rental of the property, as Mr. Hayman is of senior years and needs to realise his one remaining major asset in order to be able to down size, rental is not a realistic option. He cannot in his circumstances, contemplate holding the property as an investment in the longer term. In the event of the property being potentially available for rental, Watts and Morgan initially estimated a rental value of £1,050 per month to reflect the rural enterprise tie. Nevertheless this figure would have placed the property well above the level that could be contemplated by a person eligible for consideration for affordable housing.

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On the basis of the above, the property has been realistically marketed at a price which fairly reflects the discount appropriate to the current condition attaching to the property, and in the absence of realistic and confirmed interest from qualifying occupiers and/or Housing Associations, the condition should be lifted.

I should be grateful if the contents of this letter be circulated to members of the Planning Committee in full and I await your confirmation on this point.

Yours faithfully

A handwritten signature in blue ink that reads "Laurence Forse". The signature is written in a cursive style with a long horizontal stroke extending to the right.

**LAURENCE FORSE**

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