



**Belfast City Council**

<b>Report to:</b>	<b>Development Committee</b>
<b>Subject:</b>	<b>Former Visteon Feasibility Study</b>
<b>Date:</b>	16 September, 2014
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
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<b>1</b>	<b>Relevant Background Information</b>
1.1	<p>On 11 December 2013, Fold Housing submitted a planning application for a mixed use scheme on the former Visteon site on Blacks Road in West Belfast. The proposed development consists of demolition of existing buildings and development of 244 social and private/affordable residential units with access from Blacks Road. The proposal also involves a non-residential element to include community centre and class B business units with associated parking which will be accessed from Finaghy Road North.</p>
1.2	<p>Following meetings with various groups on the proposal, an elected member requested that the Council commission a Feasibility Study of the site. The purpose of the Feasibility Study was to consider the optimal use of the site to support future city development.</p>
1.3	<p>On 18 March 2014, Development Committee agreed to allocate £15,000 for the preparation of a Feasibility Study on the site. A consultant was subsequently appointed on 1 August to undertake the Study examining the suitability, viability and deliverability of various land use options on the site.</p>
1.4	<p>A draft Feasibility Study has been completed which explores the following land use options:</p> <ul style="list-style-type: none"><li>Option 1: All industrial / Business</li><li>Option 2: All residential</li><li>Option 3a: 70% Industrial / Business 30% Residential</li><li>Option 3b: 30% Industrial / Business 70% Residential</li><li>Option 3c: 40% Industrial / Business 40% Residential 20% Other (Community, Creche, Convenience Store, Nursing Home)</li></ul>
1.5	<p>A copy of the Study is included in Appendix 1.</p>

2	<b>Key Issues</b>
2.1	<b>Key Development Considerations</b>
2.2	<p><b>Ownership</b></p> <p>The site was acquired by Fold Housing Association in June 2013 at a reported cost of £2.4m. It is estimated that the cost of demolition and pre-development investigations undertaken to date is approximately £1m. It is noted that the cost of re-acquiring the site for non-residential use would significantly impact upon the feasibility of any future development options.</p>
2.3	<p><b>Planning and Policy Considerations</b></p> <p>On the 9th September 2014 the zoning status of the site as unzoned white land was confirmed by DOE Planning via its formal adoption of the Belfast Metropolitan Area Plan 2015 (BMAP). As a result, it is now confirmed that it is no longer designated as an Area of Existing Employment, as previously proposed under draft BMAP. In this regard, there is no longer a presumption under planning that only employment uses should be developed on this former industrial site. Rather, the site can be developed for non-employment purposes if it satisfies a number of planning considerations outlined in Planning Policy Statement 4 entitled Planning and Economic Development (PPS 4).</p>
2.4	<p>Under PPS 4 a range of land uses can be considered feasible for this site. Indeed, judging by the experience of the former Bass Ireland site on the Glen Road, this can also include mainly residential use. On balance, therefore, the percentage mix of uses proposed under the extant planning application would have to be seriously considered by DOE Planning under the adopted BMAP and PPS 4.</p>
2.5	<p><b>Environmental Factors</b></p> <p>The Feasibility Study examines the potential implications of developing the various land use options. While the Study acknowledges that industrial use poses the least risk to human health compared to residential use which is the most sensitive end use, it concludes that even if the site is redeveloped for industrial use, it would require significant remediation measures and costs.</p>
2.6	<p><b>Traffic/Access Issues</b></p> <p>A Traffic Review was undertaken to assess the impact of the various landuse options on the road network. The traffic review examined the impact of the options identified in 1.4 as well as the conditions when the former factory was operational and traffic conditions forecasted for the current planning application. The Traffic Review deduced that development options based primarily on residential use posed least pressure on the existing accesses and surrounding junctions.</p>
2.7	<p><b>Demand /need to retain land for industrial use</b></p> <p>The Feasibility Study identifies a number of sites zoned for employment/industrial use across west Belfast. The study notes that land zoned for employment/industrial use is being lost to other, often residential, uses (for example at Glenmona and the former Bass Ireland site). The report suggests that approximately 15 hectares (37 acres) of zoned employment / industrial land remains undeveloped. The Study highlights that this figure is significantly below the figure suggested in the Lisney Property Review (169 acres). The Feasibility Study suggests that the undeveloped zoned land could, in theory, generate over 600,000 sqft of employment/industrial space.</p>
2.8	<p><b>Demand/need for social housing</b></p> <p>The Feasibility Study notes that there are approximately 1,500 applicants for social housing in the Andersonstown area, with over 1000 classified as being in housing stress.</p>
2.9	<p><b>Viability</b></p> <p>The viability of each option was estimated on the basis of the return minus the cost to</p>

develop the site. Furthermore, the study suggests that a viable proposal would require a standard profit margin of 12.5-15%. The various options produced the following estimates:

**Table 1: Value to Cost Balance of Landuse Options**

Option	Use	Estimate of Development Value	Estimate of Development Costs	Value to cost balance
Option 1:	All industrial/business	£14,187,955	£25,658,438	-£11,470,483
Option 2:	All residential	£30,689,421	£25,415,284	£5,274,137
Option 3a:	70% Industrial/Business 30% Residential	£19,138,395	£25,585,492	-£6,447,097
Option 3b:	30% Industrial/Business 70% Residential	£25,738,981	£25,488,230	£250,751
Option 3c:	40% Industrial/Business 40% Residential 20% Other	£20,542,066	£27,557,472	-£7,015,406

2.10 The Feasibility Study concluded that due to the high acquisition and high clearance costs, proposals without a high residential element would not be viable. Furthermore, as indicated by the “*Value to Cost Balance*” in Table 1, the study concluded that funding would be required to secure the viability of industrial uses on the site.

2.11 **Deliverability and Funding**  
The Feasibility Study argues that the ability to deliver the various options is dependent upon addressing acquisition and pre-development costs as well as any future remediation costs. In this regard, residential development is considered feasible in the short term, whereas it is suggested that employment/industry can only be considered as a medium to long term objective if both a demand for the site and funding is secured.

2.12 In relation to funding, a number of potential sources were identified such as Invest NI and Belfast City Council. However, it was noted that the availability of funding from these sources is unlikely due to existing commitments to other projects.

<b>3</b>	<b>Resource Implications</b>
3.1	There are no resource implications

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no equality and Good Relations Considerations attached to this report

<b>5</b>	<b>Recommendations</b>
5.1	The Committee is asked to note the content of the report and consider whether the report should be forwarded to Town planning Committee for information.

<b>6</b>	<b>Decision Tracking</b>
	There is no decision tracking attached to this report.

<b>7</b>	<b>Key to Abbreviations</b>
	BMAP – Belfast Metropolitan Area Plan BUAP – Belfast Urban Area Plan DOE – Department of the Environment PAC – Planning Appeals Commission

<b>8</b>	<b>Documents Attached</b>
	Appendix 1 – Former Visteon Site Feasibility Study