

23 August 2016

Planning Committee:

Planning Application Reports – Update Notes

Listed below are changes to the planning reports made as a result of additional information received since the publication of the agenda for this meeting.

Case: Year:	Address:	Update:
16/0019	77-81 ALBERT ROAD	<p>With regard to the submitted Financial Viability Appraisal, the Council has been advised by an MRICS Registered Valuer who concludes:</p> <ul style="list-style-type: none"> • A lack of due diligence whilst purchasing is not an excuse to obtain planning permission in contravention of the core holiday zone to mitigate financial losses. • The statement quotes that the flats will be worth £80,000 on completion. I do not believe this is correct, a far more realistic value would be in the region of £60,000 - £65,000 for the two bed units (£55,000 - £60,000 for the one bed) • The capital value of the finished hotel with enhanced restaurant facility would be worth less than the costs of refurbishment. The values are significantly compromised by the location. <p>In response, the agent comments The value of the flats quoted is on the low side; and more typical of a poor quality flat. These flats are not low quality and have roof gardens. Either way, so long as they are valued at more than £37,000 they provide a profit which offsets the costs of the renovation of the hotel. Price is a developer risk, which even by the Council’s assessment, which is very low, still contributes to the overall model.</p> <p>The Council is concurring with our assessment in that after spending circa £1.0m the hotel and restaurant would be worth circa £400k a net loss of £600k, which is not viable never mind financeable. Whereas the proposal submitted</p>

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		<p>on completion would be at worst break even and once a trading history is established the hotel would have a value in excess of a bottom book rental value thereby yielding a profit and more importantly an occupied sustainable property in the centre of Blackpool.</p> <p>He concludes that, even if you accept the values for the finished flats, which he does not particularly (these are high quality flats with roof gardens, the Council's assessments are for low quality) and adjust the end figures accordingly, the cost of partial refurbishment and partial conversion is still substantially cheaper than the renovation of the entire hotel.</p> <p>Comments have been received from the Head of Highways and Traffic Management: On Street Parking is restricted and oversubscribed. As this is a town centre location, good transport links and adjacent off street car parking is available. The application notes 7 off street parking spaces are provided, but 2 of these are substandard, within the garage. I'd suggest that there are only 6 spaces to be provided. These 6 spaces should then be allocated to the 6 self-contained permanent flats. There is a reduction in use, from 40 bedrooms to 20, therefore reducing the trips and parking associated with the property.</p>
16/0394	Premier Inn, Red Lion Hotel, Devonshire Road	See separate sheet
16/0421	647-651 New South Promenade and 2-8 Harrow Place	See separate sheet