

## **ECL Activity & Achievements:**

### **Summary**

Exeter City Group Ltd was set up with subsidiaries to develop, hold, maintain and manage properties for the open market, affordable homes for rented and shared ownership purposes and other commercial, leisure or retail property, if deemed in the best interests of Exeter City Council (ECC). Exeter City Living Ltd (ECL) has been the only active company in the Group with its primary role to develop housing of all tenures on ECC land.

Over the past 4 years, ECL has done this by carrying out feasibility studies on numerous ECC land holdings seeking to maximise delivery of housing from brownfield City Centre sites. In doing so, ECL has sought to support ECC by setting high standards for brownfield development in the city to help mitigate the impacts of the Climate Emergency and create places that enhance the living environment for Exeter people.

Whilst doing this ECL has secured £7.4m of government funding at the earliest possible stage to help with abnormal construction costs for the planned developments.

The company has completed 3 sites providing 22 homes and has two developments under construction which will provide 56 homes by the end of 2024. Future phases on one of these sites can provide a further 56 homes with construction continuing without further procurement or delay, subject to viability and instruction from the HRA.

A further site to provide 41 homes is cleared and ready to start construction when economic conditions improve.

There are a further 3 sites (92 homes) that are ready to submit planning applications and one further site (100 homes) progressing through the detailed feasibility stage.

ECL has provided the Housing Revenue Account (HRA) with initial feasibility reports for a further 5 sites along with reviewing numerous other HRA land holdings to establish which sites have the greatest development potential.

Feasibility work has also established the technical requirements or limitations for other significant ECC land holdings, leading to development opportunities or disposals to third parties.

ECL has been developing its pipeline during a long and significantly challenging period for delivery within the construction industry - dealing with exceptional cost inflation, material shortages and supply chain uncertainty. This has been further challenged by the complexity of the sites it was tasked with developing. ECL's balance sheet does not reflect the potential increase in value of ECC's sites nor reflects the work it has carried out evaluating sites all of which has been serviced by debt funding alone. However, ECL continues to provide benefits to ECC that have totalled circa £4m to date through loan interest payments, Land and CIL payments, office rental income, and contribution to ECC staff costs. Work carried out by ECL has also reduced the necessity of development staff in other ECC teams as well as being able to hold and administer the Guildhall Flats for a nominal fee.

**Completed Developments:**

Site feasibility, planning and construction to completion:

- 3 new 3 Bed Passivhaus Homes at Anthony Road.
  - Sold at cost to the Housing Revenue Account (HRA) due to the market disruption and uncertainty with the COVID-19 pandemic.
- 9 new 3 bed Passivhaus Homes at Thornpark Rise (Hockings Green)
  - Sold at cost to the HRA due to the Pandemic.
- 10 new 3 bed Passivhaus homes at Bovemoors Lane on behalf of the HRA

**Developments under construction:**

Site feasibility, planning and construction to completion:

- 21 new Passivhaus Apartments at Hamlin Gardens for the HRA – due for completion in March 2024
- 35 new Passivhaus Affordable Apartments at The Gardens Whipton, Vaughan Road, which is the first phase of 91 new homes for the HRA. Phase 1 is due for completion in December 2024, with the remaining phases subject to instruction from the HRA. Planning was successfully secured without S106 Affordable homes requirement to maximise the ability to secure Homes England Grant. Procurement of the main contractor was achieved using innovative methods to facilitate appointment of contractor in the current challenging construction market. The next two phases of the project have the option to continue providing viability is achieved. Instructions to continue with groundworks on the next phase have already been received.
- 41 new Passivhaus Homes at Clifton Hill. Planning, Land acquisition (£2.14m capital receipt for ECC) and £425k LRF funding secured and used for demolition of redundant buildings and site secured. The site is currently on hold due to viability constraints following construction cost increases. Potential for the site to be delivered with further procurement exercise being explored.

**Sites working through Development Stage ready for Planning Applications to be submitted:**

- 31 new homes at Belle Isle.
- 37 new homes & EWSA facilities at Exeter Canal Basin, Haven Road
- 24 new Affordable homes at Glasshouse Lane, including two wheelchair-accessible units. Land secured via Option Agreement with Plymouth Diocese.

**Sites Working through Development Feasibility Stage:**

- 70-100 new homes at Mary Arches Car Park.

**Feasibility Studies carried out for ECC owned potential development sites – sites not progressing:**

- Pyramids
- Exeter Arena Park
- Bonhay Meadows
- Cathedral & Quay Car Park
- Magdalene Road Car Park
- Non ECC owned sites:
  - Smythen Street Car Park & Angling Centre (handed over to ECC Estates)
  - EGCC Topsham – 2<sup>nd</sup> highest Land Bid
  - Barnfield Road
  - JV with Acorn at St Leonard Quarter
  - Potential city centre accommodation above commercial – 11 properties

**Initial Site Feasibility Studies for potential HRA sites:**

- Vaughan Road Phase 3 & 4 (Rennes Tower)
- Lower Wear Road
- Chestnut Avenue
- Clifford Close
- Taunton Close
- Initial evaluation of 6 low potential sites
- Review of Building-Up potential – 2 storey options above existing apartment blocks.

**Miscellaneous Projects:**

- Secured £7.4m of OPE LRF/BLRF funding for ECC owned sites.
- Assisted ECC in progressing Garden Communities (Liveable Exeter) delivery plan.
- Manage feasibility study for new Health & Wellbeing Centre at Wonford - ongoing.
- Manage feasibility study for potential new Columbarium (completed but unviable).
- Project Management for the replacement Depot for Belle Isle (initial new location not viable).
- Initial consultancy work for Teignbridge District Council has been positively received and they are seeking to appoint ECL to undertake further work as well as examining the potential for ECC/ECL to manage Build to Rent Homes on their behalf.
- ECL is used to hold and administer for a nominal sum the 6 apartments acquired as part of the Guildhall Shopping Centre acquisition for ECC.
- Office refurbishment has been completed with exception of the kitchenette area.
- Independent IT system set-up to allow sharing of data with consultants.
- Developed in house development appraisal financial model.
- Business Case for Residential Property Company including financial model.