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James McGinlay
Assistant Director for Sustainable Communities
London Borough of Merton
Merton Civic Centre
London Road
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Dear James

MERTON LOCAL PLAN – REPRESENTATION BY CBRE GLOBAL INVESTORS ON BEHALF OF VERITY TRUSTEES LTD

On behalf of CBRE Global Investors (CBREGI) client, Verity Trustees Ltd, who own the freehold of the Sainsbury's foodstore (with separately leased offices above) at 33-44 London Road, Morden as well as a long leasehold interest from TfL of the adjacent multi storey car park – we make the following representation to the draft Merton Local Plan.

Background Context

As you are aware through a series of meetings that CBREGI have had with yourself, your officers and TfL since 2015, our client is supportive of the planning objective of the regeneration of Morden Town Centre. This is because we both recognise that our client's freehold and leasehold interests are an integral component in the expedient delivery of the regeneration objectives for Morden Town Centre for a higher density mixed use and residential led development.

There is already existing adopted planning policy in support for redevelopment of both the Sainsbury's car park and Sainsbury's store site for higher density, mixed use residential led development as evidenced by:

-) The car park and Sainsbury's site are within Morden Town Centre where Policy CS3 "Morden Town Centre" of the adopted July 2011 Core Planning Strategy which states that:

"To regenerate Morden through intensified development in and around the town centre, creating a distinctive and vibrant centre by making more of what Morden has to offer. A plan-led approach will increase development capacity and make more efficient use of land by incorporating higher density housing and commercial opportunities; exploiting Morden's excellent public transport links, while conserving and enhancing the character and distinctiveness of the adjacent suburban neighbourhoods."

Core Planning Strategy Policy CS14 also refers to the appropriateness of tall buildings in Morden Town Centre.



-) The adopted Supplementary Morden Station Planning Brief of March 2014 identifies in its indicative masterplan in the vicinity of the existing Sainsbury store as “*proposed commercial and leisure use – with residential above*” and also as “*suitable landmark locations*”.

Paragraph 6.22 of the Brief also states that:

“The (Morden Station) site sits between the town centre and surrounding low density residential areas. Development must therefore affect a transition between these two different areas that respects the residential character and amenity, but also provides higher density town centre development. As a result, taller and denser development should be located either to the south, where the site is part of the town centre, or within the site, where it will have less impact on the surrounding residential area”

-) The Sainsbury’s car park is allocated “Site 58” in the adopted July 2014 Sites and Policies Plan for residential or mixed use development and that “*this site could be considered for redevelopment in conjunction with other sites in Morden.*”

Draft Morden Local Plan

We note that the draft Merton Local Plan proposes to deliver the regeneration of Morden Town Centre through policy N3.3 – Morden – and associated policies as referenced to site Mo4.

Whilst supportive of the overall objectives as set out by the policies we question the deliverability of these planning policies and most importantly the sought 2,000 new homes within the Morden Regeneration Zone by adopting the proposed comprehensive approach to development.

Deliverability by the comprehensive approach for the regeneration of Morden Town Centre

To expediently deliver the comprehensive regeneration of Morden Town Centre there will be the need for the co-operation of the respective landowners to sell their property interests at an agreed price. If this is not possible the scheme will have to be delivered through compulsory purchase most likely requiring an inquiry which will lead to significant delays in delivering the policy objectives.

We note that the Morden Regeneration Zone covers an extensive area – comprising of 8.1 hectares - and TfL and London Borough of Merton do not own all of the land required to deliver the planning objectives. There is therefore the need for the co-operation and agreement of other major landowners – including CBREGI’s client who either own or have long leasehold interests on strategic parcels of land within the immediate vicinity of the underground station to deliver the Morden Town Centre regeneration objectives.

We also note that there are no published documents for public consultation supporting policy N3.3 and site Mo4 relating to:

-) Supporting illustrative masterplan for the Morden Regeneration Zone;

-) Phasing Plan – for both the Morden Regeneration Zone and the Wider Morden Regeneration Area;
-) Site land assembly plan; and
-) Viability assessment.

We therefore question whether the comprehensive policy approach is deliverable during the first 5 to 10 years - or even later from when the Merton Local Plan is finally adopted.

In our opinion the delivery of the 2,000 new homes in Morden Town Centre and the other regeneration objectives of the Morden Regeneration Zone as proposed by the draft Local Plan is based on the assumption that this can only be delivered by one comprehensive development promoted by one developer/delivery partner on behalf of just two stakeholders – namely TfL/LB Merton. We question whether this “all or nothing approach” is actually sound local plan making and to date see no evidence supporting this approach.

The Plan fails to consider alternative development scenarios that can deliver more expediently the Morden Town Centre regeneration objectives – by also supporting site specific schemes within the Morden Regeneration Zone which collectively can deliver the sought regeneration benefits.

How the delivery of the 2,000 new homes in Morden Housing Zone is undertaken is critical for the test of soundness Local Plan.

We note that the Plan needs to provide some 6,165 new homes between 2020 to 2035 and the Draft London Plan 2017 proposes that Merton’s target is increased to 1,328 homes per annum as proposed by draft London Plan Policy H1, which results in a target uplift for Merton of 223%.

The Plan also acknowledges that housing delivery is also dependent on a number of factors outside of local planning authority control including macroeconomics, house prices, land values, investment confidence and finance availability.

We also note the recent independent review of house build out rates by Sir Oliver Letwin which highlights that build out periods on large sites (1,500 plus homes) was 15.5 years. This delivery period equates to, on average, only 6.5% of the number of units on these large sites being built out each year. Sites in the samples reviewed by Letwin were not atypical and were built out at faster rates in comparison to the list provided by the Mayor, where median percentage build out rate for London sites of over 1,000 homes was only 3.2% of units.

Applying this to a “comprehensive development” of 2000 homes would equate to a 15 year plus build out period and only a small proportion of the 2,000 units would come forward yearly – approximately 64 units which does not assist as much as it should with delivering the number of units required per annum for the Borough or delivering the plans sought regeneration for Morden Town Centre.

We propose that by breaking down the site into more deliverable parcels respecting largely existing boundaries of the major landholders that a co-ordinated phased approach to the development would greatly enhance the viability and deliverability of the plan.



Sought Changes and Additions to the Draft Plan.

In order to make the Merton Local Plan sound we consider that draft Local Plan needs to:

- a) Provide an illustrative masterplan in support of the Policies N3.3 and site Mo4 showing within the Morden Regeneration Zone:
 -) Indicative phases of the proposed development.
 -) Identify areas of land which are suitable for high rise, high density, landmark development- including 33-44 London Road.
 -) Broad location of the proposed relocated bus station; proposed land uses – residential; commercial; public realm.
 -) Principle Highways & Pedestrian travel plan.
 -) Principle pedestrian & vehicular access points
- b) Clarification as to what “comprehensive development” actually means and if this equates to one planning permission covering all of the Morden Regeneration Zone; justification for this approach and a housing trajectory over the plan period for the Morden Regeneration Area; and robust evidence of viability of this approach, including infrastructure requirements and funding mechanisms.
- c) Re-wording of Policy N3.3 and site allocation Mo4 to give support to individual site specific developments within the Morden Regeneration Zone which can expediently deliver the needed housing where such developments do not prejudice future phases of development within the Morden Regeneration Zone.

In the meantime, CBREGI wish to continue their discussions with the London Borough of Merton and TfL because, as one of the major landowners, we do need to work together to expediently deliver the sought regeneration benefits within the Morden Regeneration Zone.

Yours sincerely,

Mike Straw
Director

Cc David Noble CBRE GI
Alistair Fisher CBRE GI
Steve Cooper BNP Paribas Real Estate