



Context

Pearce Planning Ltd has been appointed by Fusion Group to submit representations to the Bristol Local Plan Examination, with respect to future PBSA sites currently being explored throughout Bristol and the overall student accommodation provision in the city. Fusion Group are an extremely successful and high-quality developer of purpose built student accommodation across the UK and have developed sites in Bristol previously and are in the process of negotiating land deals on other sites.

To confirm, these representations support numerous previous representations made to the Bristol Local Plan process since 2019 and to other policy documents which have been prepared by BCC during the process, which we assume were based on the principles set out in the draft Local Plan documents and so their suitability and credibility should be considered alongside the Local Plan if findings are not supportive of related policies. For ease of reference the key messages from the representations made to the documents below have been included in our updated statement:

- January 2022 – PBSA Draft SPD (SPD was placed on hold by BCC)
- January 2023 - Further Consultation Version (November 2022)
- March 2023 – Temple Quay Development Framework
- September 2023 – Bristol City Centre Development & Delivery Plan (July 2023)
- January 2024 - Publication Version (BLPPV) November 2023
- January 2025 – Broadmead Design Code
- February 2025 – Representations on Matters covered during Weeks 1 – 3 of Examination

Summary of Attendance

We previously attended the following sessions:

Week 1

- 25 Feb – Matter 1 – Legal Compliance & Procedural Matters – mainly observing
- 26 Feb am and pm - Matter 2 — Housing Land Needs, Requirement and Supply
- 27 Feb am - Matter 2 — continued.

Week 2

- 4 Mar (am only) - Matter 4 –Spatial Strategy - not Green Belt.
- 5 Mar - Matters 4.1 and 4.2 – General and Central Bristol

We plan to attend:

- Week 4 – 25 March – Matter 7 (Sessions 7.1/7.2 specifically in connection with H7 PBSA)
- Week 7 – 23/24 April – Matter 18 – Housing supply and conclusions



Matter 7: Other Housing Policies

Issue 7.1: Whether policies relating to affordable housing positively prepared, justified, consistent with national policy and effective.

General Response – It should be noted that there were 39 objections out of the 41 representations submitted yet the Council has not made any modifications to the Plan. We would urge the Inspectors to review the previous comments made by all.

At the present time, in most cases BCC have accepted less than 20% affordable on city centre sites and accept this without viability appraisals being presented i.e. fast tracked. Some developments deliver 0% affordable due to viability issues and so setting a policy requirement of at least 35% is not positive or justified in terms of delivering homes.

The viability papers accompanying the Local Plan date from 2023 and we know that the cost of building has significantly increased in the past two years especially concerning high density developments of scale with the Building Safety Act requiring second cores, reducing gross to net. We are working across the country with established PBSA developers, including Fusion, who are seeking to deliver schemes and liaising with contractors for prices and having to value engineer schemes in order to build. It is the same for Build to Rent or residential of scale. There is a need in our view to review the viability generally and consider all costs levied to ensure delivery. If supply continues to be stifled this will only increase demand and costs and make properties less affordable.

Q7.1a – Is the policy clearly written and unambiguous such that it is clear what proportion of affordable housing any developer would be expected to provide?

We do not think that the policy is clear or unambiguous. It is a confusing policy and has been since its early inception in 2019. For PBSA it is not clear from the policy whether it should contribute? We are aware of the Affordable Practice Note which does define the position and indeed the draft Policy H7 on PBSA which states affordable is required with the text confirming at least 35%. However, the policy wording in AH1 does not include what types of residential have to provide affordable. This is further confused by the fact that tenure should normally be 75% social rent and 25% affordable home ownership. For a rented student scheme this is not possible.

Paragraph 6.19 confirms the policy applies to all residential developments but then states Policy BTR1 Build to Rent housing sets out the approach to affordable housing in that development type. Clearly this is a rental model very much like PBSA which is afforded a reduced target percentage of 20% according to that policy (this is not a minimum either – it is a fixed %).

This BTR1 policy is also imposed a where feasible requirement to include a stand-alone affordable housing block providing 75% social rent / 25% shared ownership – the policy then directs compliance with AH1 – which is very unclear given this has a different approach?

The ambiguity continues at para 6.23 which reinforces the more realistic position of 20% in the city centre. This surely should form part of the main policy wording. Elderly persons dwellings are required under Policy H8 to deliver a minimum of 10% affordable yet this is not reflected in the main affordable policy either?

In summary, it is not clear, nor understood why PBSA is not mentioned in AH1 but then required to conform to a 35% requirement under H7 when Policy BTR1 only requires 20% for private rental models and Policy H8 on older persons allows 10%.



Paragraph 6.19 on city centre schemes introduces the 20% potential for unviable schemes as is currently the case. Most PBSA schemes are in city centres so why isn't it a lower percentage? There is no reference to compliance with paragraph 65 of the NPPF – vacant building credit reducing requirements?

Q7.1b – Q7.1b - Are the affordable housing requirements justified by proportionate and up-to-date evidence about need and viability?

We do not believe so. The need for PBSA is not correctly stated in the Local Plan and caps have been applied which will result in non-delivery of important bedspaces for UoB and UWE. The figures derive from dated information and do not take account of the impact of draft policy H6 on meeting student needs moving forward or the significant demand that exists for UWE students post first year who wish to live in Bristol.

The viability of delivering PBSA has changed and our experience indicates the cost per bed is now significantly increased following the building safety act / fire implications / means of escape and the increased pressure for reusing buildings, delivering BNG, green/blue roofs and quality architecture. The viability report is now 2 years old. Furthermore, there is no justification for a different target between BTR and PBSA given they are both rental models and are often in a taller buildings. Older persons dwellings being lower at 10% also does not show consistency.

Equally, our client focuses on a very high-quality product and so the proposed reduced rent of 50% is disproportionate to the facilities provided at their schemes when compared to other providers. In order to deliver the bedspaces and supporting facilities at the top end of the market costs are higher and so warrant a higher rent.

Q7.1c - Given the evidence, and reasoned justification, suggests 35% affordable housing would not be viable in all parts of the City, is it justified or consistent with national policy to expect this to be provided on all developments of 10 dwellings or more?

No, we do not believe it is. The paragraphs supporting the policy contradicts the policy wording of "At least...". Developments in Bristol City Centre have been delivering 20% maximum for many years and to request an additional 15% now at a time when development costs are so high will stifle growth and delay consents due to the need for viability reports.

PBSA developments set their rents based on the quality of the rooms and supporting amenity facilities and location and as such the social studios (cluster style) are more affordable than studios but there is usually a range provided in each development and certainly around a city centre which offer rents at a range of levels to suit students. All rents include bills which is not the case for HMOs. The 10% older person request and 20% BTR is not reasonable if levying a more expensive PBSA development with 35%.



Q7.1d - Is the 'threshold approach' for proposals in the City Centre, and the 20% threshold itself, referred to in the second bullet point and paragraph 6.23, justified and is the policy clear and unambiguous as to how it would be implemented? If so, should the threshold be included in the policy to be effective?

See above. Yes if the approach is to have 20% in city centres then this should be set out in AH1. The city centre will be transformed with older persons units, BtR, co-living and PBSA yet the % requests for all these uses is different and set out under their specific policies – AH1 should be re-written to be clear and a realistic minimum percentage included. Otherwise it is not justified.

Q7.1e - Paragraph 6.23 states that where the 'threshold' approach is used, a developer should agree to commence development within 18 months of any permission being granted. Is such a requirement justified and, if so, should it be included in the policy to be effective?

No it is not justified. 18 months is sometimes not long enough to ensure vacant possession and discharge of pre-commencement conditions and a longer period is recommended. We believe the time limit relates to the evidence provided to agree a reduced percentage so the viability doesn't change before development commences. If this is the case, then a longer cap should be applied and it set out that viability information will be required to be re-run. Our understanding was that if 20% was agreed then no viability information would be required?

Q7.1f - Where 35% affordable housing without public subsidy is proposed, would it be justified and consistent with national policy to expect applicants to identify the maximum provision of affordable housing that can be achieved viably without public subsidy (first bullet point)?

See comments above – we do not feel that any development would be able to deliver 35% affordable in the city centre. We do not think it is justified to require an At least (undetermined maximum) and this could cause problems where sites are being marketed and purchased on a subject to planning basis.

Q7.1g - Where 35% affordable housing without public subsidy is proposed, would it be justified and consistent with national policy to expect applicants to work with the Council to explore ways to increase delivery above this figure (fourth bullet point)?

Whilst it is appreciated that the Council are seeking to maximise affordable housing delivery if a developer has met the requirement, they should not be challenged to find ways to provide more than the stated amount in our view. The only way this could work and be justified in our opinion would be to set the At least to a much lower figure with an aspirational 35% maximum.

Q7.1h - Would the 'rolling review' of policy requirements through use of 'practice notes' be justified, consistent with national policy and the plan-led approach?

The problem with the rolling review is that it provides no certainty to developers looking to bid, purchase and then develop sites and a retrospective assessment of viability is not feasible in most cases. The Council's current position of 20% target without a viability assessment being produced has delivered some schemes at this level but many have failed to get close to that figure. The push to



reduce carbon and refurbish / renovate buildings rather than demolish / new build increases the uncertainty of costs and delivery of schemes.

Q7.1i - Is the proposed tenure split and approach to First Homes justified and consistent with national policy?

We do not believe so for BtR and PBSA given they are focused on delivery of rental properties. Furthermore, to require BtR schemes to look at stand-alone affordable development blocks is contrary to delivering mixed tenure blind developments. Footnote 31 of the NPPF December 2024 does allow for first homes to continue but it should not be a requirement. As currently drafted we do not believe this conflicts as it states the council will accept...

Q7.1j - To be effective, should the provisions of paragraphs 6.30 and 6.31 be included in the policy?

Yes we believe the flexibility these paragraphs suggest in tenure mix should be reinforced through actual policy. Paragraph 6.31 type/size profile should also consider the location and type of site as some sites suit a different mix / tenure / sizes.

Issue 7.2: Whether the remaining policies relating to housing delivery positively prepared, justified and consistent with national policy and would they be effective in securing sustainable development?

Q7.2: Is Policy H4 justified, consistent with national policy and effective? In particular:

- a) **Is the policy clearly written and unambiguous about what type and mix of housing would be expected, or what information would be used to inform a decision?**
- b) **Is the policy, or reasoned justification, clear about what “harmful imbalances” it is seeking to redress?**

The desire to always provide mixed, balanced communities is we believe a little misguided and the converse desire can and does exist with communities. For example, older persons housing can be delivered in city centres adjacent to other developments like PBSA, young professionals housing / BtR but equally some older persons housing developers prefer to be located in the suburban or edge of centre or rural area to provide a quieter setting.

Similarly, family housing is always targeted by the Council in city centre locations yet this is often difficult to deliver due to the associated densities not being high enough to pay the land price and urban housing does limit the availability of private amenity spaces / gardens which families often require. Housebuilders often look towards the suburban sites for family housing to allow more relaxed densities. This does need to be reflected in policy and we would recommend inclusion of a market evidence to be included in the criteria i.e. the actual experienced developer view about what people actually want.

We believe that city centres are vibrant places to live and work and whilst this does not preclude family housing or older persons units, the demand and desirability of these types of housing in a city location should have significant bearing on the percentage required. Typically, PBSA and BtR or co-living type residential units and smaller sized general housing units are more compatible in this location and in



this type of development. Larger duplex apartments can be introduced but it is more of a niche house type.

The final paragraph on that policy seeks a variety of sizes in all growth and regeneration areas. This should be tempered based on most of these areas being located in the city centre where high density will be required. The policy does not offer much justification or definition for what a harmful imbalance would be.

Other policies in the plan provide greater clarity e.g. H6 and H7 for those specific uses. We made strong representations against the draft SPD on HMOs and PBSA on the basis that it was too restrictive and was placing a stranglehold over delivery whilst also including a cap on PBSA delivery. We would recommend this is reviewed in the context of H4, H6 and H7.

Policy H7: Managing the development of purpose-built student accommodation

Q7.5: Is Policy H7 justified, consistent with national policy and effective? In particular:

a) What overall need for purpose built-student accommodation has been identified and would the policy be effective in ensuring this is met?

As our previous representations have stated and those from other parties, we have set out our position on the failure of this policy and object to the inclusion of caps in each growth area. Our previous representations were comprehensive and are still relevant due to the lack of changes made to the Local Plan. The original caps imposed on the regeneration growth areas were set back in 2018/19. Whilst they have been reviewed, on the whole they have only been increased by a very small margin. This change reflected the Council's review but in our opinion the cap is not required and does not meet the needs of the two universities or PBSA market.

Information from leading agents in the PBSA market still define Bristol as in significant need for new PBSA beds. This is to meet the growth of both universities, address the lack of city centre housing for UWE students who want to live in Bristol not South Gloucestershire, and to readdress the balance of HMOs in the suburban and city centre areas which is currently having a significant impact on the amenity of residential families and are not fit for purposes in terms of the provision of bins/bikes/overall management. Without further growth of PBSA there will not be the desired shift from HMO reliance.

The harmful concentrations referred to are mitigated by the fact that these developments are carefully designed, purpose built and then expertly managed to ensure the needs of the students are met and the impact on the neighbourhood is minimised. Any development has an adverse effect on the existing community so the first bullet of the H7 requirement cannot be met. The third bullet will not help the situation either if growth in population is matched by accommodation as the reliance on HMOs will never be addressed. Growth in PBSA should outstrip growth in population.

The Council's topic paper (April 2024) defines 16,500 PBSA bed spaces in Bristol as at January 2024. A further 5,000 spaces had permission and we know further consents have been issued since this time. The Council consider there is a need for a further 8,800 beds space by 2040. The figures were based on March and August 2023 information from the universities. Paragraph 2.7 of this confirms no



account has been made for additional bed spaces for UWE students. This would mean no delivery for second/third/fourth/post graduate students attending UWE and obtaining their accommodation via HMOs or outside the city and commuting in.

Therefore as currently drafted we have no faith that the policy identifies the actual need for PBSA, despite expert reports being submitted, and given no need for UWE has been proposed by the Council we do not believe the correct target figures will be achieved. Once policy has been adopted the development management team and elected councillors will apply the policy and on the whole there is a resistance for new PBSA.

We experience this nationally, but it is acute in Bristol – hence strong resistance to releasing a site in Temple Quarter (allocated under current policy BCAP 35 which includes acceptable uses as PBSA) received a negative pre-application response and limited support to change the use to student despite the scheme being able to demonstrate compliance with the draft policy and comply with the ambitions of paragraphs 6.67 to 6.72.

b) How does the provision of student accommodation contribute to the overall housing numbers and is this justified?

The Council indicate that the PBSA need is 10% of the overall housing requirement. However, the need is inaccurate given it does not address the current HMO reliance or UWE need or in fact the updated needs of the University of Bristol. With additional requirements, some HMOs and older stock will also fall out of the market or be unavailable. We are working on several projects requiring upgrades to the building fabric due to fire so this will limit availability as well.

The application of bed numbers divided by a set figure is an acceptable way to consider contribution however the average household size must be correct based on up to date information given the reduction in household sizes and then subsequent potential increase due to affordability and children living at home longer.

c) Is the principle of the numbers and defined locations/distribution as set out in the policy (for the University of Bristol sites, Bristol city centre, Bristol Temple Quarter and St Philip's Marsh, Broadmead, Frome Gateway and Central Bedminster) justified?

We do not believe it is accurate or positively prepared. This should be market driven based on the need identified from the universities, replacement of HMOs throughout the city, provision of UWE city centre PBSA options and have room for additional surplus capacity to ensure delivery. Without making provision for PBSA, students will occupy housing built for families and will outbid young professionals given the increased overseas market and more affluent student body. If allocations are only made to match growth then there will never be a shift from HMO reliance. Therefore, additional provision must be made or the caps totally removed to provide suitable flexibility.

The growth areas defined provide significant opportunity to meet the PBSA needs in Bristol and also help the Council deliver more housing units per hectare to meet the unmet demand and reduce pressure to release green belt land or rely on others to deliver their requirement outside of where it is actually required. For many years, students were living in Newport and Cardiff and Bath but studying at UWE and UoB. City centres can deliver significant PBSA and achieve the numbers required but also then help release HMOs back to the housing market. By identifying sites in the urban area for PBSA



there is less likelihood of antisocial problems as the accommodation will be managed and surrounded by active, vibrant city centre uses.

We consider that Frome Gateway is very well placed for both UWE and UoB students at both the city centre and Clifton campuses. The bus connectivity is excellent. The City Centre and Broadmead growth areas should be significantly increased for PBSA given the nature of the area being vibrant, mixed use, busy areas which students thrive on. This type of location would not work as well for family accommodation and overall supply of units would be increased by providing this type of housing in built up areas.

Bristol Temple Quarter and St Philips offer better connectivity to the UoB new city centre campus and we believe the cap has been consented which demonstrates that there is still significant market demand for more PBSA sites given the number of enquiries we are receiving. These areas are well related to the city centre and would still be attractive to UWE students given the supporting amenity offer and vibrancy. There is also an easy connection via train to UWE.

d) Will it be clear to the decision maker how to react to proposals when assessing them against the three bullet points in the first paragraph of the policy? How does this relate to the final paragraph of the policy relating to general provisions? Are the general provisions also capable of being assessed appropriately?

We have stated above our objection to the first paragraph of the policy given it is almost impossible for a development to not have effects on existing communities. This is far too strict a test and any decision maker could refuse an application on this basis. It needs to be a balanced test i.e. harm v benefits.

We feel bullet 2 implies the absolute need for other uses to accompany PBSA. Whilst we are not against active frontages where they are viable the introduction of residential or another use within a development site of limited size can lead to inefficiencies and unviable development. The third bullet as we have stated will not address the existing HMO issue or provide any accommodation for UWE students or readdress the balance and make a positive contribution to PBSA.

e) Are the suggested main modifications to Policy H7 in response to PQ86 regarding the support needed of the relevant higher education provider necessary for soundness? Is this part of the policy justified and will it be effective?

We do not believe a PBSA scheme has to have the support of the universities. PBSA is a market driven development proposal which is promoted after significant research into demand/supply and huge funding. The test is therefore rigorously assessed prior to purchasing a site and this does not need ratification by a university. In fact, we have had resistance from a university elsewhere due to the potential accommodation being in competition with emerging halls of residence despite there being headroom for both developments.

f) Are the suggested main modifications to Policy H7 in response to PQ88 regarding the support of local communities necessary for soundness? Is this part of the policy justified and will it be effective?

This is not justified or positively worded and hands the power to the local community who are often against PBSA on the basis of perceived amenity issues and absence of family housing. Whilst these concerns are understood they are unfounded given provision of more PBSA will actually release



houses for family use. The difference between a scheme being supported by a community and not appears to be that a mix of uses must then be provided where opposition is met. That does not appear to be a sound policy or justifiable as the objection may not be to do with a mix of uses – rather a concern about PBSA.

Given the requirements to meet all the regulations for fire safety/cores/exits which has impacted on the efficiency of most city centre schemes to add further inefficiencies by including other uses – often with additional needs for separate accesses/cores/lifts could result in unviable developments. The size of sites available is also of concern as to make an efficient scheme with the type of amenity offer required would mean most PBSA schemes need to be at least 300 beds – Fusion schemes are typically 400 to 1000 beds as an example. Equally most residential developments for BtR or co-living need to be over 100 units so to create a mixed-use development would that would be viable would generate a significant mass. In addition, the need to try and reuse existing buildings (offices etc) for carbon reasons will also work against a mixed use scheme.

g) The part of the policy referring to ‘Other locations’ indicates that proposals for purpose-built accommodation should form part of mixed-use locations. When considered with the other bullet points in this part of the policy, will be it be effective?

We do not believe so as stated above. Furthermore, the arbitrary allocation of commercial and residential areas which go on to set maximum bed numbers per 200 m radius is not appropriate. It is understood that large student concentrations in otherwise residential areas may not be desirable however, this is the present case with the level of HMOs in the city. The lines drawn are also inaccurate.

We recently looked at a site which sits in the residential area but is in commercial office use – this would indicate PBSA is not acceptable due to the maximum of 100 beds per 200 metres. However, if allocated for commercial 1000 beds would be accepted. As stated above, our client would not undertake a PBSA scheme of less than 300 beds so this would rule out the entire residential zone for them and many other operators. The delivery of a typical student scheme would bring around 500 students and so only two schemes would be permitted in the city centre commercial area within a 200-metre distance.

We are fearful that this would result in many sites not being developed at all due to this overly restricted and artificial limitation. If a PBSA scheme is managed (as would be conditioned) then the overconcentration issue should go away. The same limitations are not proposed for older persons housing, general housing, BtR or co-living. We feel this is focused more on HMOs and should not apply to properly managed PBSA. It is almost prejudice against students implying they are not acceptable neighbours when this is not the case, particularly when living in managed accommodation.

h) Paragraph 6.87 sets out the circumstances in which a local imbalance is likely to occur. To be effective, should these circumstances be set out in the policy and is the approach justified?

We generally do not agree with this restriction but do consider if an imbalance requirement is needed then it should be relaxed considerably, qualified via a management plan requirement (template???) and included in policy or an SPD. The draft SPD on HMOs and PBSA is not a good document as it places a contrived restriction on these uses.



i) The policy states that development in all locations will be expected to include an appropriate proportion of affordable student housing to meet identified need. Is this approach justified, based on viability evidence and will it be effective?

Please see above – we do not agree with the affordable housing principle for PBSA – we feel that the different developers in the market and the mix of room types provided will deliver the required mix. Our client has a higher end product which requires a higher rent proportionally than some others based on the services provided. If affordable student housing were provided it should reflect the services on offer as otherwise it will be unviable. Provided a range of PBSA is provided across the city for both universities then the needs will be met.

If affordable student housing is required then it should be set at the same level as older persons or BtR and not the higher level of at least 35% which is unrealistic. The rental model means no shared ownership is appropriate and the excessive 50% of income cap is challenging from a viability perspective and will lead to a reduced quality product in order to cover this additional cost. The whole viability and affordable housing policy in our view needs reworking to be clearer and fairer.