

2020-2023: Garage Strategy

1. Executive Summary

The purpose of this report is to outline the strategy which CBH will follow in managing CBC's garage assets and garage sites. The strategy is based on three key elements of the CBC Corporate Plan (2019-2023): increase the supply of affordable homes, help to build resilient communities (for example by addressing ASB issues), and making the best use of CBC assets (to maximise HRA resources). It also supports the Council's Housing, Homelessness and Rough Sleeping Strategy (2018-23) by increasing the supply of affordable homes by way of 'additionality' – i.e. delivering new affordable homes over and above that which would otherwise be delivered if CBC were to rely on market forces alone.

Each garage site will be reviewed against the following operational criteria and factors:

- the level of demand for garages and parking for existing HRA tenants.
- maintenance costs for existing garages and whether required improvements are value for money
- if there are associated ASB or tenancy management issues with the site
- whether there is a current regeneration plan for the area in which the garage site is located or the garage site is attached to a sheltered scheme, currently being considered as part of the sheltered scheme review.
- does the site have development potential to provide additional affordable homes
- is there an opportunity to increase the financial return from the site as an existing garage site.
- if there are other options available to improve the site, for example neighbourhood works.

The strategy aims to balance the demand for garages from existing HRA tenants, the cost of maintaining and improving garage blocks and the desire to increase the supply of affordable homes. Where a garage site has development potential it will be given a priority status and an option appraisal process followed with each site considered in relation to the criteria noted above to determine whether development of the site should be progressed.

Sites will be reviewed on an ongoing basis during the strategy period to reflect the fact that circumstances may change relating to the condition of garages, demand for garages from tenants and the opportunities for regeneration or development.

2. Background

On behalf of CBC, CBH manages 51 garage sites located throughout the Borough totalling 646 individual garages. Garages are let on a licence basis to both HRA tenants and where there is insufficient demand they are offered to private customers. Presently out of those that are currently let, 34% are let to CBH tenants and the remaining 64% to private customers. The number of garage voids at present is 137 of which 111 are non-lettable requiring investment. The remaining 26 are available to let however remain void. The number of people currently on the waiting list for a garage is 72 however the demand tends to be location specific with high demand in the town centre whereas in some other areas there is very low demand.

Rental for garages let to HRA tenants does not include VAT, however for non-CBC tenants VAT is charged on the rent. In recent years, the investment in garage sites and more focussed lettings management has led to the number of garage voids reducing. A review of the terms of the licence is ongoing and the garage rents are also being evaluated with a view to achieving higher income generation particularly from private customers. This would be consistent with the position taken by a number of other Local Authorities including Oxford City Council and Bristol City Council.

As part of an initial review of garage sites in 2010, a number of sites were identified as being no longer financially viable as garage sites with some identified as suitable for redevelopment to provide new affordable housing. Since 2010 CBH has successfully redeveloped 13 garage sites for affordable housing providing a total of 41 new homes. The sites developed to date reflect the 'quick wins' with the more complex sites remaining.

Developing garage sites for affordable housing is often resource intensive with limited scope to deliver a significant number of new homes due to the size and configuration of the garage sites; they are generally infill sites with limited access and within very close proximity to adjoining properties. In addition, over time, adjoining residents may have acquired a prescriptive right of access over part of a garage site which needs to be addressed before the site can be redeveloped. Despite these challenges the benefits of redevelopment are significant in terms of providing new homes, improving potentially problematic sites for the local community and increasing the financial resources available in the HRA.

Over the last 9 years approximately £650k has been invested in improving the garage sites. This has focussed on demolishing those in poorest structural condition with the sites either being secured or converted to parking areas. Other sites where there are good levels of demand have received a programme of improvements including door renewals, however more significant structural repair and roof replacements may not have been undertaken as these do not represent good value for money when comparing the level of investment required against the potential rental income at current rent levels. Approximately 14% of current garages are not lettable due to their condition and the investment required to bring them to a lettable condition exceeds future income potential.

The majority of the garages are small in size having been built in the 1960's and 1970's and as a result are not ideally suited to modern larger cars. In two locations (at Coates and Elgar House and Marsland Road), as part of wider neighbourhood improvement works the original garages have been removed and replaced with new, larger garages and demand for these has been good.

Whilst it is clear there is the potential for greater income generation if more garages were let, this has to be balanced against the cost of investment needed, ongoing maintenance and management considerations and alternatives uses of the sites.

3. Proposed strategy

The release of the HRA debt cap brings with it the opportunity to increase the supply of affordable housing and the development potential of existing HRA assets, such as garage sites, has been identified as one way to assist in delivering this additional affordable housing.

In the first instance all current garage sites will be reviewed and assessed against the operational criteria noted above to determine whether there is viable development potential, taking into account unit capacity, legal encumbrances, complexity and cost of potential build. In addition, certain garage sites may be located in an area earmarked for potential regeneration (subject to CBC approval) or adjoining a property that is undergoing an option appraisal process and therefore the site will be included within this specific appraisal process.

Where sites are identified as having development potential these will then be prioritised based on the following (see appendix A):

- Garage sites that may fall within a potential future regeneration area or sheltered stock options appraisal. In these instances, these garage sites will be appraised within the scope of the respective project, once the project has been approved by CBC.
- Garage sites that have been demolished and access secured (PRIORITY 1);
- Garage sites that have been demolished with hardstanding area used for parking (PRIORITY 2);
- Garage sites that are in low demand or not lettable (PRIORITY 3);
- Remaining garage sites with full/high occupation and waiting lists (PRIORITY 4).

There are circa 35 sites that might have development potential and therefore prioritisation of these sites is important. A detailed options appraisal will be conducted on each of these sites in consideration of the operational criteria noted above but also incorporating the following:

- Detailed site visits to identify any potential Rights of Way/access issues or other constraints to development.
- Legal enquiries utilising One Legal to provide detailed report on titles identifying any legal constraints to development (covenants, Rights of Way etc.) and service enquiries with the utility companies.
- Discussions with CBC officers regarding tenure and housing needs in the local area.
- Procuring an architect to carry out an initial sketch proposal to provide an indication as to the likely number of homes that can be provided on sites and a consideration of any site constraints.
- Holding a preliminary meeting to seek advice from the planning department on the sketch proposals drawn up.

If this option appraisal process supports development of the site this will be taken forward by the CBH development team as resources allow.

Whilst looking at sites through the option appraisal process, it is important to consider the number of CBC/CBH properties within the direct vicinity adjoining the garage sites against numbers of private and or leasehold units, rights of way, size of adjacent land in and around the site. A number of sites are surrounded by CBC stock and when existing dwellings are considered in conjunction with the footprint of the garage sites the potential developable land could be enhanced.

If redevelopment is not a viable option consideration will be given to whether the site should continue as a garage site or whether an alternative use is appropriate, such as community space, allotments, parking spaces or other facilities for the benefit of local residents. This will ensure CBC makes best use of its assets. The sites will then be prioritised, to inform investment decisions and ensure maintenance is targeted where garages are in high demand and where additional rental income can be secured. As noted, the rents for private customers will also be reviewed with a view to increasing income generated from garage sites and ensure best use of CBC assets.

APPENDIX 2A)– Garage Prioritisation Methodology

