

**MINOR UPDATE**

<b>Application No:</b>	<b>DC/18/00396/FUL</b>
<b>Site:</b>	<b>21 Mill Road East Gateshead Gateshead NE8 3AE</b>
<b>Proposal:</b>	<b>Mixed Use Development consisting of 317 Apartments with two ground floor Retail Units (contained within a 20-storey block) and associated parking (amended 03/08/18 and additional information received 04/10/18).</b>
<b>Ward:</b>	<b>Bridges</b>
<b>Recommendation:</b>	<b>Grant</b>
<b>Application Type</b>	<b>Full Application</b>

**Reason for Minor Update****Amended recommendation wording**

The applicant has provided a further Viability Assessment (VA) to test the scheme based on providing a 5% off-site contribution towards affordable housing, as a comparison to the previously submitted VA that tested the scheme based on a 15% off-site contribution and providing no contribution at all.

This further VA follows the same format as the previously submitted document, using the same inputs, save for the percentage of off-site affordable housing contribution.

The results of this further VA show that requiring a 5% contribution towards affordable housing would result in a developer profit of 12.54%. This is considered to render the scheme unviable based on the understanding that the units would be for open market sale to individual investors, which creates a higher risk to the developer, and the embryonic nature of this type of high rise residential development in the North East.

Based on the level of risk this creates to the developer the specialist advice given to officers is that, in this case, requesting any contribution towards affordable housing would render the scheme unviable and thus unlikely to happen.

Therefore, officers suggest that the recommendation be changed from "Grant subject to S106" to "Grant subject to conditions" for the reasons set out above.

**SEE MAIN AGENDA FOR OFFICERS REPORT.**