

Project Title	BHF Kirkstall Road Residential Development
Main Funding Programme	Brownfield Housing Fund
Funding Applied for from the Combined Authority now	£7,159,715
Indicative total scheme costs	£141,078,196 (to be confirmed at full business case)

Scheme Description

The site currently comprises a three-storey office building facing Kirkstall Road. The scheme will demolish and remediate the brownfield land to build a new and vibrant residential-led development. The design of the scheme will maximise opportunities for walking and cycling along the riverside and meet increasing market demands for housing in a neighbourhood on the edge of the city centre.

This scheme will build 618 'build-to-rent' apartments in Leeds. The apartments developed are to be made up of 62 three-bedroomed, 248 two-bedroomed, 308 one-bedroomed homes. 20% (124) of the new housing will be affordable homes.

The scheme includes the development of 356m² of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire.

Business Case Summary

Strategic Case

This scheme aims to create a vibrant, residential-led 'Build to Rent' development which provides a series of attractive residential buildings anchored around a high-quality, pedestrian-focused public space.

The scheme will create a new riverside path for the use of pedestrians and cyclists. Significant open space will be improved and made public. In addition to housing, the development will create flexible commercial space to be used for local amenities covered by for Planning Use Class E, including but not limited to shops, offices, cafes and restaurants, and Planning Use Class F, which includes usage for galleries, museums, halls and places of education.

The population and economy of Leeds are forecast to continue growing and the city has the opportunity to build towards sustained economic benefits for residents and businesses. The Leeds City Region (LCR) Housing Affordability and Need Study (July 2020) provides an in-depth assessment on a range of housing affordability and need issues within the LCR. The right housing development will be a catalyst for neighbourhood prosperity within the Kirkstall Road area. In addition it will play a significant role in realising the ambitions for city-wide and regional wide growth as set out in the Leeds Inclusive Growth Strategy and LCR Strategic Economic Plan.

The scheme will contribute directly towards the Strategic Economic Framework priorities: priority 1 – boosting productivity; priority 2 – enabling inclusive growth; and priority 3 - tackling the climate emergency. These will be delivered by providing affordable and suitable housing that is developed with a climate-conscious approach and is well connected to the city centre and existing public transport networks. This scheme will contribute to the Mayoral Pledge to provide sustainable and affordable housing.

Economic Case

This scheme has been shaped and evolved through engagement with the Local Planning Authority as part of formal pre-application meetings to work towards a development that works for the local community.

The scheme presents a 'high' value-for-money categorisation with a Benefit Cost Ratio of 2.7

Commercial Case

The private rented sector population mainly comprises people between 18-30 years of age. Within the LS3 postcode area, 74% of residents fall within this category, demonstrating a demand for new private rented sector housing stock.

An assessment has been undertaken into to the household composition of private renting households in the LS3 postcode area. Of those local to the area, 60% are sharing their home with people they are not related to, 26% are single person households and a further 9% are couples without children. Only 6% of households privately renting are families with children.

Based on this evidence of current demand the scheme proposes to provide approximately 50% 1-bedroom homes, 40 - 60% 2-bedroom homes and 6 - 10% 3-bedroom homes. Kirkstall Road falls within the 'Inner Area' submarket and there is a significant amount of social rented (affordable) homes in this area of the city. It is an area that will benefit from significant investment, with more privately owned and privately rented homes to ensure a more balanced and mixed community.

Financial Case

The total project cost for the scheme is £141,078,196. The developer will contribute £133,918,481. The remainder funding gap, to be funded by the Brownfield Housing Fund, is £7,159,715.

Management Case

The developer has a track record of delivering Build to Rent schemes across the North West and Yorkshire.

Construction of homes is due to start January 2023. All 3 sections of housing are expected to be completed December 2025.