Cheshire West and Chester Local Plan Representation to the Issues and Options (Regulation 18) Consultation - Land at Charterhall Drive, Chester

Habiko LLP (c/o Muse)

August 2025

Turley

Contents

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Our reference
01168 PLNOR

August 2025

1. Introduction

1.1 This representation to the Cheshire West and Chester ('CWAC') Regulation 18 Local Plan Consultation ('R18 LP') is submitted by Turley on behalf of Habiko LLP (c/o Muse). It relates specifically to Habiko's land interests at Charterhall Drive, Chester ('the Site') which is proposing an affordable housing scheme ("the Proposed Development") on land which is currently proposed to remain allocated (as part of a wider 'Chester Business Quarter' allocation) for employment use within the R18 LP.

1.2 The extent of Habiko's land ownership (via. Muse) is shown on the landownership plan and allocation overlay included within **Appendix 1** of these representations.

1.3 Representations are provided in the following sections of this report, with reference to the most applicable Consultation Questions from the R18 LP survey for ease of reference.

About Habiko

1.4 Habiko LLP is a joint venture made up of three partners; Pension Insurance Corporation (PIC), Muse and Homes England. It was formed in 2025 with and combines insight, capital and expertise to provide lasting, positive social impact through the delivery of affordable, energy–efficient homes for rent. Through purposeful investment in sustainable homes and places, Habiko aims to unlock a better future for the environment and for the communities in which it works.

1.5 Habiko is committed to delivering 3,000 affordable homes to rent over the next 12 years, investing some £1 billion in the process. The Proposed Development at Charterhall Drive will be one of the the first Habiko project submitted for planning and will represents a hallmark of sustainable construction. Habiko's Sustainability Framework commits to reducing embodied carbon above and beyond national standards through low-carbon building materials, efficient design and ultimately low-energy use.

Overview of Representations

1.6 Whilst Habiko welcomes the progression of CWAC Local Plan, these representations raise a number of issues surrounding the approach currently being proposed in the R18 LP; these issues are set out below under the relevant questions.

1.7 Habiko hopes that these representations are helpful and will be taken into account in preparing the next stage of the Local Plan. Habiko would welcome further dialogue with Cheshire West and Chester Council ('CWACC') in regard to the content of the representations in due course.

2. Strategic Context

Planning Reform

2.1 The CWAC Local Plan is being prepared at an important time. Since its election in July 2024, the Government has made clear that "*sustained economic growth is the only route to improving the prosperity of our country and the living standards of working people*"[1]. It has stated that its "*central mission*" is to "*restore economic growth*" and it also aims to deliver the infrastructure that the country needs, "*including one and a half million homes over the next five years*"[2].

2.2 The Treasury has confirmed that: "The government's housing targets, coupled with investment in supporting infrastructure, will remove barriers to economic growth"[3].

2.3 The revisions to the National Planning Policy Framework (NPPF) in December 2024 provide a policy framework to facilitate the Government's commitments to economic growth and to tackle the housing crisis. Alongside publication of the revised NPPF in December 2024, a revised standard methodology for calculating Local Housing Need (LHN) was introduced to help ensure that the Government's target of delivering 300,000 new homes per year can be achieved. The NPPF now makes clear that Local Plans should accommodate the minimum number of homes needed, as dictated by the LHN using the standard methodology.

2.4 Adjusting the method against which housing need is determined, and applying a 'stock-based method' means an increased housing requirement of 1,914 dwellings per annum across Cheshire West and Chester compared to 532 dwellings based on the previous standard method and higher still than the 1,100 dwellings within the adopted development plan.

Devolution

2.5 The new Labour Government has made clear its commitment to planning reform which includes a particular focus on strategic planning across local authority boundaries and further devolution to the regions. The Government has established the clear objective of having universal coverage of strategic plans during this Parliament[4].

2.6 Cheshire and Warrington are currently undergoing a devolution process, which has been confirmed as part of the Government's devolution priority programme. The three local authorities of CWAC, Cheshire East and Warrington are working together to establish a Mayoral Combined Authority, and a consultation[5] seeking views on the

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1 Proposed reforms to the National Planning Policy Framework and other changes to the planning system (MHCLG, August 2024)

2 Speeches by the Chancellor, The Rt Hon Rachel Reeves MP, on 5/8 July 2024

3 10 Year Infrastructure Strategy Working Paper – A Cross-Government Plan for Infrastructure, page 1 (HM Treasury, January 2025)

4 English Devolution White Paper: Power and partnership: Foundations for growth (MHCLG, 16 December 2024)

5 Cheshire and Warrington devolution consultation (MHCLG, February 2025)

proposal closed on 13 April 2025. The Mayoral Combined Authority for Cheshire and Warrington is expected to be established in time for the first mayoral election to take place in May 2026, subject to the Secretary of State deciding to proceed following review of the consultation responses, the Government confirming funding and the necessary legislation being laid in Parliament.

2.7 If established, the Combined Authority would have a duty to produce a Spatial Development Strategy (SDS) for the Cheshire and Warrington area. This would likely overlap and replace (at least in part) any Local Plans which are in preparation or adopted by the three constituent authorities at that time (including the emerging CWAC Local Plan). It is acknowledged that a SDS is likely to take some time to produce and therefore it is imperative that CWAC (alongside Cheshire East and Warrington) have up-to-date Local Plans in place as soon as possible, in order to meet local needs. This is recognised at paragraph 1.10 of the Reg 18 Consultation Draft Plan.

3. Chester Business Quarter Planning History

3.1 Chester Business Quarter ('CBQ') is an employment allocation within the adopted development plan[6] and covers an area of approximately 2.3ha of land to the south of Chester railway station abutting the Shropshire Union Canal. CBQ has been allocated as such within successive development plans, across a total plan period of circa. 20 years[7], however has only seen the development of a single office building of 6,495sqm ('One City Place') whilst at the same time seeing the demolition of long-term vacant 7 storey 'Premier House' in 2018.

3.2 Planning permission (part detailed, part outline) for the wholesale redevelopment of CBQ with an employment-led scheme was granted by CWACC in April 2014 (LPA ref. 12/04895/FUL)[8]. The outline permission permitted up to 44,729sqm of office floorspace, 2,000sqm of commercial floorspace and 200 residential units – specified within the approved 'Development Schedule – October 2012'. Development parameters were also set controlling the extent of development blocks, point of access and height. It is noted that the 10-year outline permission has now expired.

3.3 The detailed component of the application comprised 'One City Place 'which offered a substantial quantum of Grade A office space when it was completed in 2016, it did however take until 2022 before the building became fully occupied. The largest occupier - Sykes Cottages, has taken on less than 1,000sqm of floorspace with subdivisions introduced throughout the building to provide for smaller officer floorplates.

3.4 A limited number of reserved matters consents have been granted pursuant to the outline planning permission, none of which include employment uses. Those schemes comprising habitable floorspace include:

- Reserved matters consent granted in February 2023 on parcels 8 and 9 for the erection of a 7-storey 133-unit apartment building (ref. 22/02572/REM). Turley secured this consent on behalf of Progressive Living and Clarion Housing Group and continues to advise the latter on the implementation of the consent. Clarion is currently undertaking enabling activities on site.

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[6] This comprising the Cheshire West and Chester Local Plan (Part One) Strategic Policies (adopted January 2015) and Cheshire West and Chester Local Plan (Part Two) Land Allocations and Detailed Policies (adopted July 2019)

[7] This period comprising the Chester District Local Plan (adopted in May 2006) and current development plan documents listed under footnote 6

[8] Planning permission ref. 12/04895/FUL: *"Full permission sought for first office building and outline permission sought for mixed use development comprising new buildings accommodating offices, dwellings, shops, financial and professional services, restaurants and cafes, drinking establishments, hot food takeaways, non residential institutions, assembly and leisure, access, car parking, servicing and landscaping (existing buildings to be demolished)"*

- Reserved matters consent granted in July 2023 on parcel 10 for and a 6-storey 56-unit retirement living scheme (ref. 23/00344/REM) - the applicant being Mcarthy and Stone.

3.5 The timeframe for submitting further reserved matters applications pursuant to the overarching planning permission has now lapsed. Within the vicinity of the Site the following detailed planning permissions are of note:

- Detailed planning permission was secured in October 2020 on a plot to the east of One City Place for a hotel development for developers Vastint, with Marriot intended to serve as future operator (Ref. 20/01823/FUL).

- Just outside of the City Place boundary prior approval was granted by CWACC in March 2025 to change the use of Charterhall House from offices to 176 no. apartments (Ref. 24/02755/PMA).

3.6 In December 2024 CWACC adopted the 'Chester Business Quarter Development Brief'[9]. This provides a framework against which future planning applications within CBQ will be considered. It serves to promote a primarily employment-led development of remaining plots within CBQ and in essence provides continuity for the design principles established through the outline planning permission.

3.7 In summary the redevelopment of CBQ for employment uses has failed to materialise despite the planning policy framework and a long-term outline planning permission being in place to support the delivery of such development, and a prominent portion of the CBQ remains underutilised and undeveloped.

[9] Note that the CBQ boundary as defined within the Development Brief extends beyond the allocation within the adopted development plan, taking in a distinct employment allocation (Hoole Lane) and the curtilage of Charterhall House. Policy CH 1 of the R18 LP infers that the ongoing allocation of CBQ would be limited to the area defined within the current development plan.

4. Delivering Affordable Housing in an Optimal Location

4.1 Habiko proposes the development of the remaining plots at CBQ for the benefit of an entirely affordable (discount market rent) scheme comprising various unit sizes to cater to a range of demographics. The Site has the potential to modestly accommodate circa. 350 units, although a higher density scheme could see higher delivery.

4.2 The provision of housing of this tenure in the city centre responds to an existing and growing need.

4.3 Research undertaken by Savills on behalf of Habiko indicates a clear lack of available housing stock within Chester city centre, particularly for smaller properties. The city centre has seen a 30% reduction in rental listings compared to 2018-19, leading to increased competition for rental stock. The strongest demand in the local market is for 1-bed flats, which are letting 70% faster than in 2018-19. The lack of stock has also fuelled rental growth, which is now outpacing both the wider region and national averages.

4.4 Savills advise that young professionals living in the private rented sector comprise the most prominent demographic group in Chester city centre, with this trend considered likely to be sustained over the following 10-year period. This is due to a projected increase in younger households attracted by the forecast creation of further employment opportunities within the borough. The 'professional, scientific and tech' sector is forecast to see the strongest growth (16% growth by 2035), closely followed by the 'administrative support' sector (15% growth by 2035).

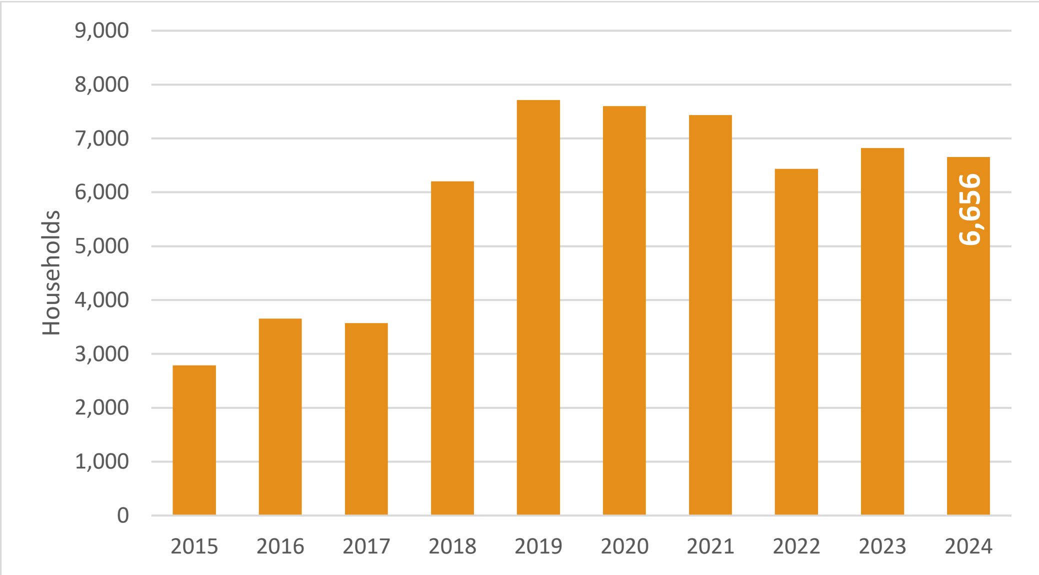
4.5 Where rents have increased, the research by Savills highlights the current limitations of the housing market for those looking to access housing. It identifies that within the city centre fewer than 50% of listings for the smallest properties (1-bedroom homes) are affordable to households on lower quartile incomes, with only 2% of 2-bedroom properties affordable to households with this level of income. This situation is even more pronounced across Chester where 83% of 1-bedroom properties listed for rent are not affordable to those on lower quartile incomes rising to 99% of properties which have 2-bedrooms. This indicates a significant barrier to households with incomes at this level accessing housing within the city.

4.6 Aside from this there is a pressing need to continue providing for new affordable homes in Cheshire West and Chester. It is understood that there have only been 373 affordable homes completed on average per annum over the period 2010-24, with more recent years showing a slightly elevated level of provision at circa 460 affordable homes per annum on average over the last 3 years. This falls significantly short of the need for 714 affordable homes per annum calculated in the Council's last published assessment, whilst recognising this is now considerably dated being over 10 years old[10]. Analysis by Savills suggests that this level of need, however, remains broadly comparable, where they calculate a need for 650 affordable homes per annum. The

10 Cheshire West and Chester 2013 Strategic Housing Market Assessment (Arc4)

scale of this need is reinforced by the significant and sustained number of households registered on the housing waiting list in the authority, as shown in Figure 4.1.

Figure 4.1: Households on the waiting list in CWAC (2015-24)



Source: MHCLG

4.7 Savills highlight that even based on the higher average rate of provision seen over the last 3 years there is a need to uplift provision by circa 40% to meet the level of need they identify in Cheshire West and Chester. The proposed Habiko development would comprise a model of 100% affordable market rent units targeted at a range of demographics including single bed units targeted at the young professional population which would make an important contribution to addressing this need.

5. Introduction to Local Plan (Chapter 1)

Evidence Base

Question IN 1
Do you agree that this is the right evidence that we need to inform the new Local Plan? Is there further evidence that you think will be required?

5.1 The R18 LP confirms that CWAC intend to prepare additional evidence to support the emerging Local Plan, including a Housing Needs Assessment, Green Belt Study, Infrastructure Delivery Plan, Strategic Viability Assessment and Land Availability Assessment.

5.2 Paragraph 32 of the NPPF requires that the preparation of all policies should be underpinned by relevant and up-to-date evidence which is adequate and proportionate to justifying policies.

5.3 To this extent and, principally with regard to the proposed allocation of Chester Business Quarter, it is considered imperative that the Council produces the evidence it has outlined as soon as possible to inform its new Local Plan. This must include an up-to-date Housing Needs Assessment which includes a detailed consideration of the need for different tenures of affordable housing and recognises the different local housing markets in operation across the authority and the needs of different segments of the housing market.

5.4 Similarly, whilst an Economic Development Needs Assessment (EDNA) has been recently published as we refer in subsequent questions several deficiencies of this study have been identified, and it should be updated accordingly to support the next draft of the Local Plan. Furthermore, the Council will need to complement these assessments with up-to-date evidence of the availability of housing and employment land to ensure that calculated needs can be accommodated through appropriate land allocations and policies.

Monitoring

Question IN 2
Do you have any comments on what the monitoring framework should include?

5.5 The emerging Local Plan should contain a clearly defined monitoring framework, which establishes key monitoring indicators for each relevant policy and defines how the objectives / targets established in the Local Plan are being met and, if not, why and what actions will be taken and when to address any issues. It should also confirm the associated data sources and means of reporting.

5.6 Following on from this it is essential that housing delivery is actively monitored in order to understand the Borough's delivery rate against the identified housing requirements. This should be done at least annually in accordance with Paragraph 78 of the NPPF in order for both CWACC to take any necessary action and to allow developers to accurately apply the strategic policies of the Local Plan.

Plan Period

Question IN 3
Do you have any comments or views on the proposed plan period for the new Local Plan?

5.7 The R18 LP confirms that CWACC intends to plan for a period of 15 years.

5.8 Paragraph 22 of the NPPF states that strategic policies should look ahead over a minimum 15-year period from adoption and that where larger scale developments form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery.

5.9 In order to ensure a robust approach to the emerging Local Plan, reflecting the likely timescales for preparation and accounting for a 15-year plan period post-adoption in line with the NPPF (paragraph 22), Habiko considers that CWACC should, as a minimum, be looking to prepare a new Local Plan that will look forward to at least 2045 to enable a 15-year plan period post-adoption. It is important to note in this regard that the adopted Local Plan applied a 20-year plan period.

6. Vision (Chapter 2)

V1 Vision

Question VI 1
Do you agree with the suggested approach towards the new Local Plan vision, as set out in VI 1 'Vision' above? If not please suggest how it could be amended?

6.1 In accordance with paragraph 15 of the NPPF, Local Plans should provide a positive vision for the future of CWAC. The current vision, whilst positive and well meaning, is not deemed to be particularly ambitious with regard to the Government's growth ambitions.

6.2 Habiko believe that the vision ought to make clear reference to addressing the housing crisis through planning proactively and sustainably for a substantial quantum of new housing to meet the Borough's diverse needs and to provide much needed affordable housing for a range of demographics.

6.3 The vision should aim to sustain the vitality and viability of Chester city centre and other town centres by increasing the level of residential accommodation within designated centres thus increased footfall.

6.4 Similarly, the vision should reflect the need to contribute towards economic growth through the allocation of employment sites in suitable locations where they respond to a clear requirement and for all intents and purposes are deliverable.

Question VI 2
Should the vision include/establish a set of principles and priorities? Are these the right ones – do you have any other suggestions?

6.5 Again, whilst Habiko understand the R18 LP's focus on addressing the climate emergency and bridging the inequality gap and delivering prosperity for all, these objectives are only achievable through harnessing the benefits of sustainable economic growth therefore it is important that the emerging Local Plan recognises that ambitious growth targets are required through the allocation of sufficient land for housing and employment needs in the right locations.

Question VI 3
Do you agree with the approach of establishing concise visions for the key places identified in the new Local Plan? Or do you have an alternative suggestion?

6.6 Yes, Habiko supports the proposed approach to establishing specific visions for key places within the Borough, provided that these visions align with the overall Spatial Strategy and Settlement Hierarchy. The focus on Chester in particular as the Borough's largest settlement is supported.

7. Objectives (Chapter 3)

OB1 Objectives

Question OB 1
Please select the option which is the most appropriate approach for the new Local Plan:

- *Option A – Take forward current Local Plan objectives*
- *Option B – Use the Sustainability Appraisal objectives*
- *Neither of these*

7.1 It is considered that the emerging Local Plan objectives ought to reflect the specific requirements of CWAC based on a complete up-to-date evidence base. This may not well be possible at regulation 18 stage, however basing objectives on the current development plan and/ or Sustainability Appraisal are unlikely to be fit for purpose given the current Government's clear direction to see a return to economic growth and substantial uplift in housing delivery.

Question OB 2
Do you have any alternative approaches options that you would like to suggest?

7.2 As above, an approach consistent with identified needs following all necessary evidence being collated.

8. Spatial Strategy (Chapter 5)

SS 1 Housing Needs

Question SS 1
Is there any reason for the Council not to plan for delivering a minimum of 1,914 new homes each year?

8.1 The Government published updated dwelling stock figures in May 2025 which means that CWAC's local housing need ('LHN') figure has further increased to 1,914 dwellings per annum ('dpa'); an increase of 14 dpa, which equates to a total of 28,920 dwellings over a 15-year plan period and 38,560 dwellings over a 20-year plan period. The Council is advised to keep the precise figure under review, as further affordability and housing stock data will become available before the Regulation 19 consultation scheduled for autumn 2026.In accordance with the NPPF, the standard methodology for assessing local housing need in England and the July 2024 Written Ministerial Statement – "Building the Homes we need" – this is the minimum housing need figure that should be considered in preparing the emerging Local Plan.

8.2 Furthermore, in line with paragraph 69 of the NPPF, the Council may also need to consider if it is appropriate to plan for a higher housing need figure than the standard method indicates to reflect growth ambitions linked to economic development or infrastructure investment.

8.3 In summary, Habiko does not consider there to be any justification in planning for a lesser number of units than the LHN requirement.

Question SS 2
Do you think the Council should consider a stepped housing requirement that plans for a lower level of housing delivery earlier in the plan period?

8.4 Whilst the full evidence base in order to support such an approach is not yet available, Habiko considers that CWACC ought to plan for meeting, as a minimum, its annual LHN requirement of 1,914 dwellings per annum, in order to avoid risking sustained under delivery, support economic growth and to respond to the evidence of existing and immediate needs for affordable housing outlined in Section 4 of these representations.

SS 2 Employment Need

Question SS 3
Is there any reason for the Council not to plan for delivering a minimum of 9.9 hectares of employment land each year?

8.5 Habiko LLP notes that this target has been derived from an Economic Development Needs Assessment (EDNA) that splits offices from industrial land, concluding that some

98% of the estimated need – or 9.7ha per annum – relates to the latter[11]. Habiko and CWACC alike recognise that CBQ is not suiotable for industrial development.

8.6 Only a total of 4.3ha of office land is considered to be needed, at an average rate of only 0.2ha per annum[12]. Even this could overestimate the amount of land needed to deliver the floorspace seen to be required, since it is understood to apply a ratio that implicitly assumes a single storey office filling half of its plot[13]. Development would likely be at higher densities, with the implied land requirement more than halving – to only 1.4ha over twenty years – if offices are assumed to have two storeys and cover half of their plot for example. Although not factored into such calculations, this requirement would likely reduce further where businesses are able to meet their needs through the existing supply of office accommodation, including offices spaces being recycled and refurbished as a result of churn in the local market.

Table 8.1: Impact of Higher Density Office Development

	Floorspace required over 20 years	Land required at 50% plot ratio	Land required at 150% plot ratio
Offices	21,400sqm	4.3ha	1.4ha

Source: Iceni; Turley analysis

8.7 It is also important to set the implied requirement for only 21,400sqm of additional floorspace in context. CoStar suggests that CWAC has four individual offices that themselves offer more than half as much space, implying that the delivery of only two further such buildings would at least theoretically meet the requirement in full. The average office in CWAC is admittedly smaller, offering 735sqm, but even at this scale only three such buildings would need to be provided every two years for the requirement to be met.

[11] Iceni (2025) Cheshire West and Chester Economic Development Needs Assessment, paragraph 8.64

[12] *Ibid*, paragraph 8.72

[13] *Ibid*, p158

Table 8.2: Implied Floorspace Requirement vs. Existing Offices in CWAC

	Floorspace (sqm)	Comparably sized offices needed to meet requirement
Largest offices in CWAC		
Cawley House, Herons Way	15,204	1.4
County Hall, Castle Drive	13,404	1.6
One Lakeside	12,616	1.7
Stanlow Manufacturing Complex	12,263	1.7
Average office in CWAC	**735**	**29.1**

Source: CoStar; Turley analysis

8.8 Notwithstanding this, the office requirements generated from local occupiers are generally small scale with demand continuing to be driven by a high volume of sub-200 sqm deals[14]. There is also evidence that these requirements are being currently satisfied through churn in the market and the stock of refurbished Grade A office space within the existing supply. Further detail on these trends is provided in the accompanying Office Market Assessment Report produced by Savills and our response to Question CH 6.

8.9 The above suggests that particular consideration must be given to the profile of sites identified as being able to meet the identified requirement for employment land. Sites suited only to offices appear unlikely to meet assessed land need over the plan period that predominantly relates to industrial premises.

SS 3 Spatial Strategy Principles

Question SS 4
Do you agree with the suggested policy approach towards the spatial strategy principles, as set out in SS 3 'Spatial strategy principles' above? If not please suggest how it could be amended?

8.10 The Council's proposed spatial strategy aims to direct new development primarily towards previously developed sites within established settlements. Should these sites fail to meet the identified development need, the strategy then proposes extending development to the edge of existing settlements, prioritising locations with optimal access to public transport, existing services, and infrastructure. In certain circumstances, this may necessitate the release of Green Belt land.

8.11 Habiko supports the identification of Chester at the top of the Borough's hierarchy of settlements, considering this to be consistent with the provisions of the NPPF.

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[14] Cheshire West and Chester Council (2025) Cheshire West and Chester Property Review 2025, page 26

Nevertheless, it is recognised that CWAC's large standard method housing requirement will most likely require CWACC to review its Green Belt boundaries.

8.12 Habiko's land interests within CBQ have the potential to deliver a substantial quantum of affordable residential units within a highly sustainable and well accessible location, and therefore ongoing allocation for employment use acts as a hindrance to unlocking this underutilised site which as demonstrated within these representations is not deemed to be viable for office development.

SS 5 Spatial Strategy Options

Question SS 11
Please select the option which is the most appropriate spatial strategy for Cheshire West and Chester:

- *Option A - Retain the Green Belt*
- *Option B - Follow current Local Plan level and distribution of development*
- *Option C - Sustainable transport corridors*
- *None of these*

8.13 The growth options must align with the Council's commitment to delivering the homes and employment land evidenced as needed, with this including the current identified 149 hectares of employment land, as outlined in the ENDA and at least 29,000 dwellings aligned with the outcome of the LHN. The Council has not currently provided evidence which affirms that each of the options can accommodate these levels of development, and this must be provided ahead of the identification of a spatial strategy to ensure it is realistically achievable.

8.14 At this stage, Habiko does not deem it appropriate or feasible to determine which of the proposed spatial strategy options is most suitable, as further evidence is required to evidence the Council's claim that all three options can meet the identified need. This includes detailed studies into the availability of land for development, infrastructure capacity, and the suitability of different areas to support the anticipated growth

8.15 Notwithstanding this where, as our response to Question SS 3 identifies, only around 2% of this employment land (4.3ha) relates to new office development, with the focus evidently being on the need for land to meet industrial requirements, the principle of focussing office development primarily on town centres or established business parks is generally supported. This is particularly the case where office development can be brought forward alongside other commercial uses, recognising that at the current time office rental values, even in the city centre, are far below the threshold that would allow for viable development to take place[15].

[15] Iceni Project (2025) Cheshire West & Chester Economic Development Needs Assessment, Final Report, paragraph 6.59

8.16 Regarding the provision of housing, Habiko will reserve comment on Option A given its land interest does not require the release of Green Belt. However, in general all of the options represent very strict choices, which do not reflect a considered approach to plan-making.

8.17 In terms of option B, this would ultimately support Habiko's proposition for the Site by directing growth to existing urban centres as per the defined settlement hierarchy (of which Chester sits at the top). These are the most sustainable settlements in the Borough and already benefit from a range of services and facilities to support residential populations.

8.18 Whilst Habiko's land interests at CBQ could be argued as one of the most sustainably located major development opportunities within the Borough with regards to public transport accessibility, in particular rail, public transport connection alone is not a definitive proxy for sustainability – consideration of a full range of services should also be taken into account.

8.19 In reality however it is likely that the spatial strategy for the Borough will need to comprise a combination of all three options in order to achieve sustainable growth.

Option A – Retain the Green Belt

Question SS 14
Do you feel that Option A is an appropriate spatial strategy for the new Local Plan?

8.20 Please refer to response to Question SS 11.

Question SS 15
If you do not feel that Option A is an appropriate spatial strategy option, are there any changes that you could suggest?

8.21 Please refer to response to Question SS 11.

Option B – Follow current Local Plan level and distribution of development

Question SS 16
Do you feel that Option B is an appropriate spatial strategy for the new Local Plan?

8.22 Please refer to response to Question SS 11.

Question SS 17
If you do not feel that Option B is an appropriate spatial strategy option, are there any changes that you could suggest?

8.23 Please refer to response to Question SS 11.

Option C – Sustainable transport corridors

Question SS 18
Do you feel that Option C is an appropriate spatial strategy for the new Local Plan?

8.24 Please refer to response to Question SS 11.

Question SS 19
If you do not feel that Option C is an appropriate spatial strategy option, are there any changes that you could suggest?

8.25 Please refer to response to Question SS 11.

9. Chester (Chapter 6)

Question CH 1
Do you agree with the suggested policy approach towards Chester, as set out in CH 1 'Chester' above? If not please suggest how it could be amended?

9.1 Habiko is supportive of the R18 LP's policy approach to strengthening Chester's role as a compact, connected centre surrounded by accessible neighbourhoods, including through "increasing opportunities for people to live in the heart of the city through the right mix of housing and creating high quality places". Habiko's proposals would do just this whilst contributing to a pressing need for affordable housing within the city (as confirmed in section 4 of the representations).

9.2 Habiko also supports CWACC's review of key (existing development plan) allocations through the R18 LP including replacing policies regarding employment allocation where necessary.

Question CH3
Do you have any views on how the aspirations of the One City Plan and Chester Gateway Regeneration Framework should be reflected through the new Local Plan?

9.3 Habiko notes that CBQ does not lie within 'Chester Gateway' as defined within the Regeneration Framework, however it does form a constituent component of the similarly named 'Northern Gateway' within the Local Plan (Part Two) Land Allocations and Detailed Policies development plan document. Habiko would encourage CWAC to cease use of the term 'Northern Gateway' to avoid potential confusion and ambiguity.

Question CH 2
Do you have any comments on the suggested allocations/sites, set out above?

9.4 For the reasons set out within our response to question CH 6 below, Habiko does not support the ongoing allocation of Chester Business Quarter for employment use.

Question CH 5
Should the approach to public car parks and parking requirements in the city centre and surrounding area be amended to support new development?

9.5 The CWACC 'Supplementary Planning Document (SPD): Parking Standards' was most recently updated in February 2022. Whilst the SPD allows for a shortfall in parking provision against the identified standards when justified by developers on a case-by-case basis, the standards themselves are deemed to be onerous.

9.6 With particular regard to residential development, the expectation to provide 1 space per bedroom within new dwellings of up to 3 no. bedrooms is excessive within designated centres, and other highly accessible locations. The SPD as worded only explicitly supports a reduction in parking in 'high-density urban areas' where existing buildings are being reutilised.

9.7 Given the national imperative to reduce carbon emissions reliance of travel by private vehicle, something which is reflected within both the R18 LP and adopted development plan, the expectation to provide such a high number of parking spaces within CBQ, and the wider city centre is fundamentally at odds with this ambition and takes up valuable space that could otherwise function as public realm, active travel routes and new biodiversity habitat.

9.8 In summary, it is Habiko's view that there should be no policy requirement for car parking to serve new development within Chester city centre and that this instead be justified and considered accordingly through the development management process.

Question CH 6

Should the new Local Plan continue to allocate Chester Business Quarter for high quality office uses? If not, how can new office development in Chester be provided?

9.9 No. Habiko LLP consider that the Local Plan should not continue to allocate Chester Business Quarter for high quality office use.

9.10 The concept of large scale employment-led development at Chester Business Quarter was conceived over 15 years ago. Although in the intervening period planning permission was granted, and Building 1 (One City Place), delivering c.70,000sqft (6,495sqm) of Grade A office space, was completed in 2016, the residual floorspace capacity provided by the outline planning permission – amounting to c.37,000sqm, or 83% of the permitted floorspace – has never materialised.

9.11 Demand has also weakened in the intervening period, with the Covid-19 pandemic acknowledged to have resulted in significant changes to the way in which large parts of the labour-force work, accelerating a shift towards hybrid work arrangements, where employees split their time between the office and home. This in turn has had implications for the commercial office market in terms of the requirements organisations have to accommodate these changes to ways of working. Market advice from Savills (enclosed at **Appendix 1**) confirms however that despite this structural shock now alleviating to a degree in certain markets, more traditional cyclical challenges associated with inflation, interest rate rises and economic uncertainty continue to present challenges to the office sector more generally[16].

9.12 CoStar commercial market data has also been reviewed to better understand recent trends in the office floorspace supply and demand local to the Site in Chester city centre. This allows for a more in depth analysis of trends within central Chester, beyond those assessed at a Chester sub-market area level in the EDNA. This data shows that line with national trends, there has been a sharp fall in the number of lettings in central Chester[17] with an average of 13 having been annually recorded over the last five complete years (2020-24) compared to almost twice as many (24) over the five years prior. The average size requirement for office space in Chester city centre has also reduced significantly since the COVID-19 pandemic, with this likely a result of firms

[16] Ibid, page 1.

[17] Defined by CoStar as the area bound by the River Dee to the south, Nuns Road and St Martin's Way to the west, St Anne Street and Lightfoot Street to the north, and Hoole Lane, the A51 and Dee Lane to the south

consolidating their office space as working patterns have changed, with a shift towards hybrid working[18].

9.13 According to CoStar, only four businesses have taken more than 10,000sqft of office space in central Chester since the last recession, and not a single one has done so since 2019. The market preference for smaller lettings has also resulted in take up of space at One City Place being slow, leading the developer to subdivide floors, resulting in additional costs[19]. It is also of note that the "HQ" office building was also reoffered to the market in 2017 following the Council's initial purchase and occupation of the building in 2009. Take up here has also been slow, with the available space taking around 7 years to let.

9.14 Therefore, despite attempts to introduce new larger floorplate Grade A floorspace, the core characteristics of Chester's office market remain unchanged, with the bulk of demand being for smaller office spaces serving existing locally based businesses. The Council's evidence corroborates this trend highlighting also that demand tends to be driven by existing firms, rather than firms from outside of CWAC looking to establish within Chester[20]. As a consequence, the market can be best described as 'churn' driven with space being recycled and then relet upon lease expiry[21]. There is, however, now very limited net erosion of office space in the city as generally businesses are moving out of office space which is subsequently being refurbished and added back into the available supply of office space. Indeed, refurbishing of existing offices is cited by Savills as being the preferred strategy for delivering Grade A accommodation in the city centre, since it requires less capital and carries lower construction risk[22].

9.15 Transactional data presented within the latest Council funded CWAC Property Review 2025 supports this trend, with demand for Grade A space seemingly being met through existing, rather than new, supply with the high density of sub-200 sqm deals in Chester showing *"the resilience of the small business and professional services segment within the city"*[23].

9.16 With regards to new supply, successive Council funded studies have consistently highlighted the viability and delivery challenges associated with developing new Grade A space in Chester. The two largest schemes that have come forward, namely the "HQ" Building (c.80,000sqft completed in 2009) and One City Place (c.70,000sqft completed in 2016), have only done so with significant public sector funding support (with the former also having been occupied by CWACC before being relet). A hypothetical development appraisal prepared by Savills (see **Appendix 1**) confirms this issue persists and highlights clearly that the rental values required to make office development viable are far in excess of any rent previously achieved for any office building in Chester city centre[24]. As a result, new office development at Chester Business Quarter is not viable

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[18] Iceni Project (2025) Cheshire West & Chester Economic Development Needs Assessment, Final Report, paragraph 6.61
[19] Savills (2025) Charterhall Drive Office Market Assessment and Report, page 3
[20] Ibid, paragraph 6.56
[21] Savills (2025) Charterhall Drive Office Market Assessment and Report, page 8
[22] Ibid, page 6
[23] Cheshire West and Chester Council (2025) Cheshire West and Chester Property Review 2025, page 25
[24] Savills (2025) Charterhall Drive Office Market Assessment and Report, page 7

without significant public sector support and there is currently no appetite from the market to secure a fresh application for employment use on the site.

9.17 Habiko LLP therefore consider that ongoing protection of Chester Business Quarter for high quality office use is no longer justified. The current policy approach is also considered to be ineffective, particularly given the lack of viability and where:

- The Chester office market is largely "churn" driven and the need for Grade A space can be more efficiently met through the refurbishment of existing buildings as occupiers vacate their premises.

- There is currently 71,200sqft of Grade A capacity within existing and refurbished accommodation within central Chester and at Chester Business Park, which has the potential to play an important role in fulfilling unmet business needs in the near term, with ongoing churn in the market also likely to contribute to the supply in future years[25].

- Land for office development remains available at Chester Business Park (2.7ha) which has been assessed by the Council as a flagship/strategic business location and continues to attract demand[26]. Chester Business Park also notably has capacity to provide new refurbished Grade A accommodation capable of accommodating larger requirements in excess of 5,000sqft.

- Land outside of Chester, including 19ha on land south west of Gadbrook Park in Northwich, has the potential to provide additional land capacity to accommodate a proportion of CWAC assessed office needs over the plan period.

9.18 It is also strongly recommended that the Council considers the role and potential of centrally located retail and leisure led mixed-use development incorporating small office spaces, to help increase the supply and choice for local businesses.

Question CH 7
Do you agree with the suggested approach towards Chester Business Park?

9.19 Chester Business Park is notably assessed as 'good' and 'a flagship/strategic location' in the Council's latest employment areas survey. There is also recent evidence of existing offices at Chester Business Park being refurbished where vacated. According to the Council's evidence, Chester Business Park recorded four separate deals in 2024 totalling 1,373sqm[27], reinforcing its market appeal, where appropriately sized units are offered to the market.

9.20 The safeguarding of Chester Business Park for office use is therefore supported by Habiko to help meet the future economic strategy of the plan and a proportion of CWAC's assessed office needs. Habiko LLP is also supportive of a policy approach which

[25] Savills (2025) Charterhall Drive Office Market Assessment and Report, page 8
[26] Cheshire West and Chester Council (2024) Employment Areas Survey
[27] Ibid, page 26

seeks to enhance the vitality of these businesses parks to attract and retain office occupiers.

10. Economic Growth, Employment and Enterprise (Chapter 16)

10.1 Chapter 16 of the R18 LP sets out the Council's proposed approach to continuing to support sustainable economic growth in the borough and wider sub-region, supporting existing businesses, encouraging indigenous business growth and attracting new inward investment.

EG 1 Economic growth, employment and enterprise

Question EG 1
Do you agree with the suggested policy approach towards economic growth, employment and enterprise, as set out in EG 1 'Economic growth, employment and enterprise' above? If not please suggest how it could be amended?

10.2 Habiko LLP supports the policy's broad goals of promoting sustainable economic growth and the creation of job opportunities across a range of sectors and locations. The role of town and city centres in providing a range of 'main town centre uses' including commercial, retail, leisure and office is also supported. The role of residential development is also important where this can attract younger economically active residents and significantly contribute to the vitality and vibrancy of town and city centres through increased vibrancy, footfall and expenditure to support local businesses.

10.3 Whilst locational preferences remain a very business specific decision, there is a clear trend towards prime locations, mainly due to office occupiers seeking to attract staff with good connectivity and proximity to retail, leisure, and amenities. This, however, tends to be more applicable to large metropolitan areas with multi-mode public transport systems which attract commuters from a wide area.

10.4 In a Chester context, although sites close to the railway station represent sustainable locations, it is considered that offices with better access to shops, cafes and general amenities of the city centre are likely to have more appeal. As has been demonstrated in our response to Question CH 6, ongoing churn in the market has and will continue to contribute to the supply of office floorspace. The refurbishment of existing office space is already proving to be an effective strategy for addressing market demand where new standalone office development is not currently viable without significant public sector support.

10.5 However, it is recommended that the Council also considers the role and potential of centrally located retail and leisure led mixed-use development incorporating small office spaces, to help increase the supply and choice for local businesses.

Question EG 4
Should the policy approach safeguard out of town office locations for office use, or take a more flexible approach?

10.6 A number of new and existing firms, including those with more car dependent functions, are likely to continue to favour out of town office locations. In CWAC out of town business parks play an important role in accommodating demand from firms operating in a number of sectors including in particular professional services, finance and insurance. Analysis presented in the EDNA examining the size and spatial distribution of sectors most likely to occupy office space is instructive in this regard and highlights clusters of these businesses located in out of town business parks including Chester Business Park and Gadbrook Park in Northwich[28], as well as in Chester city centre.

10.7 The proposed safeguarding of strategic employment locations such as Chester Business Park and Gadbrook Park is therefore supported to help meet the future economic strategy of the plan and a proportion of CWAC's assessed office needs.

10.8 Habiko LLP is also supportive of a policy approach which seek to enhance the vitality of these businesses parks to attract and retain office occupiers, subject to existing office floorspace not being lost.

Question EG 5
Do you agree with the suggested policy approach towards the protection of employment land and premises?

10.9 Habiko LLP support the general principle of other established employment areas and land allocations being protected to meet a range of sizes and types of small-medium business needs, but only where they are deliverable. The policy approach should avoid the long term protection of allocated sites which, by virtue of changes in the market and/or local environment have little prospect of being delivered for their intended use.

10.10 The principle of allowing residential development necessary to secure additional employment development that would not otherwise be viable is also broadly supported, although a degree of flexibility is potentially needed to enable complementary non-employment uses to be delivered in their entirety. It is considered, however, that the delivery of residential development within out of town office locations, either through the development of vacant land or via the refurbishment of existing office space, should be strongly resisted.

[28] Ibid, paragraph 4.31

11. Infrastructure and Developer Contributions (Chapter 15)

ID 1 Infrastructure and developer contributions

Question ID 1
Do you agree with the suggested policy approach towards infrastructure and developer contributions, as set out above in ID 1 'Infrastructure and developer contributions'? If not please suggest how it could be amended.

11.1 Paragraph 35 of the NPPF makes clear that Local Plans should set out the contributions expected from development and that such policies should not undermine the deliverability of the Local Plan.

11.2 The emerging Local Plan and any planning obligations to be embedded within future planning policy must be supported by a Viability Appraisal which demonstrates that the infrastructure needed to support the quantum of new development allocated is viable. Specific infrastructure and developer contributions will need to be informed by the Infrastructure Delivery Plan and ultimately meet the 'CIL Tests'. Ultimately development can only be required to mitigate its own impact and cannot be required to address existing deficiencies in infrastructure or services.

Question ID 2
Should developer contributions only apply to major developments? How should 'major development' be defined?

11.3 Habiko considers that all development should contribute to infrastructure provision required to enable its delivery, in a proportionate way (subject to viability).

11.4 Major development should be defined in accordance with the definition established in the NPPF (Glossary) to ensure consistency with other policy requirements: "*For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m2 or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015*".

Question ID 3
Do you agree that developers/operators should pay the full cost of infrastructure required to deliver their sites?

11.5 No. The funding of infrastructure requirements should be determined on a case-by-case basis, informed by the Local Plan Infrastructure Delivery Plan, reflecting the scale of development which would benefit from that investment.

12. Housing (Chapter 19)

HO 1 Mix and type of housing in new developments and specialist housing

Question HO 1
Do you agree with the suggested policy approach towards mix and type and specialist housing in new developments, as set out in HO 1 'Mix and type of housing in new developments and specialist housing' above? If not please suggest how it could be amended?

12.1 Habiko is supportive of the approach to providing a range and choice of homes to meet the needs of the local area and agrees that the emerging Local Plan should encourage a mix of house types, sizes and tenures to be delivered across the Borough, helping to ensure choice for homebuyers.

12.2 The Council intends to 'substantially amend' current planning policy concerning housing mix – namely Local Plan (Part One) policy SOC 3 and Local Plan (Part Two) policy DM 20 to reflect the evidence of the Housing Needs Assessment. Such an assessment is yet to be prepared however the R18 LP proposes to introduce specific policy requirements regarding mix and tenure (e.g. x% of 1-2 bed dwelling).

12.3 In response to Questions HO 1 and HO 2, it is considered that the Council's current policy allows for a greater degree of flexibility to account for particular and changing market demands. To this extent it is requested that the future policy be worded in a similar way which isn't proscriptive and allows for mix to be determined based on particular market considerations, not least differing market requirements within the Borough's urban and rural areas.

12.4 In any event, the policy will need to be carefully worded so as to take account of viability and defined housing markets.

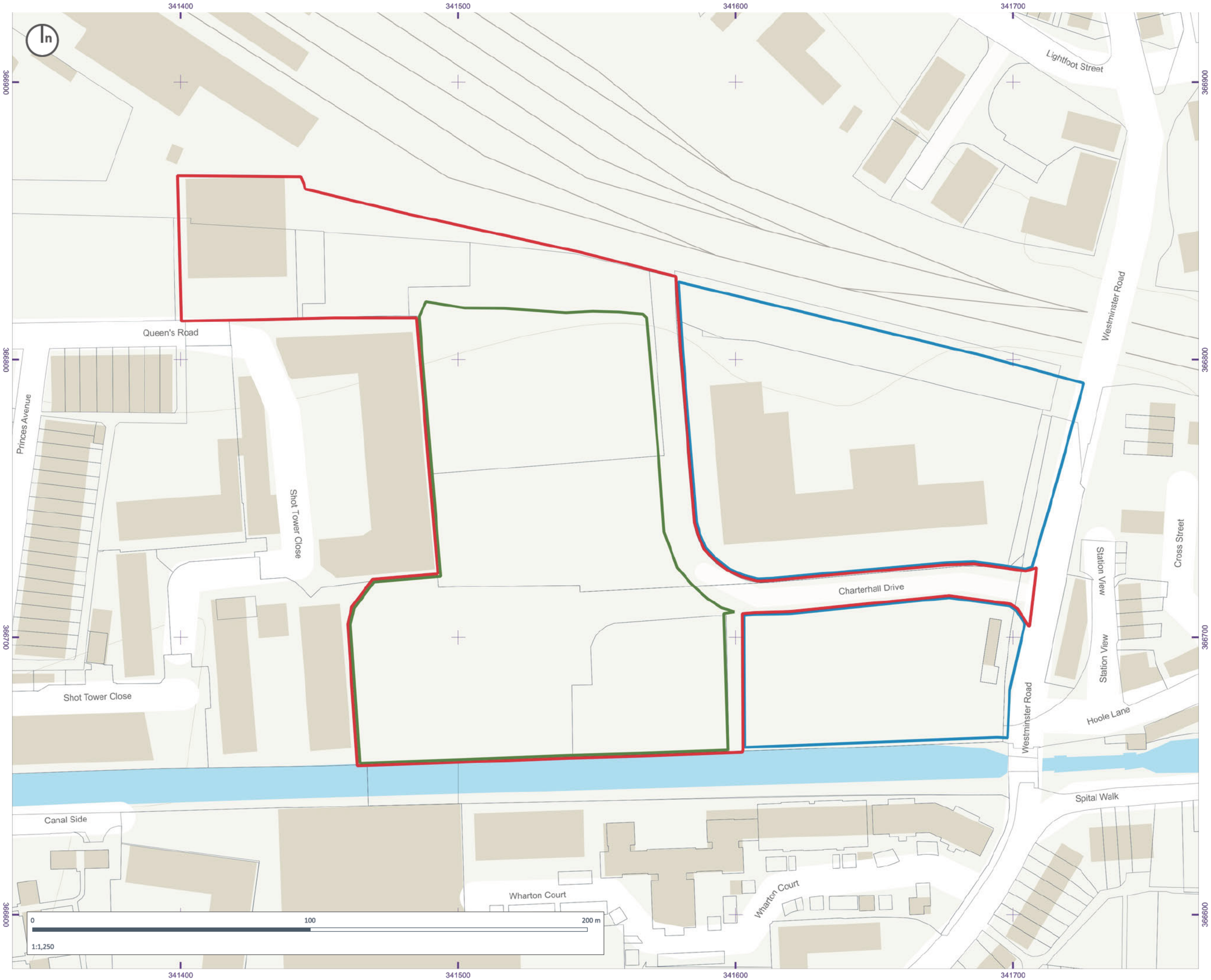
HO 2 Delivering affordable housing

Question HO 4
Do you agree with the suggested policy approach towards delivering affordable housing, as set out in HO 2 'Delivering affordable housing' above? If not, please suggest how it could be amended?

12.5 The suggested policy approach will replace the Council's current policies on affordable housing – namely Local Plan (Part One) SOC 1 and Local Plan (Part Two) DM 23. It is proposed to set a percentage of affordable housing required across the borough including potentially by sub-area. It is suggested that off-site contributions in lieu of on-site affordable housing will only be permitted in exceptional circumstances.

12.6 In response to Question HO 4, whilst Habiko LLP welcomes the greater certainty this proposed approach provides, we would object to the lack of reference to viability constraints. It is also noted that Habiko's emerging proposals comprise an entirely affordable development made possible through Homes England grant funding. Such funding would not be provided should the Council seek to secure affordable housing obligations through the planning system. The procurement of affordable housing via alternative means should therefore be considered an alternative or, at least, ‘exceptional circumstance’ of the emerging policy.

Appendix 1: Allocation Land Ownership Map



- Chester Business Quarter – adopted and emerging Local Plan
- Extent of Muse / Habiko ownership
- Additional areas identified within the Chester Business Quarter Development Brief

CLIENT:
Muse

PROJECT:
City Place, Chester - Affordable Housing Scheme

DRAWING:
Allocation Land Ownership Plan

PROJECT NUMBER:
01168

DRAWING NUMBER: GIS_100	**CHECKED BY:** xx
REVISION: 1.0	**STATUS:** Draft
DATE: August 2025	**SCALE:** 1:1,250 @ A3

Turley

Appendix 2: Assessing Demand for Housing in Chester Report