

10.0 MANAGEMENT

INTRODUCTION

The proposal for Princes Reach is to create an investment grade Private Rented Sector (PRS) project that is different from other housing projects in the following ways:

- Ownership – Princes Reach is to be held in a single ownership as a long term investment
- Accommodation – all of the new apartments have been designed with the needs of long term tenants in mind
- Shared Amenities – Princes Reach contains internal and external shared amenity areas to bring added value to the tenants and enable them to work and entertain within the building creating an inclusive community environment
- Service Levels – Princes Reach will be operated by a site based management team to provide a level of service far in excess of that currently experienced in the private rental market and achieve high rates of tenancy renewal and low void rates

The characteristics of PRS as a development and operating model are described below.

OVERVIEW OF THE PRIVATE RENTED SECTOR

Projects that are specifically designed and built for PRS have distinct physical characteristics that distinguish them from other new build general needs housing projects. In addition, PRS projects are funded and owned in very different arrangements to those that are found in other tenures. These specific characteristics are described in the following sections.

PATTERNS OF TENURE IN UK HOUSING

The tenure and ownership patterns of housing stock in the United Kingdom changed considerably during the 20th Century, with owner occupation rising steadily to become the predominant form of tenure by 1960 and reaching a peak of just over 70% in 2003 – which was well above the level of owner occupation in the US and many other northern European countries. Most notably, the proportions of housing tenures had reversed during the last 100 years. In 1918, 23% of housing stock was owner occupied, the Private Rented Sector (PRS) accounted for 76% and public housing was just 1%.

However, since the 2003 peak, home ownership has been declining and forecasts for housing tenures are now showing a steady decline in the proportion of owner occupiers for the foreseeable future, with a corresponding rise in PRS. It has become clear that while home ownership is still a commonly held aspiration, expectations have been changing and PRS is becoming the first (or indeed only) choice for many people. Key reasons for this resurgence include:

- Limitations on mortgage availability and more demanding deposit requirements from lenders
- Less secure employment than that experienced by previous generations
- Continuing affordability barriers due to house price increases being persistently higher than rises in average earnings
- Household formation being highest among single adults and older people
- Growth in the number of migrants who either do not wish to, or are unable to, consider home ownership

This resurgence of PRS could be viewed as an inevitable market correction from an abnormal peak of home ownership.

However, we believe that regardless of any rebalancing we may see between owner occupation and private rental, we are entering a period of more fundamental change in the PRS sector itself.

LANDLORD TYPES IN UK HOUSING

In addition to the ongoing changes in the tenure mix of the housing stock in the United Kingdom, there are now also significant changes in how new PRS stock is being funded, owned and managed in the UK. These changes are taking place as not only is the tenure mix in the UK very different to the US and other European countries, the pattern of funding, ownership and management in the UK has also been very different to these other countries, with an overwhelming reliance on small private landlords.

In contrast, PRS is a more prevalent sector in comparator countries, particularly the US, Australia and Germany. While the proportions of homes in the PRS are larger in other countries, reflecting the previous patterns of tenure in the UK, there is still a high level of ownership by small private landlords in all of these countries. This means that PRS is primarily an ownership and management activity which involves piecemeal acquisitions of older stock and new stock developed by others for market sale.

The main difference between PRS in the UK and those in the US, Australia and Germany is that the latter all have had long term large scale new build development activity by corporate bodies specifically for institutional investors, which are generally Pension Funds and Insurance Companies but also include market entities such as Real Estate Investment Trusts (REITS). These institutional investors will fund new developments or buy completed projects from the developers.

This creates an additional contribution to housing stock of

homes which are purpose built for PRS, adopting the same attention as other long term landlords to lifecycle costs and professional management practices, while incorporating design features and facilities that attract and retain tenants. In the US, 24% of PRS is owned by these large corporate and institutional landlords.

There has been a consistent effort by central Government to attract new corporate and institutional entrants into PRS in order to achieve:

- Greater stability in the private rental market, (small landlords tend to hold properties for relatively short periods, selling on in order to realise capital gains or release equity)
- Higher standards of management in PRS
- Reduced costs due to economies of scale
- New development activity to increase the housing stock
Higher standards of maintenance in the housing stock

This has led in part to the entry into the UK market of large scale PRS developers and landlords from other countries, notably Germany and the US, who have established UK offices to co-ordinate their first projects.

PRINCES REACH - PRS DEVELOPMENT AND MANAGEMENT

Purpose built PRS is new to the UK and the Urban Land Institute (ULI) has sought to inform potential development through their publication 'Build to Rent: A best practice guide', first published in April 2014 and jointly sponsored by the ULI and the Government's PRS Taskforce.

This publication seeks to codify some of the characteristics of purpose built PRS and the processes needed to deliver successful and sustainable PRS projects. It includes guidance

on how to assess local markets, design PRS stock and make appropriate management arrangements, with various models to suit suburban, urban and central locations.

All of the models of PRS described in the ULI publication are much more than just another housing development, as they follow new build PRS practice in major US and Canadian cities, which provide both shared amenities for residents' use and a wide range of customer services. These are easier to achieve and sustain in large scale projects as large numbers of residents will support more amenities and services due to economies of scale and higher levels of utilisation.

SHARED AMENITIES

The design of Princes Reach includes improvements to the public realm integrated into existing and new connections with Princes Dock and beyond. As a new build PRS scheme Princes Reach incorporates a large element of shared amenity space into its design including:

- main double height reception with concierge desk and reception facilities;
- lounge area on the 17th floor;
- roof terrace with fixed and movable seating, landscaped gardens, fitness areas and barbecue facilities;
- hospitality suite comprising private meeting / dining room, kitchen, wc;
- cinema and television room;
- fitness studio and changing room with lockers and wcs;
- post room with dedicated online delivery lockers including cold stores;
- secure storage pods;

- dedicated covered off road loading bay for incoming and outgoing removals;
- secure internal parking for cars, motorcycles and cycles, with electric vehicle charging points and valet cleaning service;
- car club based on site; and
- wi-fi access in shared amenity areas.

The indoor shared amenity areas and the management facilities described below form a significant proportion of the internal floor area. While these areas add to the capital and operating costs of the scheme, they are also fundamental to providing residents with a superior living environment and differentiating Princes Reach from generic apartment buildings which were not purpose designed for PRS.

DWELLING LAYOUT, BUILDING DESIGN AND SPECIFICATION

The internal design of new apartment buildings in the UK has evolved over the last 15 years to meet changes in regulatory standards for energy efficiency and protection from fire as well as increasing expectations from potential owners. However, their layouts have rarely been optimised for letting purposes, other than setting constraints on internal floor areas or the mix of dwelling types.

Princes Reach has instead adopted the recommendations of the ULI publication which sets out design principles for dwellings which:

- make specific provision for flat sharing;
- balance private (bedroom/bathroom) and shared space (sitting area/kitchen) within dwellings; and
- minimise unusable floor area, such as internal lobbies.

Built in storage for everyday items is provided for both bedrooms, which can be supplemented where necessary with the use of secure storage pods elsewhere in the building, particularly for bulky and infrequently used personal items.

Each apartment will be metered independently for water and energy use, these meters and isolation valves are all accessible from the communal areas in order to ensure that they can be read and maintained without disturbing residents. Unlike new build apartment blocks that are marketed for both owner occupation and buy to let, leading to multiple ownerships and remotely based letting and management responsibilities, Princes Reach is designed and specified for long term ownership and management arrangements. As a long term investment grade holding, Princes Reach will avoid many of the management and maintenance issues that could arise with other residential buildings that were sold to individual buyers who sometimes have only a limited appreciation of their long term maintenance and service charge obligations.

The long term ownership and management perspective of investment grade PRS translates into an imperative to design projects that are not just attractive when first completed but will be easy to maintain and remain attractive inside and out over the long term..

IT provision into the individual apartments and shared amenity areas will comprise a mix of wired infrastructure utilising high speed broadband access with localised wi-fi hotspots. Again, the building's design allows ready access to key parts of the installation to ensure that this infrastructure can be upgraded as technology advances.

SCHEME LETTINGS AND BUILDING MANAGEMENT

Much of the newer PRS stock is in purpose built apartment blocks that were generically designed for owner occupation and small scale buy to let. These have become part of the PRS stock without any particular provision for management other than the appointment of a managing agent who will in turn take responsibility for budgeting and arranging the staffing, cleaning and maintenance of the building. This is funded through the collection of service charges and are operate separately to the roles of multiple letting agents appointed by the various owners within the building.

In contrast, Princes Reach will be in one ownership and both letting and building management services will be delivered by a dedicated on-site staff team who will be responsible for delivering the higher service standards demanded by purpose built investment grade PRS.

In order to differentiate PRS from the current private rental stock, it is essential that the letting process avoids the negative aspects of the current private rental market and instead provides a far superior customer experience, which will contribute to maintaining high occupancy rates and low rates of turnover among the residents.

Unlike apartment buildings created for owner occupation and ad hoc buy to let use, there will be no service charges levied on the residents, as the costs of operating the building, (ie staff, cleaning, maintenance and waste management), are the responsibility of the landlord and will be met through the rental income.

Discretionary services such as hire of the hospitality areas, car hire, valeting or cleaning individual dwellings will be charged separately to residents on per use basis.

Tenancies are expected to be based on the established Assured Shorthold Tenancy model, albeit a wider range of tenancy periods will be offered.

The letting staff based on site will not just be involved in marketing and initial letting of the individual units, they will also be available to tenants as part of the overall management service for the building. This is intended to achieve high levels of customer satisfaction, which should ensure low void levels in the building and high rates of tenancy renewal.

Whereas tenants in the current private rental market are often subject to letting, administration and reference fees, which may be charged even when tenants are renewing their tenancies, the management of Princes reach will be to create a simple, fair and transparent tenancy process that avoids this type of additional charges. The overhead costs of the site based letting staff will instead be recovered as part of the overall rent calculation.

Purpose built investment grade PRS treats the operation of the building as a fundamental part of the service being provided to its residents, aiming for a hospitality type service which responds to the needs of residents quickly and adapts to changing patterns of demand and use to maintain operational efficiency, joining up the property letting and building management roles to provide one seamless service and a far superior overall experience to that resulting from the disjointed service typically received by most private tenants.

In practice, this is easier to achieve in larger schemes as it means more staff based on site, which in the case of Princes Reach will be provided with dedicated management areas including:

- concierge / front of house desk to co-ordinate services for residents, manage visitors and deliveries;

- lettings / tenancy office to market the scheme as a whole, let individual units, manage tenancies and deal with the billing of utilities and discretionary services;
- building management office to co-ordinate cleaning, maintenance and inward / outward removals;
- staff room with kitchenette, lockers, changing area, showers and wcs;
- dispersed cleaners' stores around the building; and
- waste management and car valet staff area with shower and wc.

These arrangements will provide residents with ready access to staff able to deal with any aspect of their occupancy, rather than having extended and varying chains of communication for different purposes.

Apartments will be available unfurnished or with a range of furniture options. The management staff will co-ordinate access to the dedicated off road loading bay for removal vehicles when residents are moving in or out, as well as arranging delivery, installation and maintenance of furniture where this is part of the rental.

SUMMARY

Princes Reach represents a new type of housing provision which will significantly raise the standard of resident service and scheme management with the benefit of long term investment.

Princes Reach will be in single long term ownership with dedicated site based letting and management resources all focussed on delivering residents a far superior experience.

Princes Reach is designed and will be operated as an investment grade PRS project. This means that the design, delivery and operation of the project must meet the very high standards demanded by the large institutional investors who are have traditionally held commercial and retail property.

Moda Living strongly believes that Princes Reach will bring long term investment and stewardship into the private rental sector and will provide Liverpool with a world class residential project that will become the first choice for those who wish to rent whilst providing a new benchmark for service and satisfaction in the city's rental market.

The shared amenity areas and public realm included with the proposals will result in long lasting environmental and amenity benefits to the surrounding area as well as a valuable contribution to fulfilling the overall objectives of Liverpool Waters and the Princes Dock neighbourhood masterplan.

11.0 RESPONSE TO CONSULTATION

The design team led by Falconer Chester Hall and Planit-IE met with Places Matter early in April 2016. Importantly, the meeting was attended by Liverpool City Council given the detailed and inclusive design partnership process which had been ongoing over the past six months.

This collaborative process comprised a variety of design focussed workshops and discussions which included senior officers from the **City Council** (design, planning and transport), **Falconer Chester Hall** (lead architect), **Peter de Figueiredo** (specialist World Heritage Site advisor), **Sarah-Jane Farr** (lead archaeologist for Liverpool Waters), **Arup** (who are one of the lead technical Liverpool Waters advisors) and **Planit-IE** (who remain the lead Liverpool Waters masterplan and public design advisors). Indeed the design team approach during the Places Matter meeting was led by Peter Swift, Managing Director of Planit-IE, who is leading the detailed masterplanning of the Princes Dock Neighbourhood within Liverpool Waters and is also a highly experienced Places Matter Panel Member.

Liverpool Waters secured planning permission in 2013 and the solution outlined via the Places Matter discussion adopted the design principles established by the permission as part of evolving the story of the site alongside the support of the City Council, Historic England and the Liverpool Waters Conservation Management Plan chaired by Liverpool University together with the overwhelmingly positive outcome of a two day public exhibition which was attended by approximately 110 people.

Helpfully, the Places Matter discussion raised only points which had been thoroughly and comprehensively assessed during the previous six months of design evolution alongside the City Council and as positively supported by a range of organisations

and individuals including Historic England and the Liverpool Waters Conservation Management Plan. We have identified below the principal points highlighted during the discussion and a brief commentary outlining how these have been addressed. The full design evolution of the Princes Reach proposals is contained within this Design and Access Statement, and throughout the comprehensive application documentation.

Evolution, Articulation and City Council Design Collaboration

The design solution has developed over the past six months with detailed inputs and discussions with a range of specialist advisors and organisations including senior officers from the City Council (design, planning and transport), Historic England and the Liverpool Waters Conservation Management Plan chaired by Liverpool University.

This pre-application process has adopted an open, collaborative and inclusive approach including a comprehensively advertised two-day public exhibition which was attended by approximately 150 people. The overwhelming response has been positive in relation to the design and composition of the Princes Reach proposals.

Liverpool Waters Planning Permission and Approved Design Values

The Princes Reach proposals have been prepared, refined and evolved by a highly experienced group of people from a variety of organisations with invaluable and detailed inputs from the senior design, planning and transport officers from the City Council who were involved in the evolution of the Liverpool Waters planning permission. The proposed design solution has been informed via a truly collaborative process with specialist advice and detailed knowledge of the city being inputted by senior City Council officers.

As a result, the Princes Reach proposals have benefited from the detailed values of the extant planning permission and crucially the full weight of the design principles which were so carefully constructed in advance of the Liverpool Waters planning permission being granted. This has led to a co-ordinated and cohesive approach to the design of the Princes Reach solution particularly given the emerging proposals for the wider regeneration of the Princes Dock Neighbourhood which have been tested at a series of joint developer meetings attended by the City Council and the principal landowner, Peel.

Connectivity and Linkages – Emerging Proposals and Masterplan

The Princes Reach design solution benefits from a range of detailed inputs from the design, planning and transport officers from the City Council both in terms of the extant Liverpool Waters planning permission and the details of the emerging Princes Dock Neighbourhood masterplan. A series of joint developer meetings attended by senior officers from the City Council and the principal landowner, Peel, have been hugely beneficial in orientating the Princes Reach building to optimise existing and future connections both within the neighbourhood area and to wider city based attractions. The potential of the new permanent home of the Liverpool international cruise terminal has also been fully considered within the Princes Reach proposals in relation to optimising footfall and connectivity.

World Heritage Site – Relationship and Orientation

The approach to the orientation and composition of the Princes Reach building has been thoroughly tested and refined via the detailed visual impact assessment process which forms an integral part of the application documentation. Peter de Figueiredo has been instrumental in assisting the professional team in designing and orientating an elegant building which

optimises its relationship with the World Heritage Site. The accompanying visual impact assessment comprehensively demonstrates how the Princes Reach solution has adopted and refined the approved Liverpool Waters design values in partnership with detailed inputs from senior City Council officers.

Materiality and Façade Composition

The approach to the Princes Reach façade design solution and materiality selection has been agreed in-principle with senior officers from the City Council following in depth discussion and testing via the detailed visual impact assessment process which forms an integral part of the application documentation. This process has also included discussions and a presentation to Historic England and the Liverpool Waters Conservation Management Panel who both welcomed the approach embodied within the application proposals.

Micro-climate Assessment and Integration

The Princes Reach design solution benefits from a range of detailed technical inputs including micro-climate modelling. The micro-climate assessment forms part of the integrated application documentation.

Sunlight and Daylight Modelling

The Princes Reach design solution benefits from a range of detailed technical inputs including sunlight and daylight modelling. The sunlight and daylight modelling forms part of the integrated application documentation.

Princes Dock Neighbourhood and Public Realm Masterplan

The orientation of the Princes Reach building has been comprehensively tested and refined to ensure that the emerging proposals fully accord with the design principles

embodied within the Liverpool Waters approved neighbourhood masterplan. The hugely beneficial input from the City Council and the detailed experience of the professional team who continue to promote the design and neighbourhood values of the masterplan has led to an exceptional package of integrated proposals.

It is clear that the evolution of the design solution has adopted a thoroughly inclusive and collaborative approach with a range of organisations and individuals focussed on the City Council, Historic England and the Liverpool Waters Conservation Management Panel who have a detailed and comprehensive knowledge of the city and the Liverpool Waters planning permission. The approach to the design has been tested via a well-attended public exhibition event with the overwhelmingly positive response being welcomed by the design team.

12.0 APPENDIX

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

STUDIO AND 1-BED APARTMENTS

2-BED APARTMENTS

3-BED APARTMENTS

3-BED DUPLEX APARTMENTS

BUILDING REGULATIONS PART M: CATEGORY 3 DWELLINGS

WHEELCHAIR ACCESSIBLE APARTMENTS

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

The following pages show the main types of apartment with reference to Part M.

STUDIO AND 1-BED APARTMENTS

The following apartments are category 2 dwellings, meaning that they incorporate features which make it suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users.

M4(2) covers the spatial and technical standards of:

Section 2A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs

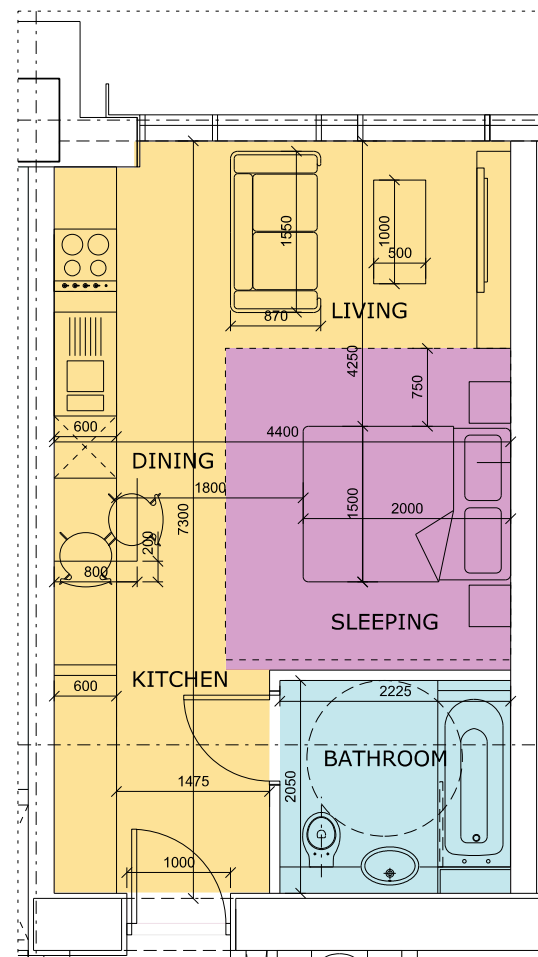
Section 2B: Private Entrances and Spaces within the Dwelling

- Private entrances and circulation areas
- Habitable rooms, spatial standards and minimum furniture sizes.
- Sanitary facilities
- Services and controls

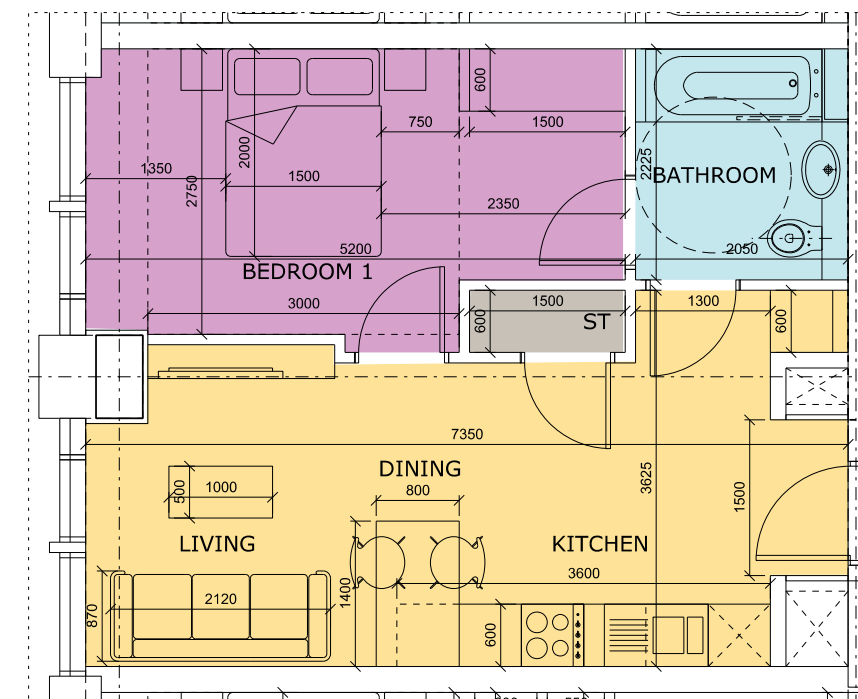
The standards of M4(1) also apply.

KEY

- Kitchen/ Lounge/ Dining Area
- Master Bedroom
- Bathroom
- Store



TYPE A - STUDIO



TYPE B - 1-BEDROOM

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

2-BED APARTMENTS

M4(2) covers the spatial and technical standards of:

Section 2A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs

Section 2B: Private Entrances and Spaces within the Dwelling

- Private entrances and circulation areas
- Habitable rooms, spatial standards and minimum furniture sizes.
- Sanitary facilities
- Services and controls

The standards of M4(1) also apply.

KEY

Kitchen/ Lounge/ Dining Area

Master Bedroom

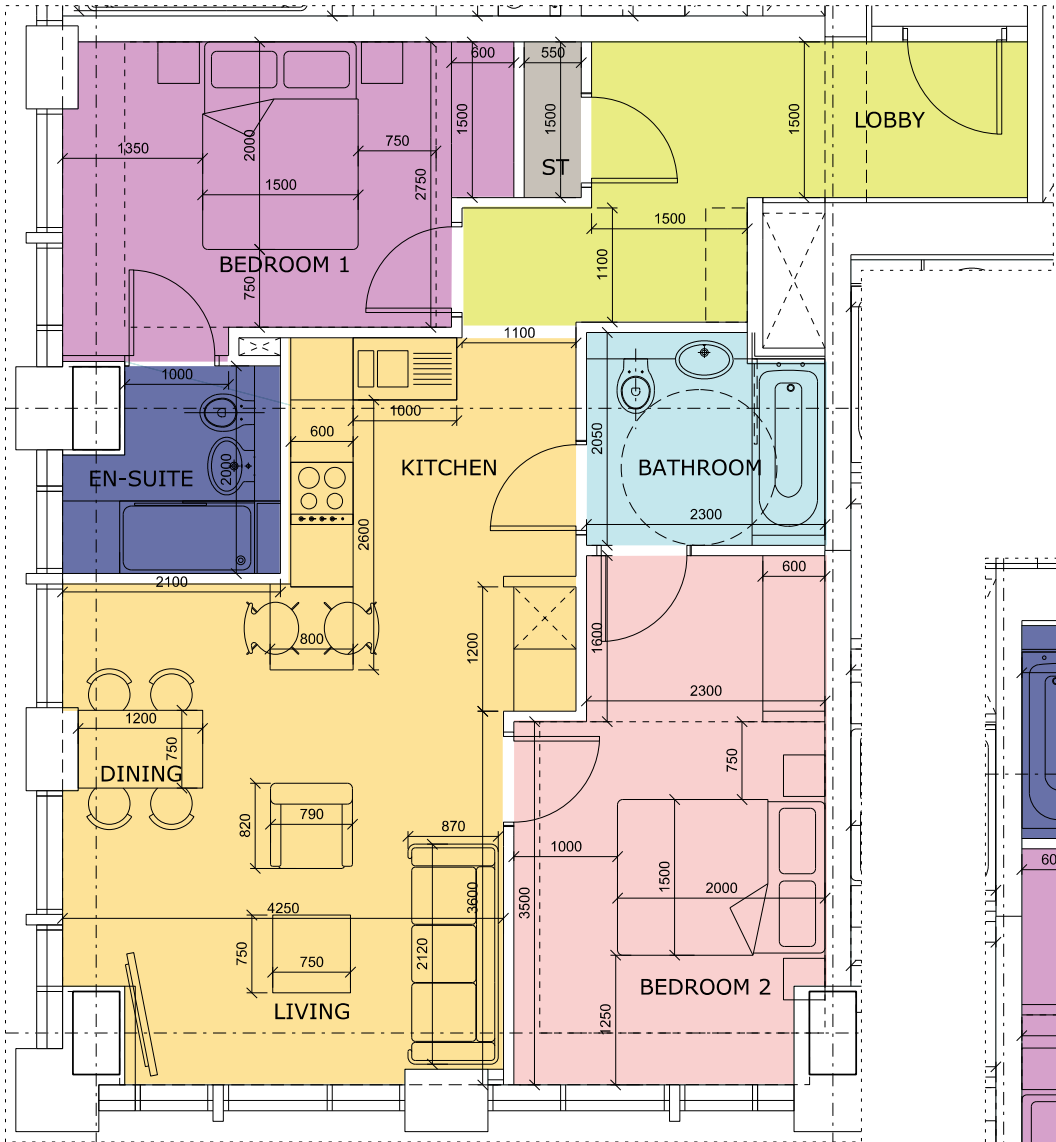
Secondary Bedroom

Bathroom

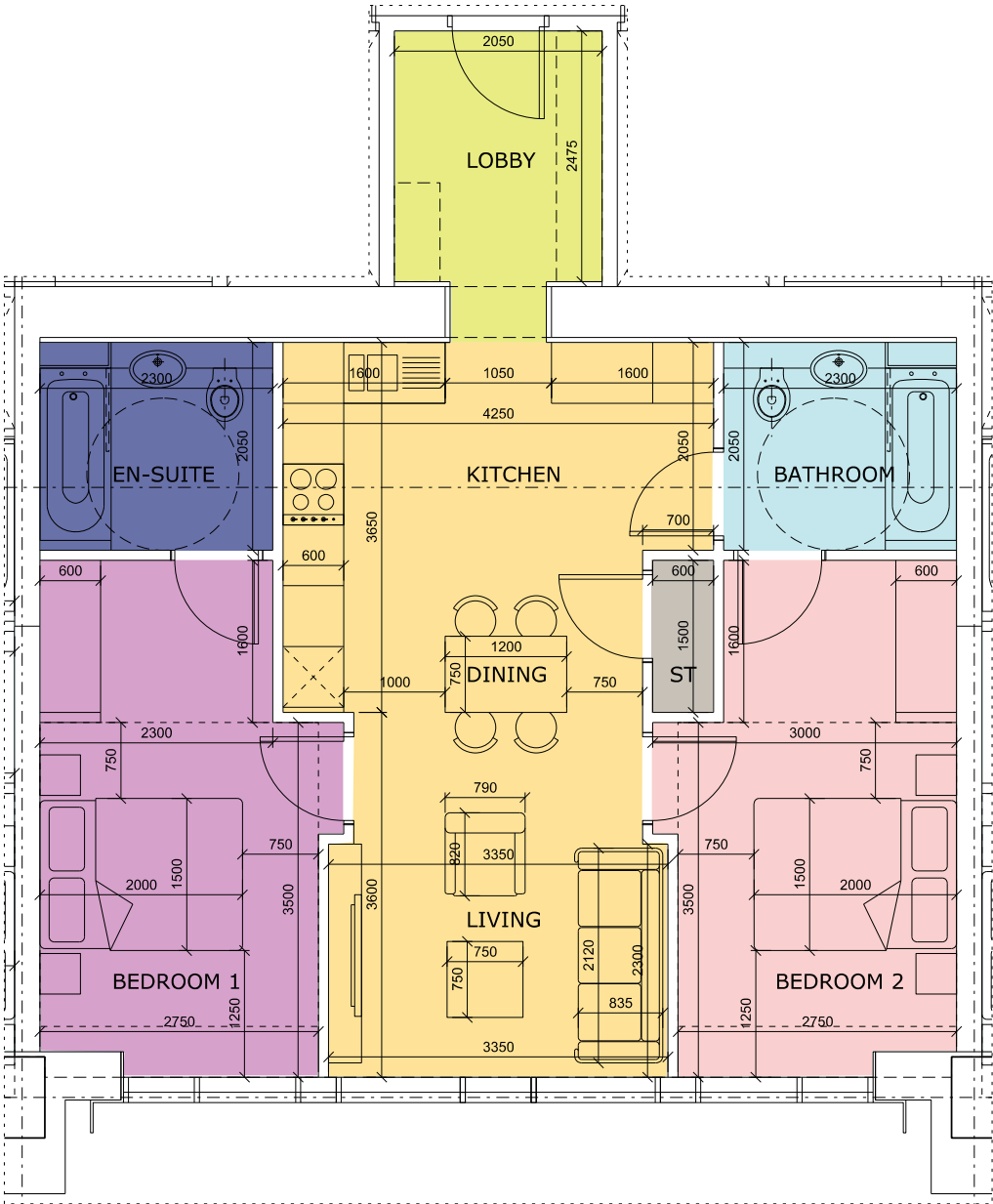
Ensuite

Corridor

Store



TYPE C - 2-BEDROOM APARTMENT



TYPE D - 2-BEDROOM APARTMENT

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

3-BED APARTMENTS

M4(2) covers the spatial and technical standards of:

Section 2A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs

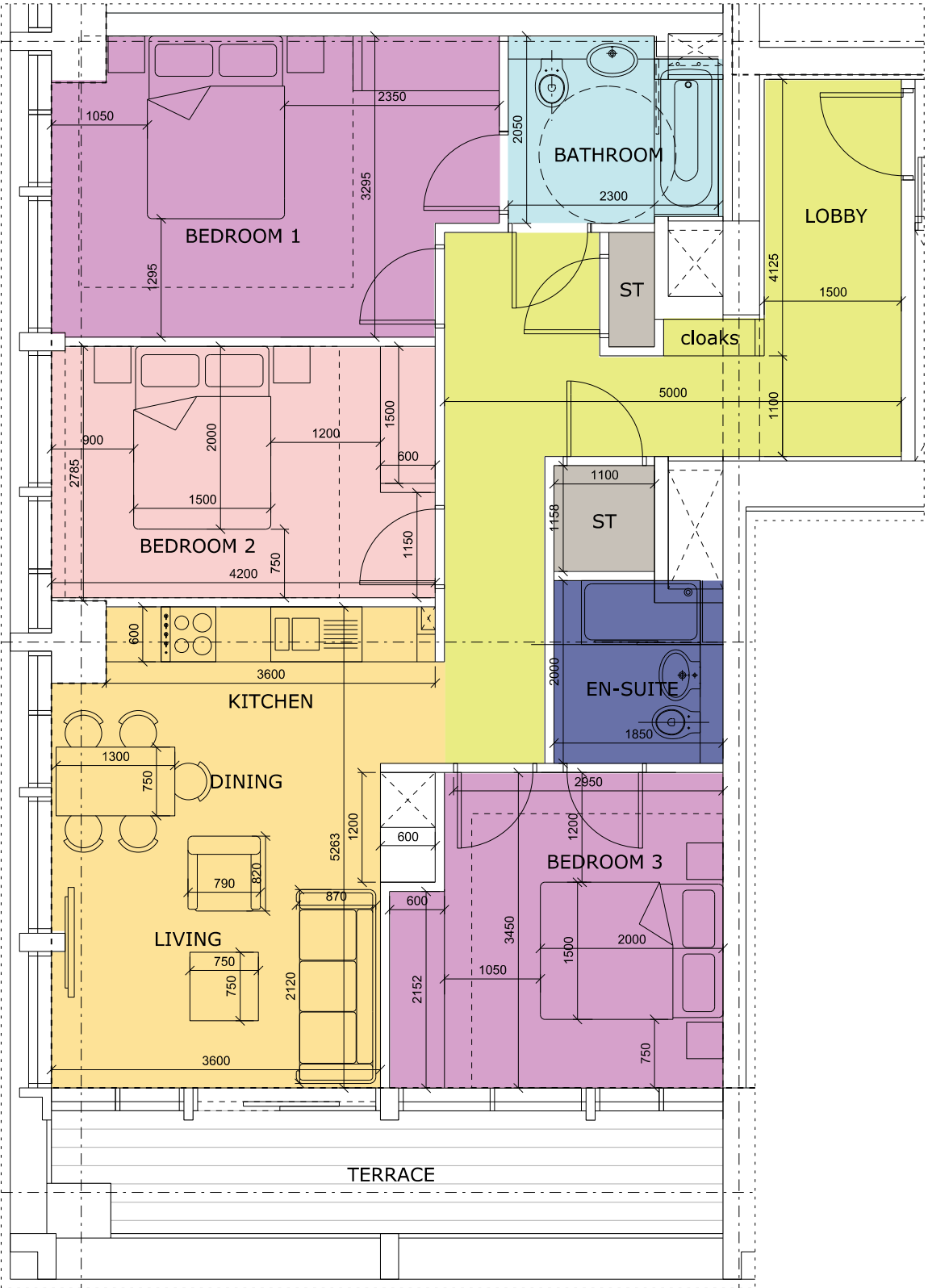
Section 2B: Private Entrances and Spaces within the Dwelling

- Private entrances and circulation areas
- Habitable rooms, spatial standards and minimum furniture sizes.
- Sanitary facilities
- Services and controls

The standards of M4(1) also apply.

KEY

- Kitchen/ Lounge/ Dining Area
- Master Bedroom
- Secondary Bedroom
- Bathroom
- Ensuite
- Corridor
- Store



TYPE E - 3-BEDROOM APARTMENT

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

3-BED DUPLEX APARTMENTS

M4(2) covers the spatial and technical standards of:

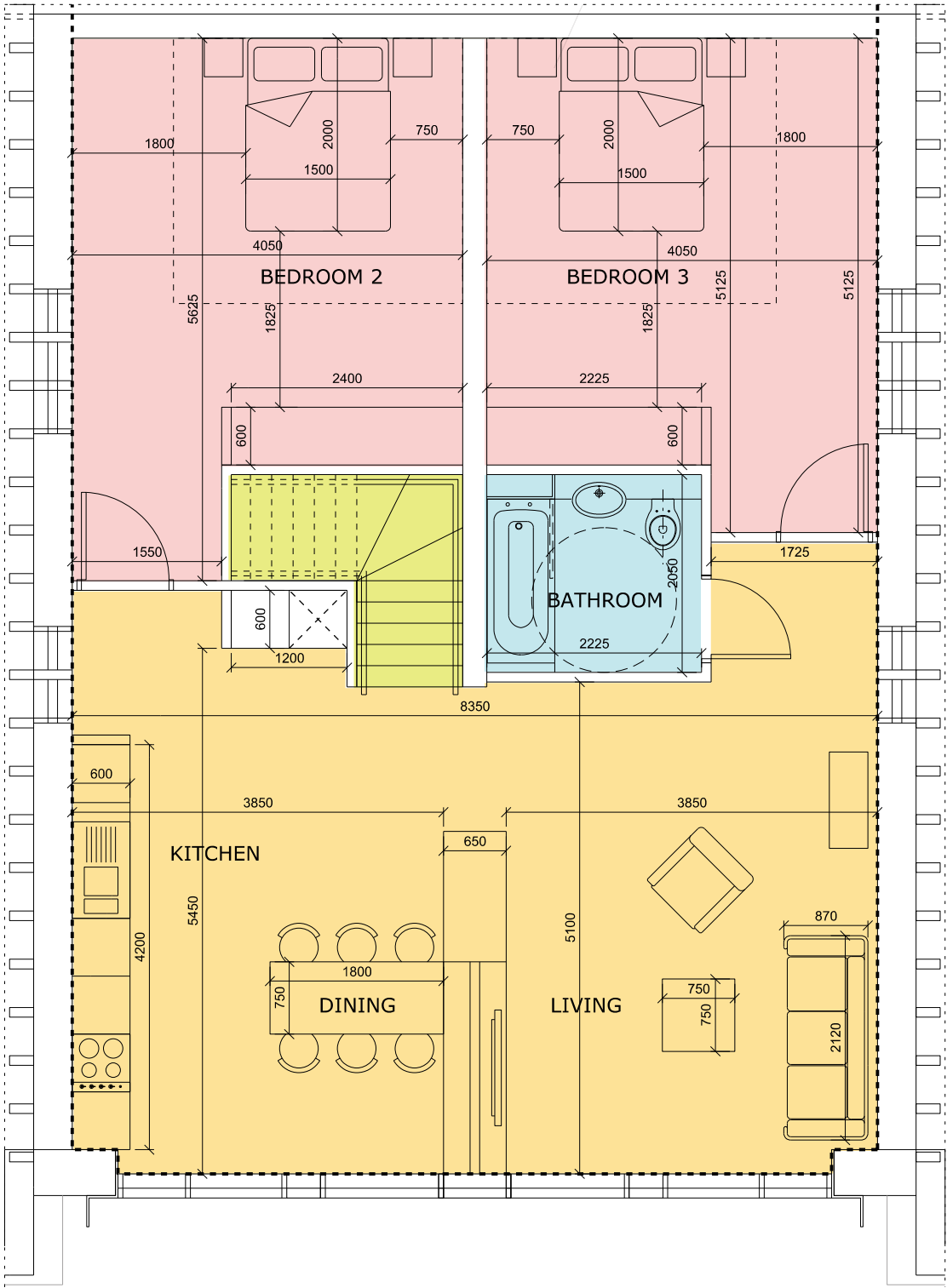
Section 2A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs

Section 2B: Private Entrances and Spaces within the Dwelling

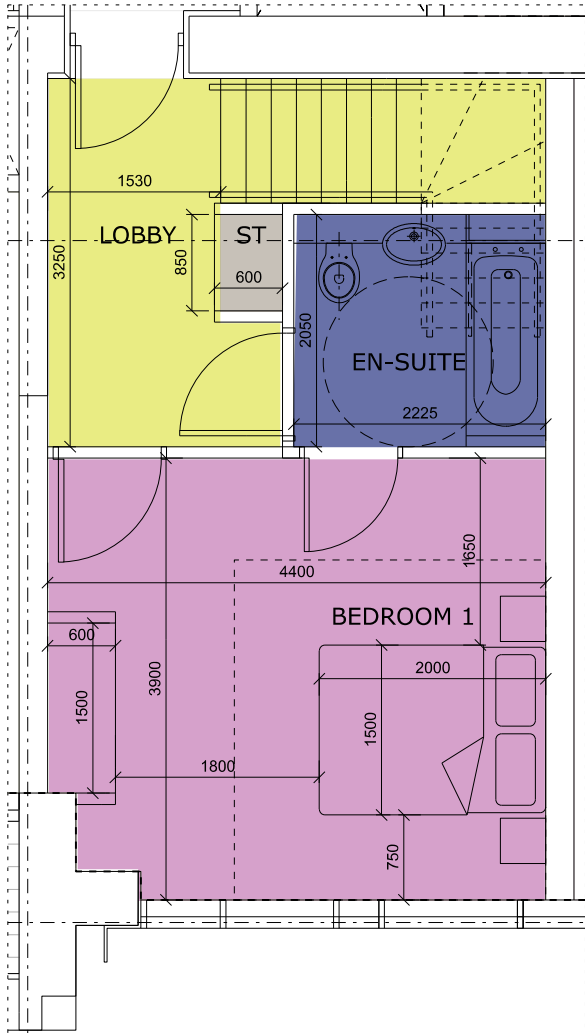
- Private entrances and circulation areas
- Private stairs (minimum width and ability to fit a stair lift in future)
- Habitable rooms, spatial standards and minimum furniture sizes.
- Sanitary facilities
- Provision of WC facilities on the entrance storey (for three or more bedrooms a level access shower is also required on the entrance storey).
- Services and controls

The standards of M4(1) also apply.



KEY

- Kitchen/ Lounge/ Dining Area
- Master Bedroom
- Secondary Bedroom
- Bathroom
- Ensuite
- Corridor
- Store



TYPE F - 3-BEDROOM DUPLEX APARTMENT

BUILDING REGULATIONS PART M: CATEGORY 2 DWELLINGS

WHEELCHAIR ACCESSIBLE APARTMENTS

M4(3) covers the spatial and technical standards of wheelchair user dwellings. It describes the standards for wheelchair adaptable dwellings and the extra specifications required for wheelchair accessible dwellings.

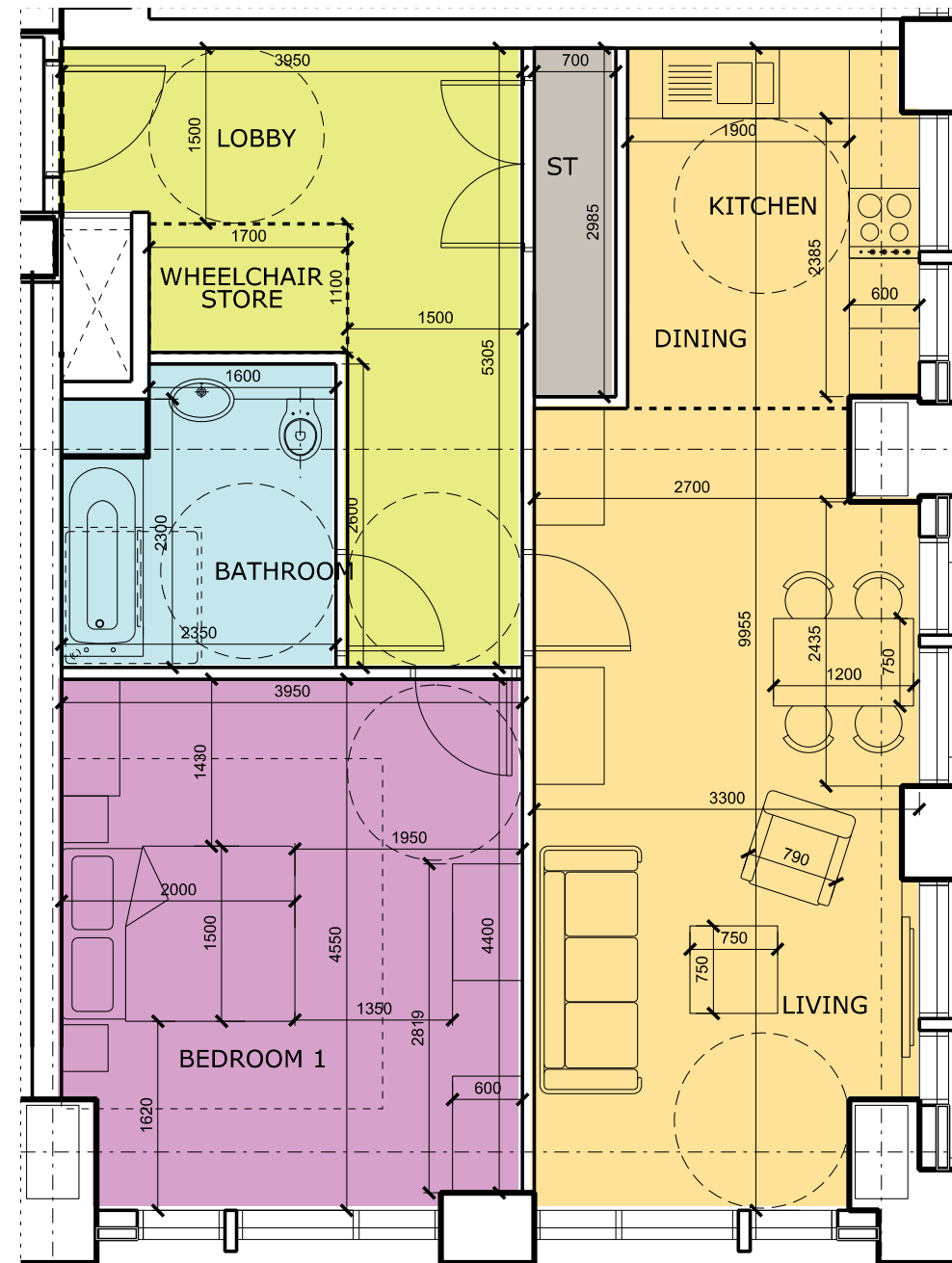
M4(3) covers the spatial and technical standards of:

Section 3A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs




Section 3B: Private Entrances and Spaces within the Dwelling

- Private entrances and circulation areas.
- Wheelchair storage and transfer space.
- Storage space provision.
- Habitable rooms, spatial standards, minimum area requirements and minimum furniture provision/sizes.
- Kitchen and eating areas, minimum worktop length, kitchen layout requirements and height adjustable worktops.
- Bedroom spatial standards and minimum furniture provision/sizes.



WHEELCHAIR ACCESSIBLE 1-BED APARTMENT TYPE G

KEY

-  Kitchen/ Lounge/ Dining Area
-  Master Bedroom
-  Bathroom
-  Corridor
-  Store

BUILDING REGULATIONS PART M: CATEGORY 3 DWELLINGS

WHEELCHAIR ACCESSIBLE APARTMENTS

M4(3) covers the spatial and technical standards of wheelchair user dwellings. It describes the standards for wheelchair adaptable dwellings and the extra specifications required for wheelchair accessible dwellings.

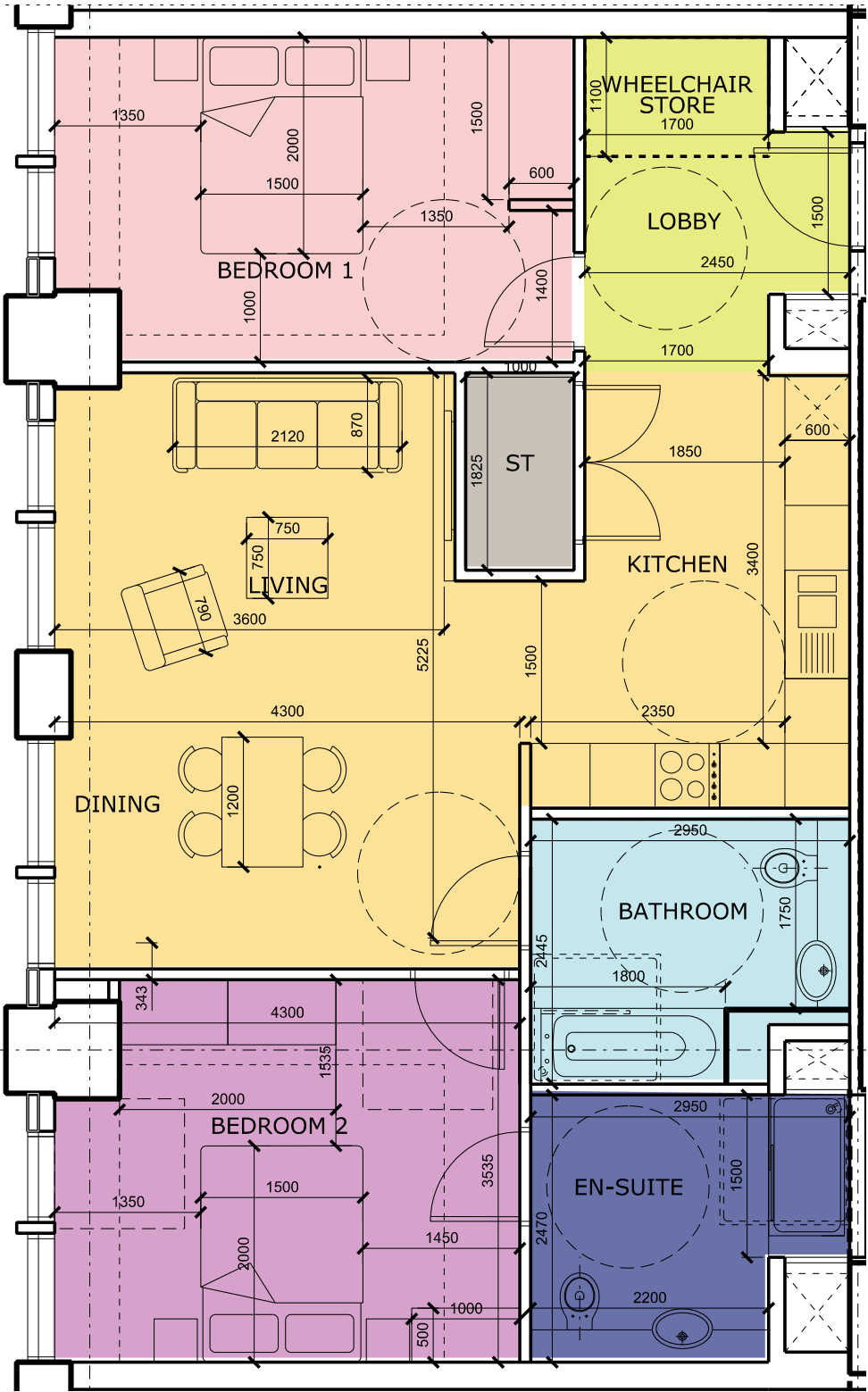
M4(3) covers the spatial and technical standards of:

Section 3A: Approach to the Dwelling

- Level approach route
- Carparking
- Communal lifts, ramps and steps
- Communal entrances
- Communal lifts and stairs

Section 3B: Private Entrances and Spaces within the Dwelling

- Private entrances and circulation areas.
- Wheelchair storage and transfer space.
- Storage space provision.
- Habitable rooms, spatial standards, minimum area requirements and minimum furniture provision/sizes.
- Kitchen and eating areas, minimum worktop length, kitchen layout requirements and height adjustable worktops.
- Bedroom spatial standards and minimum furniture provision/sizes.
- Sanitary facilities.
- Services and controls.
- Private outdoor space (where provided).



WHEELCHAIR ACCESSIBLE 2-BED APARTMENT TYPE H

KEY

- Kitchen/ Lounge/ Dining Area
- Master Bedroom
- Secondary Bedroom
- Bathroom
- Ensuite
- Corridor
- Store



Claremont House
25 Victoria Avenue
Harrogate
HG1 5QQ

01423 560200

info@modaliving.co.uk

