

Scottish City Centres

Workstream 3: Reduce Vacant/Derelict Land and Property

Perth

Final Report, July 2023

1. Introduction

Introduction and Objectives

Savills have been commissioned by seven Scottish cities to undertake research and provide recommendations on the issue of reducing the amount of vacant and derelict land and property (VDLP) in all/each of the seven Scottish city centres (Workstream 3). This report considers VDLP in Perth.

Report Structure and Fit with Other Work

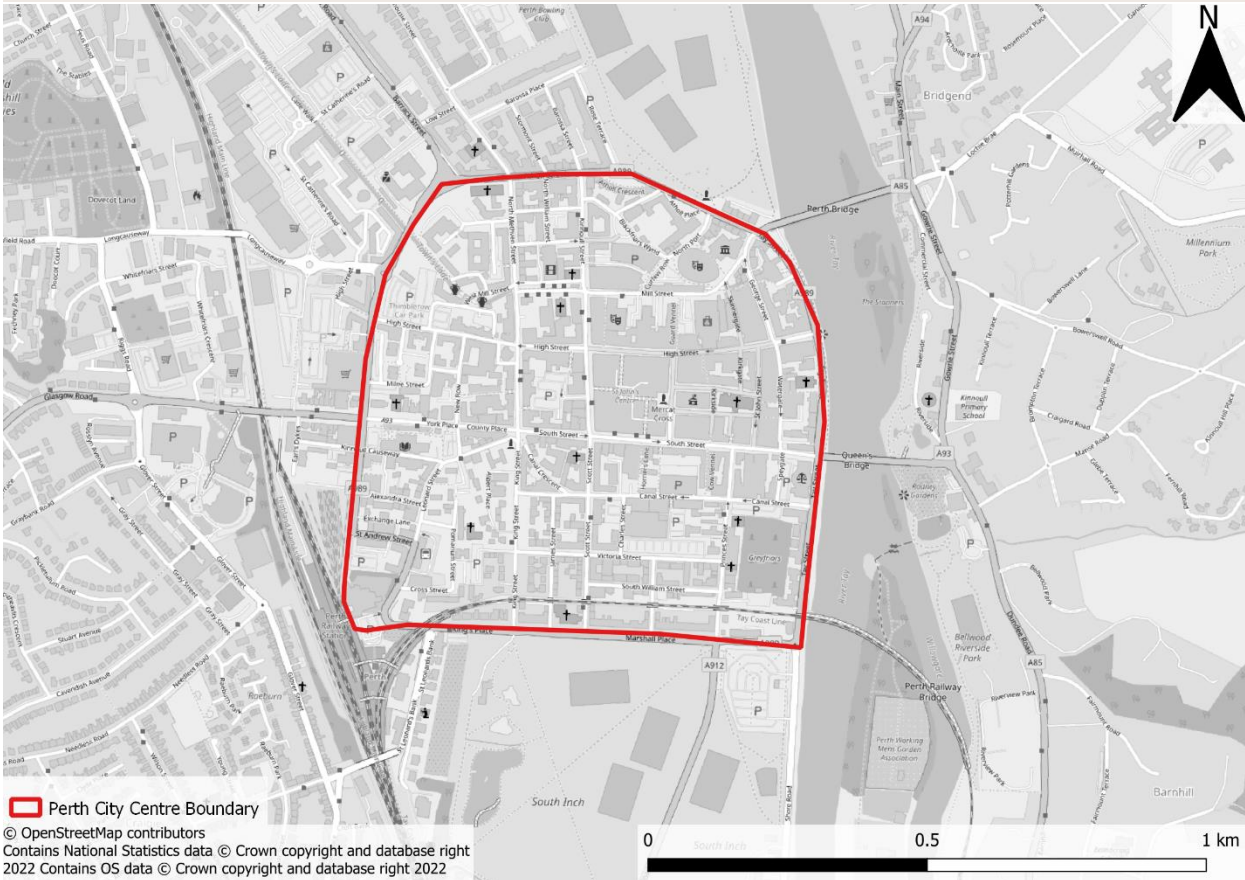
The report is structured around three sections:

- **Section 2** covers the local policy relevant to the VDLP
- **Section 3** analyses the locations, clusters and characteristics of the VDLP
- **Section 4** covers the barriers and potential for the VDLP and presents our recommendations.

A separate summary report summarises and compares the findings for each of the seven cities and provides recommendations at the Scottish and UK levels.

As a part of the same instruction research and recommendations on increasing residential capacity and occupancy in each of the seven Scottish city centres (Workstream 1) has been prepared. Both workstreams should be read in conjunction.

Figure 1.1 Perth City Centre Boundary



2. Policy Review

Introduction

The policy review covers policies and supplementary guidance specific to vacant/brownfield land in Perth. We have also reviewed the Thimblelow site.

Relevant Documents

The relevant documents include:

- Perth & Kinross Local Development Plan (2019)
- Thimblelow Development Brief Non-Statutory Guidance (2021)
- Placemaking Guide (2020)
- National Planning Framework 4 (2023).

Relevant Policies

Perth & Kinross Local Development Plan (2019) supports the utilisation of brownfield sites within the settlement and provides a flexible framework that will assist developers and landowners to bring forward underutilised sites in the city centre. However, it notes that within the city, there is limited potential to bring forward brownfield sites for development.

Thimblelow Development Brief Non-Statutory Guidance covers the Thimblelow site. The council vision is for a high-quality exemplar scheme demonstrating the potential for high amenity city centre living in a low carbon development. The council's proposals include providing a showcase for low carbon living whilst retaining appropriate car parking for shoppers and improving

accessibility to the city centre by shifting the emphasis from cars to people. It also proposes alternative solutions which address accessibility through the provision of measures to encourage sustainable transport options.

There are also proposed improvements to the public realm. This would be achieved by creating more space for people post-pandemic and encouraging a greener, accessible and more pedestrianised version of the city.

The priority is to provide a high-quality development within the Conservation Area with commitment to respect the site's historic setting, protect local trees and enhance the Lade's biodiversity.

Other proposals include improving links between the retail park and the city centre by providing some active commercial and community uses and above all promoting a quality city centre living experience which includes private open space for residents.

Placemaking Guide (2020) recognises urban infill development as the practice of developing vacant or underused parcels within existing urban or developed areas that are already developed. In addition, it notes that brownfield sites are recognised to have the potential to contribute positively to the regeneration of a street or wider street. Proposed development on brownfield land may be permitted if it enriches and does not detract from the character and qualities of the existing built environment; the site size, form, density, architecture and the scope fits in with the character of the surrounding area; any direct or indirect impact on landscape or biodiversity have been considered and mitigated; environmental considerations have been taken into account.

National Planning Framework 4 (2023)

The recently approved National Planning Framework 4 (NPF4) provides an updated national guidance around planning in Scotland. Part 2 of the document focuses on brownfield, vacant and derelict land and empty buildings. The intent of the policy in this section seeks to encourage, promote and facilitate the reuse of brownfield, vacant and derelict land and empty buildings, and to help reduce the need for greenfield development. The outcomes of this seek to ensure that:

- Development is directed to the right locations, maximising the use of existing assets and minimising additional land take
- The contribution of brownfield land to nature recovery is recognised and opportunities for use as productive greenspace are realised where appropriate
- Derelict buildings and space are regenerated to improve wellbeing and transform our places.

3. Locations and Clusters of Vacant and Derelict Land

Introduction and Summary

Introduction

Section 3 analyses the locations, quantity and characteristics of VDLP in Perth.

The main source of information on the VDLP for this study comes from the Scottish Vacant And Derelict Land Survey (SVDLS) 2021*. This report uses similar definitions of vacant and derelict land as the survey. However, the size threshold used in this report is 0.25 hectares (ha).

The definitions of vacant and derelict land can be summarised as follows:

- Vacant land - in general terms, previously developed land, without physical constraint, which the Planning Authority has indicated is currently available for redevelopment.
- Derelict land - in general, a site can be classified as derelict if it is on previously developed land, which has a physical constraint caused by its previous use, which hampers its redevelopment or naturalisation.

Our analysis does not cover the vacant upper floors above retail units or vacant ground floor units due to the size threshold used (0.25 ha).

Summary

Perth has one VDLP site within the city centre boundary. The Thimblerow site is 1.09 ha and accounts to 1.8% of the city centre.

The Thimblerow site is principally owned by the Local Authority and can be developed in the short-term.

The Thimblerow site had an agreement with a developer for principally commercial development which did not progress. Potential for new agreement for principally residential development is being explored.

Location and Quantity of Vacant and Derelict Land

There is one brownfield site in Perth that has attracted some interest in redevelopment. This site is located to the west of the historic Perth city centre. This site is presented as a dot shape in the map to the right.

These sites are considered as VDLP until they are fully developed.

Table 3.1 List of VDLP in Perth

Site Name	Area (ha)	Site Type
Thimblerow	1.09	Brownfield

This site is not included in the SVDLS 2021. The site is currently in use as a car parking.

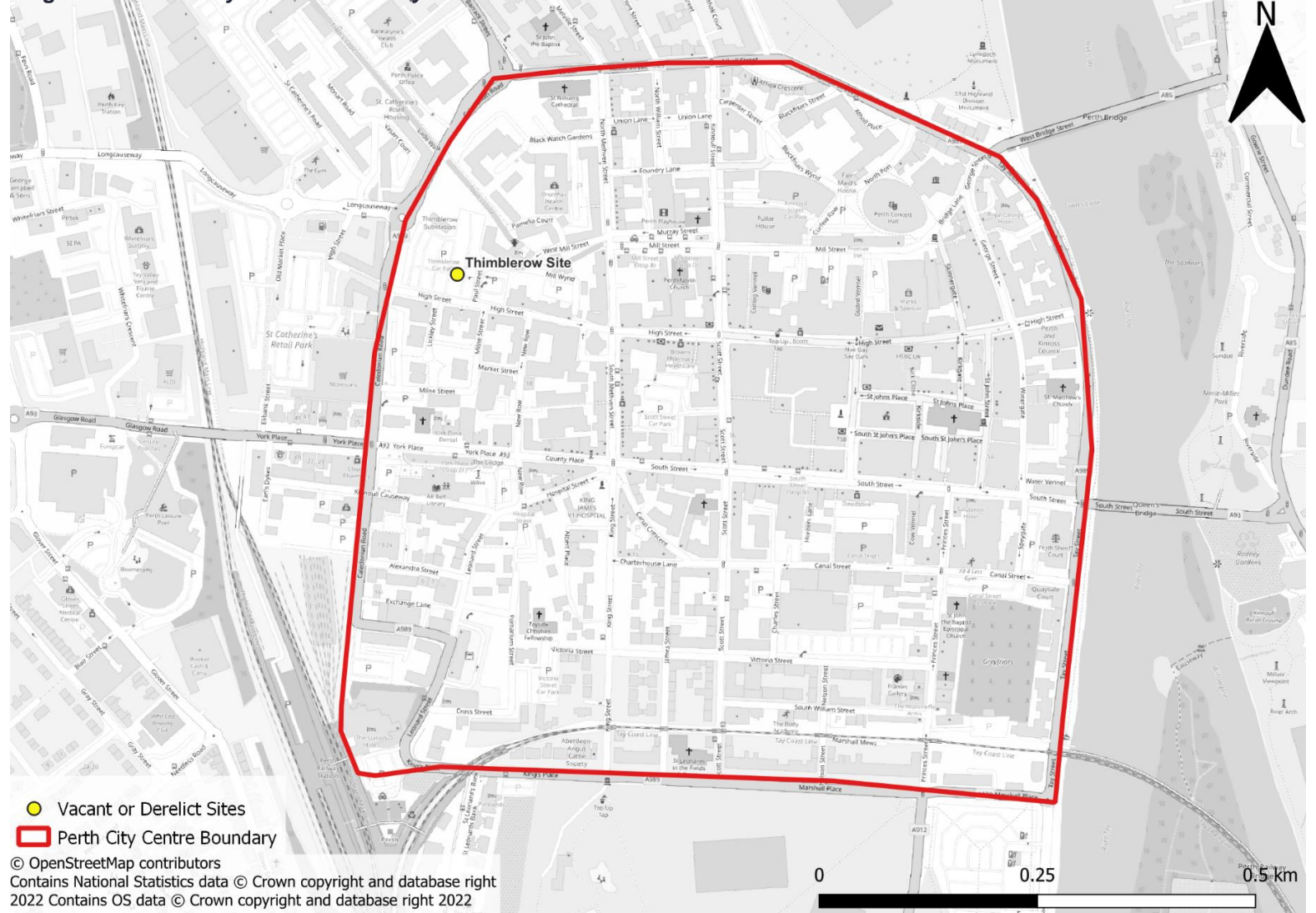
The Thimblerow site accounts for 1.8% of the city centre's area.

Table 3.2 List of VDLP in Perth

City	Vacant and Derelict Land (ha)	No. of Sites	% of City Centre Vacant /Derelict
Perth	1.09	1	1.8%

There are other smaller vacant or derelict sites in the city centre, which are below 0.25 ha. The total area of all smaller sites within the city centre identified by the Perth Brownfield Report (2018) is 1.09 ha.

Figure 3.1 Perth City Centre Boundary



Previous Uses, Ownership, Development Potential & Length of Time Vacant

The Thimblerow site was previously developed and currently in use as a car parking. As such, the site is not currently vacant, and it has attracted interest from developers for redevelopment.

The site is principally owned by the local authority. However there is privately owned land north of the electricity section of the site.

The development score for this site has been recorded as 'high' according to the Perth Brownfield Report (2018). This means that the site has good development opportunity.

Table 3.1 Current Uses of VDLP in Perth

Current Use of Land	Area	No. of Sites	% of VDL
Car parking	1.09	1	100%

Figure 3.2 VDL with Short-, Medium- and Long-Term Development Potential in Perth

	Developable Short-Term	Developable Medium-Term	Developable Undetermined
Area (ha)	1.09	0	0
No. of Sites	1	0	0



Figure 3.3 VDLP by Ownership in Perth

	Partially Local Authority and Private
Area (ha)	1.09
Number of sites	1



4. Barriers and Potential for Vacant/Derelict Land

Barriers and Potential for Vacant/Derelict Land

Introduction

This sections considers actions needed to reduce VDLP in Perth. The accompanying summary report provides additional recommendations at the national level.

Review of Planning Applications

The Thimblelow Site has been subject to one proposal of a planning application notice, which sought to inform the Council of a likely forthcoming planning application in respect of a major, mixed-use development proposal of a designated brownfield site. This notice was decided as ‘sufficient’ in December 2015. However, no planning application has come forward since then. Nonetheless, the site had an existing agreement with Espresso for principally commercial which did not progress due to market conditions. Both parties (Espresso and Local Authority) are exploring potential for new agreement for principally residential development.

Table 4.1 Planning Applications for VDLP in Perth

Site Name	Type of planning application	Size/Units	Year	Status	Expiry Year
Thimblelow	Mixed-use development consisting of multi-screen cinema, retail units (shops and food and drink), student housing, gym and a multi-storey car park	<ul style="list-style-type: none"> Multi-screen cinema (1,988sq.m) Retail (2,890sq.m) Student housing (122 beds), Gym (800sq.m) Multi-storey car park (200 spaces) 	2015	Deemed Sufficient in 2015	Not available

The other smaller sites within the city centre have also some planning history. The White Horse Inn is a site owned by Perthshire Glazing and has a planning permission for demolition and erection of 12 flats in 2019. The site at Loves Building 52-54, Canal Street is another site that was commercial and had a planning application for retention, alteration and renovation of existing Canal Street façade and gable end walls, demolition of remainder of existing building and erection of 28 apartments within the site. However, this application was withdrawn. There is one planning application for a building at 47 York Place, which sought to develop 14 house in multiple occupation (HMO) units. The former Waverly hotel has planning permission for extension to the church which has been implemented. In addition, a 2016 planning permission at 88-90 Scott Street for a change of use from shop (class 1) to student accommodation (47 bed, 30 studios and associated communal facilities), partial demolition, alterations and extension to building has also not been implemented.

Demand for Vacant & Derelict Land

There are examples of planning applications for VDLP in the city centre. During the site visits the offices indicated that there is not much interest in vacant land in Perth. There is limited demand from developers for sites within Perth as take up for apartments is low. The demand is likely to be for social housing or retirement accommodation but the unit numbers will likely be limited. The Thimblelow development demonstrates this having been on the market several years ago and still lies undeveloped.

Exceptionally good rental growth in the city centre since the second half of 2021 may help convince smaller scale developers to consider opportunities in the City but these will be on smaller gap sites. Rental values and demand will not be suffice to attract institutional investment in residential product to rent.

Barriers and Potential for Vacant/Derelict Land

Experience suggests that the market has been reluctant to test the waters and invest in the type of high amenity residential environment which could create strong market demand for city centre living. At Thimble Row the focus is on delivering an attractive lifestyle and moving beyond the usual developers' approach and formats. This approach could lift residential values and demand within the city centre. The Council seeks a high-quality exemplar scheme demonstrating the potential for city centre living in a low carbon development.

Development Constraints

There are no overarching development constraints in Perth. The main constraint is the strength of the market particularly for apartment accommodation which is weak. There is no strong key worker demand for accommodation in Perth. Developer viabilities will therefore be challenged by cost to value ratios.

The typical constraints associated with vacant/derelict sites include the necessity to remediate which typically throws up high abnormal development costs etc. Understanding development constraints on the sites identified will help understand the issues that require to be remedied on site. Potential contaminated site grant funding could help where viability is affected by abnormal development costs.

Similarly the potential to introduce a tax relief on capital expenditure for development of derelict property above commercial ground floor units could be a way to make repurposing of such space for residential viable.

Zones and Use Types for VDLP

The Thimble Row site is the main VDL site in Perth and as such has a detailed Supplementary Guidance brief which considers how the site should be redeveloped. There has been previous commercial interest and we note that there is the prospect of a former deal being renegotiated or for the site to be marketed. Dependent on the outcome of this commercial marketing exercise there may or may not need to be further consideration on how to bring the site forward.

The approved Site Brief indicates key buildings on site and active travel routes through the site. This chimes with developing Thimble Row as an accessible western feature of the city centre which, in our view, focuses on the potential of the site to be an asset. We noted the success of St John's Place in terms of active street frontages and urban realm. This raises the prospect of whether further such work on the Old High Street might help spark redevelopment of the Thimble Row site.

The other VDL sites in Perth City Centre are smaller in scale and our site visit revealed that there is a mix of interest and progress in discussions. Common themes across the cities are evident in Perth - challenges associated with ownership, redevelopment of Listed Buildings and general market attractiveness.

Barriers and Potential for Vacant/Derelict Land

The Role of the Public Sector in the Development of VDLP

In seeking to reduce the amount of vacant/derelict land and property, the council should consider the constraints affecting the development of the respective sites and assist where possible in alleviating them. The recommended actions include:

- Development of masterplans/frameworks to ensure coherent redevelopment
- Streamline planning applications which are in accordance with the development frameworks
- Grant Funding to assist in remediation of any brownfield land where abnormal costs are affecting site viability.
- Use CPO powers for land assembly where necessary to ensure delivery of key sites if obstructive owners.

The approved Site Brief for Thimblerow is detailed and the Council's vision has 9 aims for the redevelopment of the site. Perth and Kinross Council may need to be mindful of compromise on the key aims in terms of discussions around commercial viability and planning applications in due course, particularly if there is the prospect of an anchor user who could deliver a key building and spark the wider redevelopment.

Further work on the Old High Street could encourage more active street frontages and footfall to boost use of the mobility corridor and access to the Thimblerow site.

Appendix 1 Abbreviations

CPO	Compulsory Purchase Order
Ha	Hectare
HMO	House in multiple occupation
LDP	Local Development Plan
SVDLS	Scottish Vacant And Derelict Land Survey
VDLP	Vacant and derelict land and property

Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.