

Planning Policy Team  
Oxford City Council  
Town Hall  
St Aldate's  
Oxford  
OX1 1BX

2 January 2024

### Representations to draft Local Plan 2040

Dear Sir or Madam

We, Dominus Real Estate, write to Oxford City Council ('the Council') to submit representations to its draft Local Plan which is out for consultation until 5 January 2024, pursuant to the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

The purpose of these representations is to set out how the draft Local Plan could better meet the tests of soundness from paragraph 3 of the National Planning Policy Framework (NPPF) (2023), and regarding:

1. **Hotels:** meeting the significant demand for short-stay accommodation.
2. **Revitalisation of sites in employment use:** ensuring that underused sites are not left stagnant and do not blight the areas they are located in; where they could be redeveloped to make better use of land.
3. **Student accommodation:** meeting the significant demand for student accommodation and allowing its development in appropriate locations.
4. **Co-living:** meeting the significant demand for studio and one-bed rental accommodation.

### About Dominus

From modest origins decades ago, we've grown into one of the UK's most dynamic family-owned business groups, including specialising in industry-leading hotels and student accommodation to award-winning residential properties, regeneration projects and mixed-use schemes.

In Oxford City Centre, we operate Courtyard by Marriott Oxford City Centre, which is located at 15 Paradise Street, Oxford OX1 1LD. Courtyard by Marriott Oxford Centre is a very popular and successful hotel. This is reflected by online reviews and by average occupancy levels of 91% across the year, with levels as high as 98% in June and July. We are currently aiming to build upon this success by proposing an



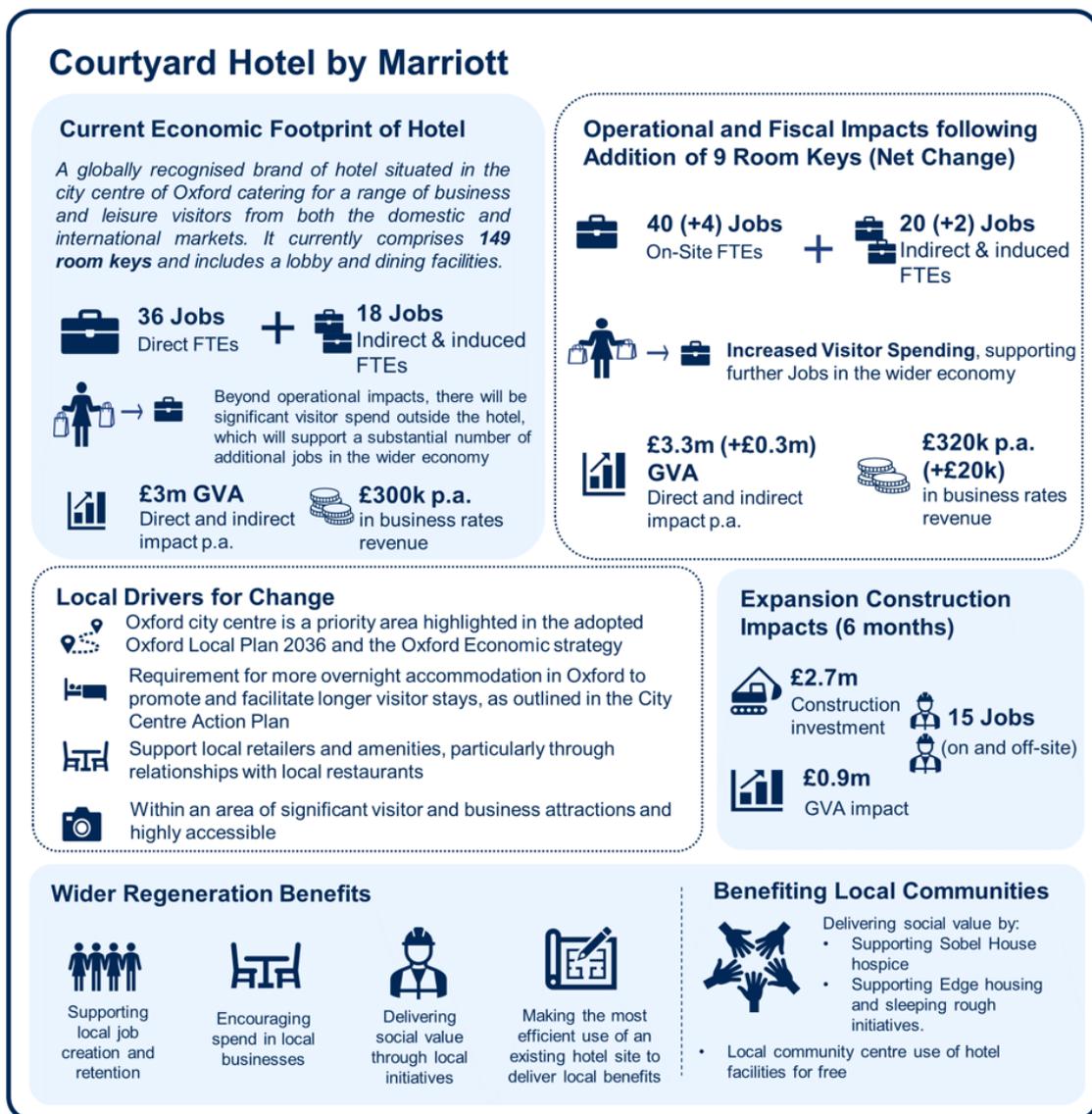
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extension at our hotel to accommodate an additional 9 rooms. We are submitting an application for planning permission for this.

Within this application, we will submit a Socio-economic Impact Infographic Background Note (prepared by consultants Ekosgen). An associated infographic to this note is shown in Figure 1 below and it sets out the significant economic benefits that our hotel already provides to Oxford and the additional benefits that our additional room can bring.

Figure 1: Economic infographic



## Hotels

Policy E5 of the draft Local Plan concerns tourism and short-stay accommodation (i.e. hotels); and we consider that it does not currently meet the NPPF 'positively prepared' and 'effective' tests of soundness.

The Council's evidence-based document regarding hotels is the *Hotel & Short Stay Accommodation Study for Oxford* (March 2023), by Bridget Baker Consulting Ltd (and which covers the draft Local Plan period to 2040). It sets the scene by explaining how Oxford is a leading tourist destination both with domestic as well as international visitors. It goes on to say how there were 7.8m tourist trips recorded for 2019, with 1.2 million staying trips and 5.4m nights.

The Study identifies significant need for additional hotel rooms in Oxford. Table 1 below summarises the Study about need and pipeline supply, for the plan period till 2040.

The supply as reported in the *Hotel & Short Stay Accommodation Study for*

	Need	Pipeline supply	Cumulative need
2023	87	87	0
2024	266	266	0
2025	295	295	0
2026	333	333	0
2027	200	0	-200
2028	150	0	-350



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2029	200	0	-550
2030	175	0	-725
2031	175	0	-900
2032	175	0	-1,075
2033	175	0	-1,250
2034	175	0	-1,425
2035	175	0	-1,600
2036	175	0	-1,775
2037	175	0	-1,950
2038	175	0	-2,125
2039	175	0	-2,300
2040	175	0	-2,475

A Cabinet report presented to the Council on 12 July 2023 likewise identifies a significant unmet need for hotel beds. This report, titled 'Proposal to contract with the preferred development partner & operator consortium to regenerate Council owned land at 38-40 George Street, Oxford OX1 2BL currently occupied by Odeon Cinemas' states that:



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*'...when Oxford's hotel occupancy and room rates are compared with those of comparable cities, there is significant unmet demand and potential for growth in all varieties of short-stay accommodation.'*

The proposals for 38-40 George Street (not currently part of the pipeline identified in Table 1) involve approximately 145 new rooms and delivery in approximately 2025. The pipeline also does not reflect the 36 additional hotel rooms recently approved as part of an application for an extension at Linton Lodge Hotel, 11-13 Linton Road (ref: 23/00142/FUL). Together, these proposals would have a limited effect in addressing identified need. We are not currently aware of other prospective schemes that could form part of the future pipeline.

All in all, we consider the draft Local Plan should more positively seek to address the identified need for hotel beds so the City can secure the local benefits that will flow from this. For the Council to be able to meet this need, we suggest the following amendments to Policy E5:

[REDACTED] in its wording to the number of additional rooms needed, as it is currently [REDACTED] this is 1,531 additional rooms between 2023 and 2029; and 1,925 additional rooms between 2030 and 2040 (which is the end of the plan period). By 2040 there would be a cumulative unmet need for 2,475 rooms.

[REDACTED] worded approach. The existing negative wording should be deleted: *'Planning permission will only be granted...where it meets the following criteria...'*. Instead, it should state: *'The Council will take a positive approach to meeting the significant need for hotel rooms, by supporting the development of new hotels and short-stay accommodation, subject to the following criteria...'*

### Revitalisation of sites in employment use

Oxford, like many comparable cities, contains sites and buildings that currently house employment uses but which are approaching obsolescence. This is through both regulatory changes and an industry-wide 'flight to quality'. Another distinctive challenge that Oxford faces is that projections indicate that the City's supply of office floorspace is set to outstrip need. This all presents particular risks for the future of buildings that currently accommodate secondary or tertiary office uses.

In terms of regulatory challenges, from 2030 onwards incoming MEES regulations will generally resist medium-to-long term lettings across office buildings that do not have an EPC 'B' certificate. In many instances building owners have difficult choices to make about whether to undertake the necessary investment to achieve this certificate or not, whether via refurbishment or redevelopment. In many instances, as we are already seeing in other parts of the country, appraisals will indicate it is unviable to do so. Some buildings will fall vacant. This can all affect the general perception of a neighbourhood, akin



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to the national conversation the country is currently having on the decline of high streets and town centres. A sense of decline resists becoming self-reinforcing.

In terms of the supply of office floorspace versus need, the Council's evidence base projects an oversupply of office floorspace in the City. The Council's *Oxford City Employment Land Needs Assessment Interim Report* (September 2023), prepared by Lichfields, sets out how in four out of five future scenarios there will be a surplus of office floorspace in the hundreds of thousands of sq m, ranging from approximately 150,000 sq m to 350,000 sq m. This is equivalent to between roughly three and seven Gherkins in the City of London. This is notwithstanding the regenerations plans for the West End and planned developments at Oxford Science Park and Oxford Business Park.

The Local Plan provides an opportunity to set policies to address the risk that underinvested-in sites will come to blight neighbourhoods across the City. This can be achieved through enabling a new mix of uses that can help revitalise the same neighbourhoods. These could include uses such as conventional accommodation or co-living. In our view this risk can be best addressed through the Local Plan's employment policy, Policy E1, that will ensure that policy meets the NPPF's 'positively prepared' and 'effective' tests of soundness. We have particularly focused in this policy in our comments below

Policy E1 takes a positive approach to the loss of Category 3 employment sites, by actively allowing their loss and seeking, in particular, housing as a replacement use. However, in our experience, not all employment sites in decline are developable for conventional housing (Use Class C3). There may be constraints such as the physical shape preventing the development of a viable layout for conventional housing, or surrounding land uses having the potential to harm residential amenity. As such, some employment sites might be less suitable for housing but could be suitable for hotels, student housing, or co-living. The wording of the current policy might lead to a situation where there is a stagnant employment site in need of development, but unable to be developed because the local planning authority will only accept a conventional residential use, where in reality the site would be better developed for alternative uses.

Therefore, we suggest the following change to Policy E1:

3. That it continues to take a positive approach to allowing the loss of Category 3 employment sites, but recognises that alternative uses shall be assessed on their merits, having regard to the individual characteristics of the site, without solely focusing on conventional residential uses.

For Category 2 employment sites, their loss is permitted by Policy E1 provided that the number of jobs at the site is retained. An employment site might have been underused for a long period of time, and without any future prospect of being occupied again for employment use (whether that be by virtue of re-use of the existing building, in particular relating to the MEES changes; or as a newly developed employment building). Therefore, meeting the requirement of this policy is challenging.



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The application of this policy would likely lead to the stagnation of the site, because without any future employment demand, any future redevelopment (whether that be for housing, hotel use, or student accommodation) would not likely be able to demonstrate that it employs the same number of employees as the site *hypothetically* could or did in its past. In many circumstances, provision of the same number of jobs is not achievable (or desirable) through a viable scheme.

Our further suggestion for Policy E1 is:

4. That it allows for a loss of Category 2 employment floorspace where any redevelopment would retain the same number of employees, or where it is demonstrated that there is no demand or it is not viable for the site to be in continued employment use, in particular because of the implications of MEES changes. Any replacement uses ought to be assessed on their merits, having regard to the characteristics of the site.

[REDACTED] as a centre for academic excellence and this success has spin-off benefits for the City's economy and its talent pool. Student surveys reveal that the quality of a student's accommodation has a significant effect on their overall experience and, flowing from that, influences the 'soft power' of a city and the ongoing appeal and reputation of its universities. As it stands, the City has a significant shortfall of university accommodation options for students and this shortfall is set to get worse.

Given the above, we believe Policy H9 of the draft Local Plan, which concerns student accommodation, should be revisited as it does not currently meet the NPPF 'positively prepared' and 'effective' tests of soundness.

The underpinning evidence-based document is the *Oxford Student Needs Assessment* (August 2023) prepared by Icen. It projects that students with accommodation needs could rise by between 9,800 and 14,800 over the plan period; and with there being a pipeline of only 2,383 bed spaces. Beyond this, student satisfaction levels are far higher where students live in professionally-managed purpose-built student accommodation compared to Houses in Multiple Occupation or other options in the private rental sector.

Furthermore, the Council may be aware of the article from 28 November 2023 in the Telegraph, titled '**Oxford students camp outside letting agents overnight to secure housing: Shrinking supply of rental properties is fuelling competition for university accommodation.**' The title of the article speaks for itself.

We suggest that Policy H9:

5. Makes specific reference to meeting 9,800 beds as a minimum and striving to meet 14,800 beds over the plan period. Currently it is silent on this need.



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6. Includes wording to recognise that meeting the above need for student accommodation also makes a significant contribution to addressing identified housing need. This should be counted at a ratio of 2.5 student beds equivalent to 1 conventional Use Class C3 dwelling (based on the government's Housing Delivery Test Measurement Note).
7. No longer seeks to student accommodation to be granted only in specific locations (university campuses, city and district centres, specific allocations); but in addition, allows student accommodation development in other areas, assessed on their merits, including connectivity to university buildings by walking, cycling and public transport. This links with our above comments about redundant employment sites that might be suitable for other uses, including student accommodation. The current locational restriction threatens to significantly constrain the supply of much needed accommodation.

#### Co-living

[REDACTED] accommodation in Oxford is high, particularly from young professionals and recent graduates. [REDACTED] enough purpose-built rented homes to meet this need. The draft Local Plan should include specific policy support for co-living accommodation, to assist with meeting this need, which in turn would help retain people who contribute economically to Oxford and people who work in essential services (such as hospitals). This would ensure it meets the NPPF 'positively prepared' and 'effective tests of soundness'.

The evidence-based document *Housing and Economic Needs Assessment* (December 2022) prepared by Icen, JG Consulting, and Cambridge Econometrics, states how in recent times the rental market has changed dramatically, because of a lack of supply and an increased demand. In its section covering the view from local letting agents, it states:

*'All the agents noted that rents have increased significantly. Landlords are seeking the most money they can get for their property. This has resulted in **bidding for rental accommodation which was relatively uncommon in the City before now.**' [our emphasis]*

It goes on to say how agents have experienced particular demand for rented studios and one-bed accommodation. Much of this demand is coming from people working at / with the University, and professionals working at the teaching hospitals, as well as other recent graduates and young professionals. The agents' recommendation is for co-living accommodation to be built to help meet this demand.

The draft Local Plan does not have a policy that specifically expresses support for purpose-built co-living accommodation. While its Policy H8 deals with Houses in Multiple Occupation (HMOs), its main thrust is to prevent existing streets from being overconcentrated with HMOs, by strictly controlling existing houses being changed from family homes to HMOs. Having explicit policy support for purpose-built co-



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living accommodation would, as part of catering for the unmet need, also help prevent existing homes from being converted into HMOs. We suggest:

8. A new policy that gives explicit support for purpose-built co-living accommodation and recognises the role it has to play in meeting the housing needs of those working with / at the University and teaching hospitals, and other young professionals and recent graduates.

### Summary

We trust that the Council can take account of these representations. At present, our concern is that the Local Plan may not meet the NPPF tests of soundness, with regard to hotels, the revitalisation of sites currently in employment use, student accommodation, and co-living.

Should you require any information or further discussion, please do not hesitate to contact me.



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