



An **APLEONA** company

Report

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Local Plan and Preferred Sites for Allocation Viability Assessment

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For and on behalf of GVA Grimley Limited

1. Introduction

- 1.1 Calderdale Council is preparing for the introduction of its Community Infrastructure Levy (CIL) in accordance with Part II of the Planning Act 2008 (as amended by Part 6 of the Localism Act) and supporting CIL Regulations, as amended.
- 1.2 The Council is also working towards the adoption of a new Local Plan. This single plan will combine the functions of the Core Strategy and Land Allocations and Designation Plan development plan documents.
- 1.3 In this context GVA (previously known as BGVA) were appointed to undertake a Local Plan and CIL Viability Assessment. This was completed in November 2015 and is available on the Council's website. This study tested a range of uses across the Borough using a residual appraisal methodology of hypothetical sites based on a range of appropriate sample sizes and typologies. The study also took into account the Council's policy requirements (including those in the then emerging Core Strategy) to allow full assessment of the cumulative impact associated with the various policy requirements.
- 1.4 The previous study concluded that there was scope to introduce a CIL in Calderdale and the CIL rates contained in the PDCS (available on the Council's website) reflect the findings of the previous viability evidence.
- 1.5 However, since the publication of the LPCVA 2015 the market has continued to improve and the policy environment has changed following the Council's decision to withdraw the Core Strategy and progress towards the adoption of a New Local Plan.
- 1.6 The purpose of this report is to update the previous assessment(s) to reflect changes in market conditions (costs and values) but more importantly to consider the policies set out within the New Local Plan. In addition, rather than relying on hypothetical development scenarios for housing and employment¹ uses this update is based on the Council's preferred sites for allocation. The assessment does, however, still rely on some hypothetical development scenarios with respect to other land uses.
- 1.7 Once again GVA has acted in the capacity of an independent advisor when undertaking this assessment and the results of this study will be used by the Council to inform the development of their Local Plan policies and a Draft Charging Schedule (DCS) for the purposes of CIL.
- 1.8 At this stage it is important to recognise that viability appraisals undertaken to support the findings in this study do not constitute formal valuations and should not be regarded or relied upon as such. They provide a guide to viability in line with the purpose for which the assessment is required / being undertaken.

¹ Incorporating B1, B2 and B8 uses)

Report Structure

1.9 The remainder of this report is structured as follows:

- Section 2 summarises the overall approach / methodology that we have applied when undertaking this assessment;
- Section 3 provides details on the preferred sites and development typologies that have been considered within this assessment;
- Section 4 sets out the assumptions that have been applied within the residential baseline appraisals;
- Section 5 summarises the results from the residential baseline assessments;
- Section 6 considers the impact of the Local Plan requirements on the preferred housing sites for allocation;
- Section 7 sets out the assumptions that have been applied within the baseline commercial appraisals;
- Section 8 summarises the results from the baseline commercial assessments;
- Section 9 considers the impact of the Local Plan requirements on the preferred employment sites for allocation and other land uses;
- Section 10 considers the impact of the Community Infrastructure Levy on development viability; and
- Section 11 provides our overall conclusions and recommendations

2. Methodology

- 2.1 An individual development can be said to be viable if, after taking account of all costs the scheme provides a competitive return (profit) to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.
- 2.2 At a Local Plan level, viability is very closely linked to the concept of deliverability. In case of housing, for example, a Local Plan can be said to be deliverable if sufficient sites are viable to deliver the plans housing requirements over the plan period.
- 2.3 The primary role of the Local Plan viability assessment is to provide evidence to show that the requirements set out within the NPPF are met – i.e. that the policy requirements for development, set out within the plan, do not threaten the viability of the sites and scale of development upon which the plan relies. Demonstrably failing to consider this issue will place the Local Plan (including CIL) of not being found sound.
- 2.4 The most important function of a Local Plan viability assessment is to bring together and consider the cumulative impact of Local Plan policies and CIL (Para 174 of the NPPF). However, it should be recognised that this assessment will not provide a precise answer as to the viability of every development likely to take place during the plan period. Instead it will simply provide high level assurance that the policies within the Local Plan are set in a way that will not undermine the viability of the development needed to deliver the plan.

Methodology

- 2.5 For the purpose of this assessment we have used a residual model to test the viability of the preferred sites and the Local Plan policies (including CIL). This replicates the methodology applied within our previous assessment. To reiterate, the residual appraisal model is a recognised valuation basis/approach and provides an indication of Market Value having regard to a pre-described range of circumstances / costs and values. The model assumes that the land value is the difference between Gross Development Value (GDV) and the Development Costs, once an element of developer profit has been taken into account. This can be expressed through the following calculation:

Gross Development Value (minus) Total Costs (minus) Developers Profit = Residual Land Value

- Gross Development Value (GDV) includes all sales income generated by the development.
 - Total Development Costs include construction costs, professional fees, planning, finance / interest charges etc.
 - Developers profit is expressed by reference to a percentage of the Total Development Costs or Gross Development Value. It can also be expressed by reference to an Internal Rate of Return (IRR)².
- 2.6 In simple terms; only when the development value exceeds the total project costs and required returns (profit) can a scheme be considered viable. A scheme will not proceed where development costs exceed revenue (i.e. where there is a negative land value). However, even in circumstances where a very modest land value is generated it is not likely to be construed as viable, as it is unlikely to be sufficient to encourage a landowner to willingly release land for development.
- 2.7 In terms of the process, land value is a key component of a development appraisal, albeit (as explained previously) it can often be the 'outcome' of the appraisal rather than being a fixed figure (hence why appraisals are often referred to as being 'residual', because once all the inputs are included the 'residue' (if there is any) is the amount that the developer can afford to pay for the site.
- 2.8 However, the 'residue' from the appraisal (as a land value) does not always meet the expectations of the landowner (some landowners will anticipate life changing sums!). If a developer is only able to pay a significantly reduced sum below the land owners expectations then the outcome is fairly straight forward. The land will not be sold / released for development. Therefore, when undertaking a viability assessment a minimum land value (aka benchmark land value) needs to be identified.
- 2.9 This changes the emphasis of a development appraisal when used for testing viability because rather than the land value being freely subject to change, there becomes a minimum figure below which a landowner would not release land for development. If this minimum figure is reached other inputs within the appraisal would need to change to ensure viability. As the majority of development costs are fixed the only flexibility is the developers profit or the Councils policy / planning obligations. However, Para 173 indicates that the Councils policy /obligations should be at a level which provides the developer (as well as landowner) with a competitive return. This implies it is the Councils policies and or obligations which should be subject to change if the minimum land value has not been met but the Councils policies have been achieved in full.
- 2.10 However, identifying the level of an appropriate benchmark (land value) is itself not straight forward.
- 2.11 There is no specific policy on what constitutes a 'reasonable land value' but para 015 of Planning Practice Guidance (PPG) states that 'a competitive return for the land owner is the price at which a

² Internal Rate of Return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment. If the IRR of a new project exceeds a company's required rate of return, that project is desirable. If the IRR falls below the required rate of return, the project is normally rejected.

reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.

- 2.12 In addition to the guidance set out in PPG there is contradictory advice/ guidance issued by the Housing Delivery Group (aka the Harman Report) and RICS.

Viability Testing Local Plans – June 2012 by the Housing Delivery Group (aka the ‘Harman Report’)

- 2.13 The Harman Report favours a return premium over and above the sites Existing / Current Use Value (CUV). In the case of large green field sites the document states on page 30 that “it is widely recognised that this approach (i.e. a percentage increase over EUV) can be less straight forward for non-urban sites and urban extensions, where land owners are rarely forced or distressed sellers.....This is particularly the case in relation to large Greenfield sites...Accordingly, the uplift to the CUV sought by the landowners will invariably be significantly higher than in an urban context and requires careful consideration”.
- 2.14 This does not mean that an assessment of the CUV has no part to play in the process of assessing Greenfield sites. A typical landowner will still want to know what the value of their site is without the planning permission and then judge by how much, if at all, the CUV increases when planning permission is granted. The difference is that for urban brownfield sites a premium uplift of circa 25% to 50% of the CUV may be deemed sufficient to incentivise a landowner to sell (e.g. if the CUV is £200,000 per acre, applying a 50% uplift would mean a benchmark land value of £300,000 per acre, which would be attractive to the landowner). However, for Greenfield sites, if the CUV is only £10,000 per acre then a 50% uplift (i.e. a benchmark land value of £15,000 per acre) would clearly not incentivise a landowner to release their land for development. This is especially so when some landowners have expectations of life changing sums.
- 2.15 In terms of how to evidence the approach to Greenfield sites the document goes on to state at page 30 that: “local sources should be used to provide a view on market values (the ‘going rate’), as a means of giving a further sense check on the outcome of the CUV plus premium calculation. For sites of this nature (i.e. Greenfield) it will be necessary to make greater use of benchmarks, taking into account local partner views on market data and information on typical minimum price provisions used within developer / site promoter agreements for sites of this nature. Developers normally enter into option agreements for large Greenfield sites which often stipulate a minimum land value. Typically these minimum values fall between £100,000 and £150,000 per acre.
- 2.16 The Harman report, therefore, seems to advocate using evidence of benchmarks based on CUV plus premium , as well as using market transactions as a general ‘sense check’. However, care should be taken when using market transactions as a sense check. In particular there are a number of factors which impact the price someone is willing to pay for development land, because ultimately every

development site is different. For example, you could have two sites next to each other sold at the same time, each being the same size. However, one may have significant level or flooding issues and poor access, whereas the other may have no concerns. The price paid for the land affected by the 'abnormal costs' (in this case levels, flooding and poor access) would therefore, in all probability, be much lower than the site without the abnormal costs. The reasons for the difference in value, however, would not be apparent by simply looking at the price paid for the land.

- 2.17 The valuation process to identify this reasonable price involves the practitioner making a judgement on what a reasonable value for the site would be having taken into account all the known costs (including those relating to applying the Councils policies / obligations and undertaking the abnormal costs). This is then viewed alongside the price at which a reasonable, hypothetical, commercially minded landowner would dispose of the land having regard to the sites CUV.
- 2.18 Some landowners will naturally want as high a price as they can achieve and some of them will not be prepared to recognise how the impact of planning gain and abnormal costs drive down land values.

Financial Viability in Planning (1st Edition GN 94/2012)) – August 2012 (RICS)

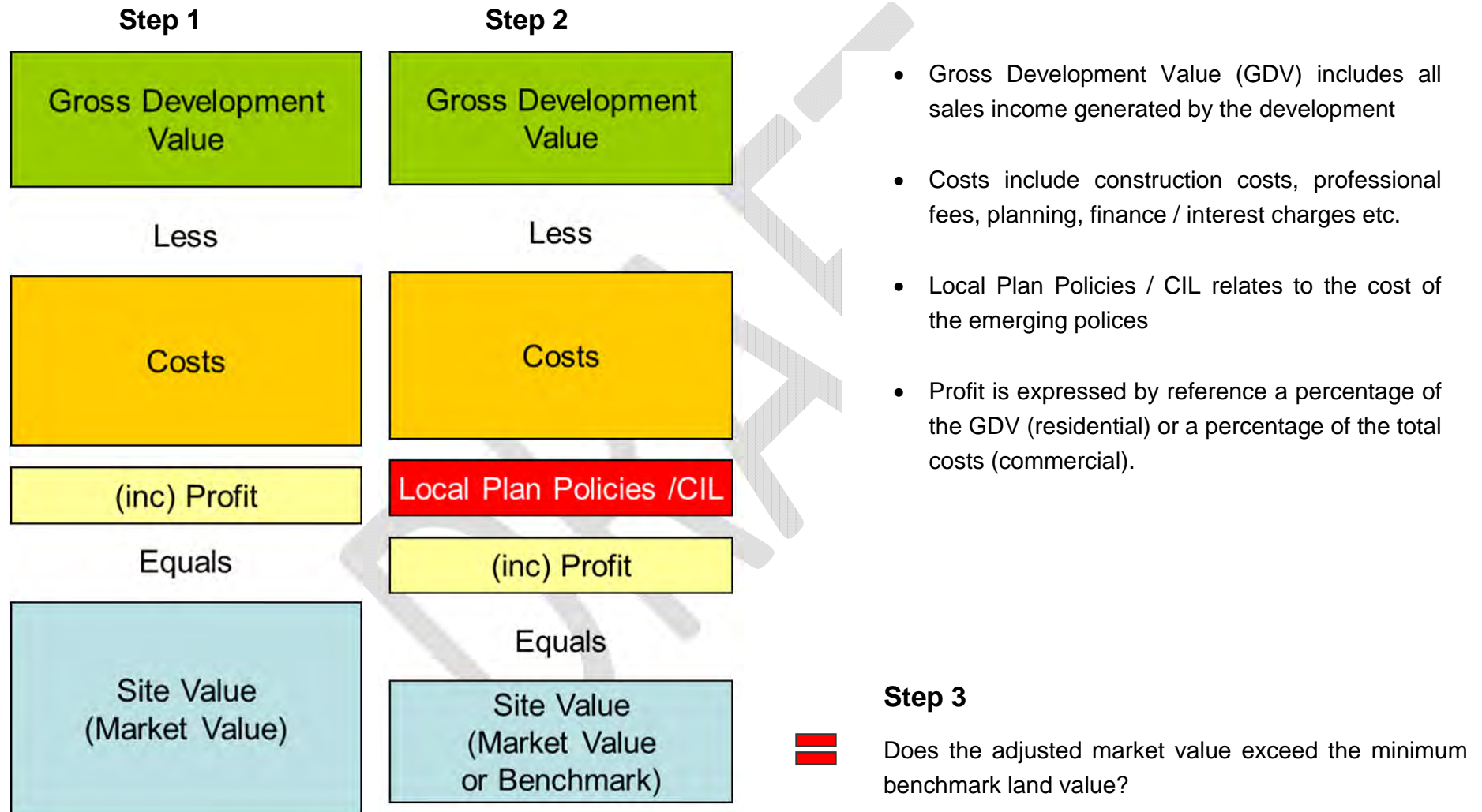
- 2.19 The Guidance issued by the RICS is grounded in the statutory and regulatory planning regime that currently operates in England and is consistent with the Localism Act 2011, the NPPF and Community Infrastructure Levy (CIL) Regulations 2010.
- 2.20 Whilst the RICS Guidance and that from the Local Housing Delivery Group (aka the Harman Report) can be seen as complimentary the RICS guidance provides more technical guidance on determining an appropriate site / benchmark value. In assessing the impact of planning policies / obligations on the viability of the development process, the Guidance emphasises the importance of using market evidence as the best indicator of the behaviour of willing buyers and willing sellers in the market, as envisaged by para 173 of the NPPF.
- 2.21 The Guidance also acknowledges that, in the absence of any formal guidance, practitioners and local authorities have tended to adopt a variety of approaches, with respect to benchmark land value, but with most favouring the current use value (CUV) plus premium or a variant of this (i.e. Existing Use Value (EUV) plus premium).
- 2.22 The RICS Guidance does not favour the Current Use Value approach, stating it does not reflect the workings of the market (i.e. land does not sell for its CUV but rather at a price reflecting its potential for development). It is accepted that the CUV plus premium approach does, in effect, recognise development potential by the application of a percentage increase over and above the CUV. However, this is considered to be a very unsatisfactory methodology, when compared to the market approach, as it assumes land would be released for a fixed percentage above CUV, which is generally described as arbitrary, inconsistently applied and not reflective of the workings of the market.

- 2.23 The Guidance also has regard to other definitions such as Existing Use Value (EUV) and Alternative Use Value (AUV) in order to clarify the distinction when assessing financial viability in a planning context. Existing Use Value (EUV) is defined by the RICS Red Book as: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after properly marketing and where the parties had each acted knowledgeably, prudently and without compulsion assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause market value to differ from that needed to replace the remaining service potential at least cost.
- 2.24 In this context the Guidance concludes that it is inappropriate to consider EUV when considering financial viability in a planning context. In particular the Guidance concludes that it is an accounting definition of value for business use and, as such, hypothetical in a market context (property does not transact on a EUV basis).
- 2.25 The RICS Red Book is also quite clear in that where a purchaser in the market would acquire the property (site) for an alternative use (AUV) of the land because that alternative use can be readily identified as generating a higher value than the current use, and it is both commercially and legally feasible, the value for this alternative use would be the market value.
- 2.26 In this context the Guidance adopts the definition of 'market value' as the appropriate basis upon which to base the benchmark land value. The guidance claims this is consistent with the NPPF, which acknowledges that 'willing sellers' of land should receive competitive returns'. The guidance is quite clear in that competitive returns can only be achieved in a market context (i.e. market value) and not one which is hypothetically based with an 'arbitrary mark-up' applied, as in the case of EUV (or CUV) plus premium.
- 2.27 In particular Para 2.3.2 Box 7 states "site value should equate to the market value³ subject to the following assumption: that the value has regard to the development plan policies and all other material planning considerations and disregards that which is contrary to the development plan".
- 2.28 This implies that the site value is assessed by means of a residual development appraisal. However, it suggests that planning policies are fixed and land value (because all of the other costs are fixed) is the one item that is subject to change. This contradicts the view of the landowner needing a minimum land value below which they would not sell.
- 2.29 At Para 2.1.2 it follows.... *'for example that the land value is flexible and not a fixed figure to the extent that the site value has to be determined as part of the assessment'*. This appears to support the view that it is the Councils policy which drives the land value, not the other way round.

³ The definition of market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

- 2.30 In arriving at a site value the Guidance also recognises that any assessment of value will need to have regard to prospective (i.e. future) planning obligations, including emerging local plan policies. In particular, the Guidance states that when undertaking Local Plan and or CIL (area wide) viability testing, a second assumption needs to be applied to the definition of Site Value. This is expanded further at section 3.3.5 of the Guidance which states. *Site Value (as defined above) may need to be further adjusted to reflect the emerging policy / CIL charging level. The level of the adjustment assumes that site delivery would not be prejudiced. Where an adjustment is made, the practitioner should set out their professional opinion underlying the assumptions adopted.*
- 2.31 The Guidance does acknowledge that there must be a limit placed on the effect on market value, to reflect new policy or CIL, in terms of restricting any reduction in market value so that it does not go beyond what land would willingly transact at in order to provide a competitive return to a willing landowner.
- 2.32 Having reflected on the guidance it is clear that a competitive return for the landowner is a price at which a 'reasonable' landowner would be willing to sell their land for development'. For the purpose of this assessment we have used the residual appraisal model to calculate the 'market value' of each site having regard to current local plan policies and any other material considerations. This establishes the 'true market values' reflecting the workings of the local property market. This is referred to as **Step 1** within our overall methodology.
- 2.33 As outlined previously it is accepted that the market values will need to be adjusted to reflect the emerging planning policies when undertaking area wide viability testing. However, it is also recognised that the adjustment should not be so excessive that it undermines competitive returns to a willing landowner (this point is recognised in the NPPF – para 173). This is a judgement for the practitioner, which must be reasonable, having regard to the workings of the property market.
- 2.34 To understand the impact of future planning policy we have undertaken a second set of appraisals (this is referred to as **step two** within our methodology) which appraises what impact each emerging policy has on the market values established within step one. The impact of each prospective planning policy is considered individually and cumulatively.
- 2.35 However, it is accepted that within both stages of our methodology there will need to be a minimum benchmark land value, which if reached or exceeded will mean, in all probability, that land is not released for development (**step 3**).
- 2.36 Figure 1 summarises our overall approach

Figur1 1 – Overall Approach / Methodology



Benchmark Land Values

- 2.37 We have assumed the following minimum land value benchmarks within our assessment.

Minimum Land Value Benchmarks for Housing (excluding g Strategic Sites)

- 2.38 The Council has identified one hundred and eighty eight (188) preferred housing sites, which comprise a mixture of Greenfield and Brownfield land. In terms of the 'Greenfield' sites we have assumed that the majority of these will be agricultural land or Greenfield in nature such as former gardens, grassed areas etc. On this basis we have applied a benchmark which reflects agricultural uses. The previous assessment incorporated a CUV of £8,125 per acre (£20,000 per ha) for agricultural land. For the purpose of this assessment the value has been increased to £10,000 per acre. When assessing a suitable premium over and above the CUV the previous assessment referred to guidance issued by the HCA, which specified that for agricultural land premiums were typically in the range of 10 to 20 times the current use value. Replicating the approach from the previous assessment we have applied a median uplift of 15 times CUV which results in a land value of £150,000 per acre. Also replicating the approach used within the previous assessment we have applied a viability cushion of 25% which increases the minimum land value benchmark to £187,500 per acre.
- 2.39 In terms of the Brownfield sites it is difficult to establish what an appropriate minimum benchmark land value should be as the value will be influenced by the extent of the abnormal costs. For the purpose of this assessment we have made a judgement, based on our professional opinion, on whether the results from the residual appraisals (steps 1 and 2) will provide a sufficient incentive to persuade the landowner to sell / release land for development.

Minimum Land Value Benchmarks for Strategic Housing Sites

- 2.40 As outlined in the next section the preferred housing sites also include two urban extensions (Thornhills Lane and Woodhouse). Developers normally enter into option agreements for large strategic sites which often stipulate a minimum land value. Typically these minimum values fall between £100,000 and £150,000 per acre. For the purpose of this assessment we have assumed a benchmark land value of £125,000 per acre for the strategic sites.

Minimum Land Value Benchmarks Mixed Employment sites (incorporating B1, B2 and B8 uses)

- 2.41 We have been advised by our commercial agents that land typically transacts in the region of £150,000 to £200,000 per acre. For the purpose of this assessment we have adopted a minimum benchmark land value of £150,000 per acre.

Minimum Land Value Benchmarks for Convenience Retail

- 2.42 The convenience market is undergoing a period of change with the big four retailers fighting the rise of the discounters (Aldi and Lidl), as well as consumers moving away from the weekly food shop to more frequent visits to local stores. As a result, the "big four" are under pressure from shareholders to cut capital expenditure and halt new store openings. As a result the 'big four' retailers are not looking to purchase additional sites but instead seeking to dispose of their existing sites for alternative uses. As a

result the short to medium term demand for large format convenience stores is likely to be low which will be translated into land prices. In view of the changing market dynamics in this sector it is not possible to accurately predict what an operator will be willing to pay for land. For the purpose of this assessment we have made a judgement, based on our professional opinion, on whether the results from the residual appraisals will provide a sufficient incentive to persuade the landowner to release land for development.

Minimum Land Value Benchmarks for other land Uses

- 2.43 For the purpose of this assessment, in the absence of any specific evidence, we have made a judgement, based on our professional opinion, on whether the results from the residual appraisals will provide a sufficient incentive to persuade the landowner to sell/release land for development.

3. Preferred Site Allocations and Development Typologies

- 3.1 Para 009 of the National Planning Policy Guidance (NPPG) advises that viability assessments should be proportionate but reflect the range of different development likely to come forward in an area and needed to deliver the vision of the plan.
- 3.2 The previous assessment tested viability using a range of hypothetical development schemes / typologies which reflected the types of sites likely to come forward for development over the plan period. In particular:
- The housing typologies were based on the profile of sites identified within the Councils Strategic Housing Land Availability Assessment (SHLAA) 2014 Review.
 - Employment typologies (incorporating B1, B2 and B8 uses) were based on the findings included within the 2008 Employment Land Review, the 2012 Employment Land Review Update and the Core Strategy Preferred Options Summary Document (Autumn 2012)⁴.
 - Retail typologies were based on the scale and types of retail development that could perceivably come forward across the Borough.
 - The previous assessment also included a number of general typologies in relation to A3, A4 and D2 uses. Separate typologies were also included for Care Homes and Hotels.
 - Non-commercial and sui generis uses were excluded from the previous assessment.
- 3.3 For the purpose of this update the Council has requested that the assessment be based on the preferred housing and employment (incorporating B1, B2 and B8 uses) sites. All other typologies remain as per those tested in the previous assessment unless stated otherwise.

Preferred Housing Sites

- 3.4 The Council has identified one hundred and eighty eight (188) preferred housing sites, which comprise a mixture of Greenfield and Brownfield land. The preferred sites also include two urban extensions and twelve sites where housing is proposed as part of a wider mixed use allocation. A list of these sites including an indication of their development capacity is included at Appendix 1.

Urban Expansion Sites

- 3.5 The urban expansion sites include Thornhills Lane and Woodhouse. WSP|Parsons Brinckerhoff, working with Spawforths, were appointed to carry out a masterplanning exercise and strategic vision for the two urban extensions. The final report (Strategic Vision for South East Calderdale) was

⁴Site areas were derived by reference to the plot densities set out in the 'Yorkshire and the Humber Translating Jobs into Land' Final Report (2010).

published in November 2016 and provides a high level site layout /masterplan showing how each site is suitable to address the housing needs of the Borough. The document also sets out a framework for place making across the two sites.

Thornhills Lane (LP1463)

- 3.6 The Thornhill Lane site is located to the northeast of Brighouse town centre between the A641 Bradford Road and the A643 Highmoor Lane. The site lies broadly to the east of Clifton Beck and the Wellholme Park Woodland and extends to Common End Farm in the North. The majority of the site is farmland, although there are currently a smaller number of properties on the site located near to Gospel Hall Farm on Thornhills Lane and off Thornhills Beck Lane. The eastern side of the site slopes steeply down to Clifton Beck. The site has an overall area of approximately 140.66 hectares (348 acres).

Woodhouse Site (LP1451)

- 3.7 The site is located on farmland to the south east of Brighouse town centre and extends to an area of approximately 63 hectares (156 acres). The south east boundary is formed by Bradley Wood which lies within the boundary of Kirklees and houses an activity centre and campsite. There is also a narrow track which gives access to Firth House. The M62 lies to the south of the woods. The western edge of the site is formed by the A641 Huddersfield Road and the eastern edge is formed by the Brighouse to Mirfield railway line.
- 3.8 The site is bounded to the north-west by the Woodhouse area of Brighouse, which is predominantly residential. The site is gently undulating and slopes from south-west to north east towards the Calder valley.

Preferred Employment Sites

- 3.9 The Council has also provided a list of their preferred employment sites. In total the Council has identified 43 sites. A list of these sites is included at Appendix 2.
- 3.10 The sites are mainly located in Halifax (20 sites), Elland (10 sites) and Brighouse (8 sites) with a single site in Hebden Bridge.
- 3.11 The floor space / capacity estimates have been derived by reference to the plot ratios set out within a guidance document issued by Roger Tym and Partners on behalf of Yorkshire Forward in 2010. Whilst this document is historic we are not aware of any more recent guidance. The report concludes that the plot ratios for general industrial (B2) and warehouse and logistic (B8) uses for both Greenfield and brownfield sites is around 35%. No plot ratios are provided for B1(C) light industrial uses so for the purpose of this assessment we have also assumed a plot ratio of 35%.
- 3.12 In terms of offices (B1a) the report concludes that typical plot ratios are in the range of 35% to 40% with the exception of town centre office development. Within town centres a plot ratio of 60% was considered a reasonable assumption. At this density developers can offer three or four storey offices

with limited car parking on most town centre sites. For the purpose of this assessment we have assumed a plot ratio of 60% for sites within town centres / urban areas and 40% for all other sites. The assessment also assumes three storey construction in the urban areas and town centres and two storey construction elsewhere.

- 3.13 In terms of employment mix the Local Plan will not prescribe the proportion of the different uses, or split, on each site as the Council want to allow for flexibility to meet the different demands over the period of the plan. For the purpose of this assessment we have applied, in agreement with the Council, a notional employment mix to each site (refer to the preferred list of employment sites at Appendix 2)

Retail Uses

- 3.14 The Council commissioned Nathaniel Lichfield & Partners (NLP) to prepare a Retail Capacity Study, including assessments of town centre composition and health. The key objective of the study is to provide a robust and credible evidence base to inform the Local Plan, taking into account changes since the previous 2009 Retail Study. This new study was published in 2016 and includes:

- A qualitative analysis of the existing retail and leisure facilities within the town and district centres of Calderdale Borough, including identification of the role of each centre, catchment areas and the relationship between the centres; and
- A quantitative and qualitative assessment of the need for new retail floorspace across the Borough. This assessment examines the need for both convenience and comparison retailing including a qualitative analysis for different forms of facilities such as retail warehousing, local shops, large food stores and traditional high street comparison shopping.

- 3.15 The key conclusions from this assessment, with respect to the Boroughs main settlements, are summarised below.

- **Halifax Town Centre:** There is no capacity for convenience floorspace in the long term (up to 2031). However, there is capacity for 2,229sq.m net of additional comparison retail goods floorspace by 2021, increasing to 6,535sq.m net by 2026 and 11,351sq.m net by 2031.
- **Brighouse.** There is some capacity for additional convenience retail floorspace in Brighouse immediately (492sq.m net), which increases further in the medium term (753sq.m net) and the long term (868sq.m net). Capacity for additional comparison retail floorspace in Brighouse in the short term to 2021 is only 95sq.m net. Over the long term, this capacity increases to a more meaningful 486sq.m net by 2031.
- **Elland.** There is immediate capacity for limited additional convenience retail floorspace in Elland (386sq.m net). Capacity for convenience goods floorspace rises to 657sq.m net in the long term, up to 2031. There is limited capacity over the period to 2021 for additional comparison floorspace. Capacity is projected to increase to 357sq.m net by 2026 and increases further by 2031 (620sq.m net).

- **Hebden Bridge.** There is very limited capacity for additional convenience goods floorspace in the long term (just 28sq m net by 2031). There is a small amount of capacity for comparison goods floorspace over the long term (298sq.m net by 2031).
- **Sowerby Bridge.** There is immediate capacity for additional convenience goods floorspace of 244sq.m net. This increases to 390sq.m net by 2026 and increases further to 454sq.m net by 2031. There is limited capacity for additional comparison retail floorspace in Sowerby Bridge until 2026 and even at this point, capacity is only 217sq.m net. In the long term, by 2031, capacity for comparison goods floorspace increases to 377sq.m net.
- **Todmorden** there is immediate capacity for additional convenience goods floorspace in Todmorden (474sq.m net). This is assessed to rise to 543sq.m net by 2021, 624sq m net by 2026 and 690sq.m net by 2031. There is limited capacity over the period to 2031 for additional comparison floorspace, with capacity for comparison goods floorspace in Todmorden being 322sq.m net at this time
- **Other District Centres** There is no meaningful capacity for additional local needs convenience retail floorspace on a composite basis, until 2031 when there is capacity for 267sq.m net. There is little immediate capacity for comparison floorspace within the district centres on a composite basis (258sq.m net). However, this rises to a more significant 1,313sq.m net by 2031.

Convenience Retail

- 3.16 The previous assessment included a range of typologies which reflected the various forms of convenience retailing. These included convenience stores⁵, supermarkets, superstores and hypermarkets⁶. Whilst we accept that that not all of the convenience formats are likely to be delivered / come forward over the plan period (based on the findings of the NLP capacity work) the assessment has still sought to consider the full range of convenience retail. For the purpose of this assessment it should be noted that the costs and values (see later) are homogeneous, therefore, there is no need to breakdown the convenience typologies to reflect market dynamics within each of the principal settlements.

Table 1 – Convenience Retail Uses

Description	Gross Size sq.m (sq.ft)	Site Area Acres (Ha)
Convenience Stores - Borough wide ⁷	372 (4,000)	0.22 (0.09)
Supermarkets - Borough wide	2,500 (26,900)	1.56 (0.63)
Superstores – Borough wide	4,000 (43,000)	2.47 (1.00)

⁵ Typical stores with a net trading area of less than 280sq.m (3,000sq.ft) open for long hours (including Sundays) and selling products from at least 8 different grocery categories (e.g. SPAR, Co-Operative Group and Londis etc).

⁶ Supermarkets generally have a sales area of 280 – 2,325sq.m (3,000 – 25,000sq.ft). The PPS4 glossary for supermarkets included stores up to 2,500sq.m (26,910sq.ft) and superstores were stores above 2,500sq.m (26,910sq.ft). Although superseded by the NPPF, which no longer includes definitions, it does still use the 2,500sq.m (26,910sq.ft) size category as the impact test threshold and, therefore, this distinction is implicit. Hypermarkets are over 5,575sq.m (60,000sq.ft). All sell a broad range of mainly grocery items, non-food is also available (e.g. Tesco, Sainsbury's and ASDA).

⁷ We accept that that not all of the convenience formats will be applicable across the borough but for the purpose of modelling the costs and values (see later) are homogeneous, therefore, there is no need to breakdown the convenience typologies to reflect the retail needs of the principal settlements.

Description	Gross Size sq.m (sq.ft)	Site Area Acres (Ha)
Hypermarket – Borough Wide	6,000 (64,500)	3.70 (1.50)

Comparison Retail

- 3.17 The typologies associated with comparison retail have been updated (refer to Table 2) to reflect the findings of the 2016 Retail Study.

Table 2 – Comparison Retail Uses

Description ⁸	Gross Size sq.m (sq.ft)	Site Area (Ha) ⁹
Halifax Town Centre	6,535 (70,344)	2.03 (0.82)
Brighouse Town Centre	750 (8,073)	0.22 (0.09)
Elland Town Centre	350 (3,771)	0.10 (0.04)
Hebden Bridge Town Centre	290 ¹⁰ (3,122)	0.10 (0.04)
Town Centre (Sowerby Bridge) comparison retail	215 (2,314)	0.07 (0.03)
Town Centre (Todmorden) comparison retail	540 (5,813)	0.17 (0.07)

- 3.18 In addition to the above the assessment also includes a 'retail warehouse' typology which is typically classified as a large store, normally on a single level and ranging in size between 743sq.m and 1,858sq.m (8,000 and 20,000sq.ft). Specialising in the sale of bulky goods, such as carpets, furniture, electrical goods or bulky DIY items. The assessment has included a typology which assumes a building of 1,500sq.m (16,146sq.ft) on site of 0.93 acres (0.38ha). Once again it should be noted that the costs and values are homogeneous, therefore, there is no need to breakdown the warehouse typology to reflect market dynamics within each of the principal settlements.

Leisure Uses

- 3.19 The 2016 Retail Study also included a commercial leisure assessment. The results of this assessment suggests that there is a qualitative need for restaurants in Elland, a bingo hall to the west of the Borough and 'boutique bowling' in the Borough. There is no identified qualitative need for other leisure facilities in the Borough over the plan period, including cinemas, theatres, health and fitness clubs, ten-pin bowling and bingo halls.

⁸ The typologies are based on the mid-term requirements (i.e. 2026) unless stated otherwise and assume all of the floorspace will be provided in a traditional single storey mall type layout

⁹ Sites areas have been calculated assuming a plot ratio of 80%

¹⁰ There is no mid-term requirement for comparison floorspace so this is based on the long term requirement (2031)

Restaurants

- 3.20 Most restaurants (other than purpose built pubs which typically cater for the diner rather than the drinker) will generally comprise change of use of existing properties and will, therefore, be exempt from CIL and most of the emerging Local Plan policies.

Bingo Hall and Bowling

- 3.21 These uses, in our experience, are valued on a profits basis and not the residual approach, which forms the basis of our methodology (see earlier). Consequently such uses generally always show marginal viability and rarely show a land receipt. Also these uses are increasingly being recognised as enabling development and anchors to larger mixed use schemes, based on their ability to generate high levels of footfall. In some circumstances operators are, therefore, able to negotiate favourable lease terms particularly in terms of the passing rent which further compounds the ability to generate a land receipt.
- 3.22 For the purpose of this assessment we have incorporated the following typologies. These mirror those used in our previous assessment.

Table 3– Leisure Uses

Description	Gross Size sq.m (sq.ft)	Site Area Acres (Ha)
Restaurants and Cafes (A3) ¹¹	325 (3,498)	0.49 (0.20)
Drinking Establishment's – Pub (A4) ¹²	650 (7,000)	0.99 (0.4)

Other Land Uses

- 3.14 In terms of the remaining land uses we have based these on the typologies set out within the previous assessment. These are summarised in Table 4.

Table 4 – Other Land Use Typologies

Description	Gross Size sq.m (sq.ft)	Site Area Acres (Ha)
Care Homes (65 bed)	1,047(11,270) ¹³	0.49 (0.2)
Hotel (50 bed)	1,733sq.m (18,654sq.m) ¹⁴	0.49 (0.2)

¹¹ Based on typical fast food restaurant format such as McDonalds.

¹² This typology is based on Marstons requirements for new sites. They are currently seeking sites of 0.4ha (1acre) to accommodate a building footprint of between 465sq.m (5,000sq.ft) and 836sq.m (9,000sq.ft).

¹³ Mirroring the assumptions used in the previous the assessment assumes that each bedroom would be 12sq.m (129sq.ft). An addition 4.1sq.m (44sq.ft) of communal space per resident has also been assumed. On this basis the care home facility would extend to 1,047sq.m and would be two storey construction.

¹⁴ Based on a gross area of 35sq.m (373sq.ft) per bedroom

Uses Excluded from the Assessment

- 3.15 The following uses have been excluded from this assessment, which replicates the position in the previous assessment.

Sui Generis Uses

- 3.16 For the purposes of CIL all uses are potentially liable. In this context the assessment has considered a range of Sui Generis and non-commercial land uses but not included them within the analysis for the reasons set out below.

- 3.17 By their very nature these uses cover a very wide range of development types. Our approach to this issue, which is consistent with other CIL viability assessments, has been to consider the types of properties and locations that may be used for Sui Generis uses and assess whether the costs and value implications have any similarities with other uses. Within this assessment we have considered the following uses:

- Hostels – these are likely to be either charitable (CIL exempt) or public sector uses such as probation hostels, half-way houses, refuges etc., or low cost visitor accommodation such as youth hostels. The charitable uses are dependent upon public subsidy for development and operation, and therefore not viable in any commercial sense. They are also exempt from CIL under the current Regulations. Youth Hostels generally don't offer the prospect for significant commercial returns / viability and invariably don't generate positive land values.
- Scrap yards – it is considered unlikely that there would be new scrap yard/recycling uses in the future due to the relatively low value compared to existing and alternative use values. A further consideration is that these uses are likely to occupy the same sorts of premises as many industrial uses and, therefore, the viability will be covered by our assessment of industrial uses. It is also more likely that these uses will come forward through a change of use and, therefore, would not be liable for CIL.
- Petrol filling stations – new filling stations generally come forward as part of larger supermarket developments. It seems very unlikely that there will be significant new stand-alone filling station development across the Borough over the plan period and in this context the CIL assessment excludes these uses. Again it is more likely that these uses will come forward through a change of use and, therefore, would not be liable for CIL.
- Selling and/or displaying motor vehicles – sales of vehicles are likely to occupy the same sorts of premises and locations as many industrial uses and, therefore, the viability will be covered by our assessment of industrial uses.
- Nightclubs, launderettes, taxi businesses and amusement arcades **are likely to be** brought forward via a change of use and would, therefore, be exempt from CIL.

Other Non-Commercial Land Uses

3.18 In addition to the residential, commercial and sui generis land uses the Borough is also likely to see traditional forms of non-commercial development, including:

- Schools (including free schools);
- Community facilities, including community halls, community arts centres, and libraries;
- Medical facilities; and
- Emergency services facilities.

3.19 Whilst it is recognised that these forms of development could come forward they have not been tested for the following reasons:

- Both the state-funded health and education sectors face the pressure of on-going constrained public resources and this is likely to have an effect on the viability of development of such uses. These facilities could be developed across the Borough over the plan period and, therefore, will occupy net additional floor space, which would be liable for CIL.
- Ordinarily it is not possible to deliver new capital build state-led community, health, emergency services or education projects (including free schools, which are state provided) without public sector funding support.
- Completed developments of these types are also not commercial in nature. They do not have a commercial value in themselves and, therefore, do not create a residual site value. In this context, such developments are not viable when considered from a commercial perspective.
- Non-state education projects such as private schools generally have charitable status. They will, therefore, be exempt from CIL meaning there is little point in appraising these uses. Again this approach accords with the approach adopted by other Local Authorities.
- Whilst there is a commercial market for primary care facilities that are predominantly occupied by GPs. However, the sites used are usually sourced on a preferential basis and the land values generated are not significant in most cases.

4 Baseline Appraisals – Residential

- 4.1 Para 008 of the NPPG advises plan makers not to plan to the margins of viability but instead allow for a buffer which will accommodate changing markets and avoid the need for frequent plan updating. It advocates that current costs and values should be considered when assessing the viability of plan policy and expressly states that policies should be deliverable and should not be based on an expectation of future rises in values for at least the first five years of the plan period. This will help to ensure realism and avoid complicating the assessment with uncertain judgements about the future.
- 4.2 The assumptions used within our baseline appraisals, which establish the market value benchmarks against which to assess the impact of future Local Plan policies (Step 1 of our overall methodology) are set out below.
- 4.3 However, even at this stage, it must be recognised that whilst our assumptions will generally align with normal or usual figures expected in the majority of developments they may differ, in some cases, from the figures that may be used in actual development schemes.
- 4.4 The assumptions applied within our baseline assessments are summarised below:

Dwelling Types / Housing Mix

- 4.5 When calculating the market value benchmarks upon which to base the impact of future planning policies regard should be had to the existing development plan policies. Until it is replaced by the Calderdale Local Plan planning decisions will be based upon the Replacement Calderdale Unitary Development Plan (RCUDP) and the NPPF. Policy H 11 of the RCUDP sets out the Councils current policy position with respect to the mix of housing types.
- 4.6 The Policy states that planning permission for residential development will only be granted where provision is made for a mix of housing in terms of the size, type and affordability of dwellings on suitable sites, defined as developments of 12 or more dwellings or sites in town centres, in order to meet the full range of housing need in Calderdale.
- 4.7 For the purpose of the baseline appraisals we have applied the mix summarised in Table 5. It should be noted that because there is currently no development plan policy that requires the provision of affordable housing (see later) this mix relates only to the private sale units. We have set out our assumptions with respect to the mix of affordable housing when considering the impact of the Councils emerging local plan policy on affordable housing (please refer to section 5).

Table 5 – Housing Mix (private sale)¹⁵

Development Type	Estate Housing	Apartments	Mixed
1 bed – 2 person flat	-	40%	15%
2 bed – 3 person flat	-	50%	10%
3 bed – 4 person flat	-	10%	5%
2 bed – 3 person house	42%	-	30%
3 bed – 4 person house	30%	-	25%
4 + bed – 6 person house	28%	-	15%
Totals	100%	100%	100%

- 4.8 This mix is broadly similar to that included in the original assessments but has been modified slightly by the introduction of a 3 bed apartment typology.

Dwelling Sizes (Gross)

- 4.9 For the purpose of this assessment we have based the unit sizes on the minimum gross internal floor areas set out within the Technical Housing Standards. These are summarised in Table 6. The apartment typologies are subject to gross to net ratios of 85% with the net (sellable) areas shown in brackets.

Table 6 – Dwelling Sizes (Gross)

Dwelling Type	Sq.m	Sq.ft
1 bed – 2 person flat	50 (43)	538 (457)
2 bed – 3 person flat	61 (52)	657 (558)
3 bed – 4 person flat	74 (63)	797 (677)
2 bed – 3 person house	70	753
3 bed – 4 person house	84	904
4 + bed – 6 person house	105	1,130

Construction Costs

- 4.10 For the purpose of this assessment we have updated the lower quartile cost data from BCIS, used in the previous assessments, to the second quarter 2017. The data was also adjusted to reflect local sensitivities in Calderdale. Because the data from BCIS excludes costs associated with external works¹⁶ an additional allowance has been included for these items at 15% of the constructions rates / costs for housing and 10% for apartments (these assumptions mirror those from the previous assessments). On this basis the following costs have been applied within our latest assessment.

¹⁵ As set out later there is currently no development plan policy that requires the provision of affordable housing.

¹⁶ Whilst these works are likely to vary from site to site they would typically include all works associated with the exterior works of a project, ranging from ducts and drainage to general landscaping, parking, paving and perimeter boundaries etc.

Table 7 – Base Construction Costs

Description	BCIS Lower Quartile Rates £psm (£psf)	External Works	Total Build Costs £psm (£psf)
Estate Housing	£853psm (£79psf)	15%	£980psm (£91psf)
Apartments	£989psm (£92psf)	10%	£1,088psm (£101psf)

Source: BCIS and Bilfinger GVA

4.11 The costs reflect compliance with Park L 2010 Building Regulations and include allowances for:

- Developer on costs including preliminaries, site set up costs etc.
- Standard development costs – sub structures; and
- Standard developer costs - superstructures

Project / Professional Fees

4.12 Many viability studies incorporate an assessment of fees based upon a percentage of the base construction costs. Figures for fees relating to design, planning and other professional fees can range between 5% and 10%. Mirroring the assumptions used within the previous assessments project fees have been included at a rate of 8% for small developments (i.e. less than 50 dwellings) and 5% for larger sites (i.e. those greater than 50 dwellings). The allowance is applied to the total construction costs (base construction costs and external works).

Remediation / Ground Conditions

4.13 In exercises such as this it is very difficult to make allowances for such costs, which are invariably subject to intrusive / detailed ground investigations etc. For the purpose of this assessment we have referred to guidance issued by the Homes and Communities Agency (HCA) on dereliction, demolition and remediation costs (March 2015).

4.14 Replicating our approach within the previous assessment it is assumed that most sites will fall under Category A, which comprise small scale and general industrial sites, colliery or mine spoil heaps, miscellaneous factories and works (not heavy industry) and sites with very small to small fuel tanks¹⁷. The assessment makes a second assumption that all of the Brownfield sites will fall within the low water risk category.

4.15 Based on these assumptions the remediation costs are:

¹⁷ Other categories include; Category B, which includes garages, workshops, pithead sites, railway lines, textiles, small scale timber treatment, sewage works, smaller chemical works, sites with small to mid-sized fuel tanks; Category C, which includes metal workings, scrap yards and shipyards, paints and solvents, small gasworks/gas holder sites, smaller power stations, rail depots (maintenance and refuelling) and site with large fuel tanks; and Category D, which includes major gasworks, iron and steel works, large chemical works, refineries and major fuel depots, ship breaking and building, larger power stations and sites with large tank farms.

- Flats / apartments with limited soft landscaping– between £50,000 and £130,000 per hectare; and
- Residential with private gardens – between £75,000 and £205,000 per ha.

4.16 The median costs have been adopted and a locational factor of 0.86 applied, as per the rates set out within the HCA guidance. On this basis the costs set out within Table 8 have been incorporated into our assessment:

Table 8 – Remediation Costs

Description	Median Cost £per ha	Location Factor	Cost £per ha
Flats / Apartments	£90,000	0.86	£77,400
Residential with private gardens	£140,000	0.86	£120,400

4.17 Our assessment has assumed a worst case scenario and applied these costs to the full site area of all brownfield sites. However, the reality is likely to be very different and not all of the sites will be contaminated and some may only have contamination present in limited areas across the site.

Site Preparation

4.18 It is also assumed that a proportion of the Brownfield sites will require an element of site preparation and demolition to facilitate their redevelopment. Assuming complex sites, the HCA guidance states that costs range between £15psm and £75psm of site area.

4.19 Assuming the median cost of £45psm and after adjusting for location factors the overall cost for site preparation is £39psm or £390,000 per ha. Once again our assessment has assumed a worst case scenario and applied these costs to the full site area of all brownfield sites.

Contingencies

4.20 Contingencies are an allowance for unexpected development costs. Replicating the assumptions used in our previous assessments contingencies have been included at 3% for Greenfield sites and 5% for the Brownfield sites.

S106 Contributions

4.21 The Council has previously sought contributions for education, open space, sport and recreational facilities via tariff style planning obligations, as set out within the Councils Supplementary Planning Documents (SPD's)¹⁸

¹⁸ Developer Contributions towards Meeting Open Space, Sport and Recreation Facilities (2008) and Developer Contributions towards meeting Education Needs (2009).

- 4.22 However, the CIL Regulations provides for the reform of the current system of developer contributions towards infrastructure, principally through S106 Agreements, so that the two regimes can operate alongside one another. As at 1st April 2015, the Council became restricted in its use of S106 planning obligations. A planning obligation (under S106 of the Town and Country Planning Act 1990) cannot now be sought for infrastructure intended to be funded by the levy and no more than five S106 obligations can be pooled by the Council to provide the same item of infrastructure. Any mechanism that attempted to fund significant strategic infrastructure through more than five obligations would need to be through CIL. This effectively eliminates the potential for the Council to use S106 planning style tariffs and the Council has now withdrawn the SPD's relating to education and open space, sport and recreational facilities.
- 4.23 Whilst Section 106 will remain for site acceptability matters such as those which are needed to make the development work in physical terms, (i.e. access, flood protection and wildlife measures) the contributions must be a) necessary to make the development acceptable in planning terms b) directly related to the development and c) fairly and reasonably related in scale and kind to the development.
- 4.24 However, it is difficult to deal with direct site acceptability matters in a study of this nature, as the assessment is based on hypothetical schemes. To avoid any misplaced assumptions that might prejudice the results the previous assessments did not include an allowance for these costs. This position remains unchanged. However, we have taken this into account when analysing the results from the modelling by ensuring a sufficient margin has been applied to the viability results (see later).

Highways and Public Transport Contributions

- 4.25 The standard approach for the Council is to consider highways and other off site infrastructure on a site by site basis (i.e. if there is a particular need for a contribution in the locality the Council will seek a contribution). Once again it is, therefore, difficult to include costs for highways and public transport contributions as the assessment is based on hypothetical schemes. The previous assessments also excluded allowances for highways and public transport contributions. This was also to avoid any misplaced assumptions that might prejudice the results. We have mirrored this approach in this assessment but tried to take these matters into account when analysing the results from the modelling by applying a suitable viability cushion/buffer.

Costs associated with other Local Plan Policies

- 4.26 As outlined previously when calculating the market value benchmarks upon which to base the impact of future Local Plan policies regard should be had to the existing development plan policies. Until it is replaced by the Calderdale Local Plan planning decisions will be based upon the Replacement Calderdale Unitary Development Plan (RCUDP) and the NPPF. Relevant policies from the RCUDP which have been considered when calculating the Market Value Benchmarks include:

- Policy H11, which covers the mix of housing types;
- Policy H15, which requires 15% of dwellings to be built to Lifetime Homes Standard on sites of 1 hectare or larger; and
- Policy EP 27 Renewable Energy in New Developments, which requires major residential developments (defined as 25 dwellings or more) to incorporate on site renewable energy generation to provide at least 20% of predicted energy requirements up until 2020.

4.27 The assessment has already referenced Policy H11 of the RCUDP when establishing the development mix for inclusion within the baseline assessments. The anticipated costs associated with Policy H15 and H17 are summarised below.

Policy H 15 – Lifetime Homes

- 4.28 A study undertaken by EC Harris (on behalf of Department for Communities and Local Government) in September 2014 examined the cost impacts of the Housing Standards Review. The study concluded that the cost of providing Category 2 – accessible and adaptable dwellings (which is the equivalent of Lifetime Homes standards) would cost an additional (extra over industry practice) £907 to £940 per property for apartments and between £520 and £523 per property for housing.
- 4.29 For the purpose of this assessment we have included an average cost of £924 per apartment and £521.5 per property for traditional housing. It should be noted that these costs exclude the costs of extra space associated with lifetime homes standard. The same report by EC Harris estimates these costs to range between £1,444 (cost for an additional 2sq.m) and £2,166 (cost for an additional 3sq.m) per property for housing and £722 (cost for additional 1sq.m) per apartment.
- 4.30 However, for private and intermediate (i.e. sub market housing), the changes / increase in space standards can also have an impact on sales value which may offset some or all of the additional build cost. This fact was recognised within the EC Harris report which concluded that for relatively small areas (i.e. and additional 1 to 2sq.m of floor space) 90% of the additional cost is recovered via sales values. However, the ability to recover the additional costs by sales reduces as the amount of additional space increases.
- 4.31 Given that the extra space standards associated with Lifetime Homes are expected to range between 2 and 3sq.m we have assumed that approximately 80% of the extra space related costs can be recovered. Within this context the costs included within Table 9 have been incorporated into the assessment for lifetime homes standards.

Table 9 - Cost of providing Lifetime Homes

Category	Average cost per property	
	Apartments	Housing
Lifetime Homes standard	£924	£521.5
Extra space related costs	£144	£361
Total Category 2 Accessible	£1,068	£882.5

Policy EP 27 – Renewable Energy in New Developments

- 4.32 For the purpose of this assessment we have assumed that the onsite renewable energy needs will be provided through solar / photovoltaic cells. *Research from the Energy Saving Trust suggests that the average domestic solar PV system costs between £5,000 and £8,000 per dwelling. We have applied a median cost of £6,500 per property and applied this to 20% of the total number of dwellings.*
- 4.33 At this stage it is worth noting that Policy H13 (RCUDP), which referred to affordable housing, was deleted by Direction of the Secretary of State. As there is no development plan policy that requires the provision of affordable housing, and it is not necessary in order to make the development acceptable no requirement for affordable housing has been incorporated into the baseline appraisals.

Sales Agents and Marketing

- 4.34 The assessment includes a combined allowance for sales agents and marketing at 3% of Gross Development Value. This replicates the assumption used in the previous assessments.

Legal Fees

- 4.35 Legal fees are included at the rate of £450 per property, which aligns with the assumptions used in the previous assessment.

Finance Charges / Interest Rate

- 4.36 It is difficult to establish what the appropriate rate of interest would be in the current market. Current margins are substantial despite the current Bank of England base rate being 0.5%. It is also widely recognised that the approach to development varies widely and is influenced by the equity invested in the site along with the financial organisation / strength of the developer. The interest rates can therefore differ widely between these approaches.
- 4.37 We have maintained our allowance from the previous assessments and included an interest rate of 6%.

Gross Profit Margin

- 4.38 Whilst there is no definitive answer as to what constitutes a reasonable profit Paragraph 173 of the NPPF provides specific guidance on the matter. It indicates that to ensure viability, developments should provide competitive returns to a willing developer to ensure they are appropriately incentivised to progress the development. In [date] the House Builders Federation (HBF) prepared a Briefing Note (refer to Appendix III) presenting evidence of what represents a competitive return to a willing developer. There is a clear conclusion in this report that the minimum blended profit level used within viability testing should be a rate of 20% of GDV.
- 4.39 We have included an allowance of 20% for developer's profit (based off GDV) which is an increase from the previous assessment in which a profit of 18% GDV was assumed.

Stamp Duty and Purchasers Costs on Residual Land Value

Stamp Duty

- 4.40 The 2016 Budget introduced a change in calculation method for Stamp Duty Land Tax to a tranche/ratchet method. As of 1 April 2016, non-residential and mixed-use land Stamp Duty Land Tax (which includes residential land as this is classed as any other land or property which is not used as a residence) will be payable on portions of the price paid, as set out in Table 10.

Table 10 – Stamp Duty Thresholds

Banding	SDLT Rate
Up to £150,000	0%
£150,001 to £250,000	2%
Remaining amount over £250,000	5%

Purchasers Costs

- 4.41 An allowance of 1.75% of the gross residual land value has been included within the assessments.

Viability Tolerance

- 4.42 Whilst we have used a residual appraisal to derive the market value benchmarks (step 1 of our approach explained within Section 2) it is recognised that in exercises such as this it is not possible to capture all of the costs associated with bringing a development forward. For example S106 and S278 (highway contributions) are more often than not scheme specific and therefore can't be captured in area wide viability assessments which by their very nature are based on hypothetical schemes.
- 4.43 For this reason the assessment has included what is referred to as a viability tolerance / cushion on the Residual Land Value. No guidance as to what constitutes an appropriate cushion is provided. Instead this is left for the local planning authority to decide in collaboration with their partners and consultees.

For the purpose of this assessment we have applied a viability cushion of 10% with the exception of the urban extensions¹⁹ where a viability cushion of 25% has been applied.

Residential Sales Values

- 4.44 It is accepted that different sale values will apply in various locations across the Borough. This fact was recognised in the previous assessment which divided the Borough into four market zones categorised as, very hot, hot, medium and cold. These zones were based on a series of sub market locations categorised by their main settlements (refer to Figure 1).
- 4.45 For the purpose of this assessment we have undertaken an analysis of sold house prices achieved over the past year (June 2016 to June 2017)²⁰. It should be noted that we have focussed on second hand / resale stock as there was a dearth of evidence on new build schemes. It is generally acknowledged that new build homes sell at a premium to resale/second hand properties therefore the assessment has adopted a cautious approach. The results of our analysis demonstrated a much wider spread of values across the Borough so for the purpose of this update we have applied an average sales value, for each of the housing typologies, in Figure 2. The corresponding sales values for each zone that we have applied in this assessment are summarised in Table 11.

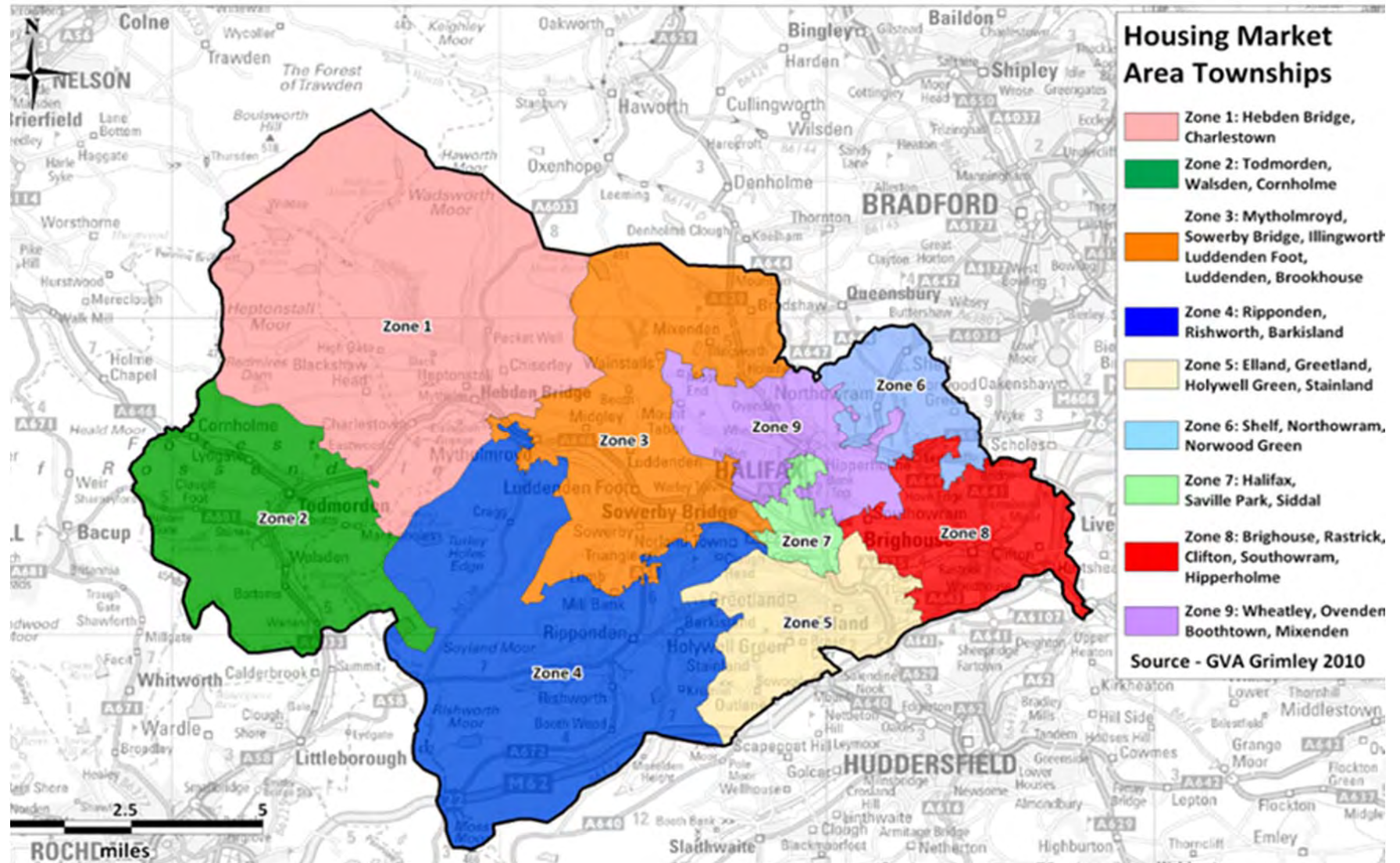
Table 11 – Market Values (Private / Market Values)

	1 bed – 2 person flat	2 bed – 3 person flat	3 bed – 4 person flat	2 bed – 3 person house	3 bed – 4 person house	4+ bed 6 person house
Zone 1	£93,950	£139,500	£186,175	£139,305	£226,000	£299,450
Zone 2	£70,835	£103,230	£135,400	£112,950	£126,560	£288,150
Zone 3	£70,667	£103,230	£135,400	£112,950	£144,640	£226,000
Zone 4	£95,970	£139,500	£186,175	£139,305	£216,960	£299,450
Zone 5	£84,545	£103,230	£125,245	£112,950	£158,200	£226,000
Zone 6	£82,260	£100,440	£121,860	£124,245	£167,240	£310,750
Zone 7	£82,260	£100,440	£121,860	£112,950	£144,640	£242,950
Zone 8	£68,550	£89,429	£118,475	£120,480	£158,200	£282,500
Zone 9	£85,545	£103,230	£125,245	£112,950	£135,600	£169,500

¹⁹ Thornhills Lane (LP1463) and Woodhouse (LP1451)

²⁰ This exercise analysed circa 2,000 sales over the period June 2016 to June 2017.

Figure 2 – Housing Market Area Townships



5. Baseline Appraisals Results - Residential

5.1 Taking into consideration the assumptions set out in the previous section we have calculated the residual land values (market values) for each of the preferred housing sites. The results of this exercise are set out within Tables 12 to 20 and demonstrate the following:

- Land values in Zone 1 range between £364,000 and £867,000 per acre. The average value of Brownfield land is around £380,000 per acre with values ranging from £365,000 to £486,000 per acre. Greenfield/unconstrained sites range in value from £600,000 per acre to £870,000 per acre with an average land value of c£745,500 per acre.
- The average land value in Zone 2 is around £237,000 per acre. Brownfield land ranges in value from circa £100,000 per acre to £155,000 per acre. The average value of Brownfield Land in Zone 2 is approximately £130,000 per acre. One brownfield site (ref 0658) which is based on apartments is unviable. The value of Greenfield / unconstrained sites range between £245,000 per acre and £340,000 per acre; the average value being circa £307,000 per acre.
- Brownfield land in Zone 3 ranges in value from circa £58,000 per acre to £120,000 per acre. The average value of Brownfield land is £85,000 per acre. One Brownfield site is unviable (site ref 1021) which is based on apartments is unviable. Greenfield / unconstrained sites have an average value of c£255,000 per acre. Values range from £138,000 per acre to £323,000 per acre.
- Land values for unconstrained / Greenfield sites in Zone 4 range between £470,000 per acre and £790,000 per acre with an average value of £670,000 per acre. There are no Brownfield sites in Zone 4.
- The value of Brownfield land in Zone 5 ranges between £11,000 per acre and £172,000 per acre with an average value of c100,000 per acre. It should be noted that the higher values are associated with mixed schemes which are at a higher density than traditional forms of housing. The value of Greenfield/unconstrained land ranges between £179,000 per acre and £333,000 per acre. The average land value for Greenfield /Unconstrained sites is £290,000 per acre
- The value of Greenfield / unconstrained land in Zone 6 ranges between £225,000 per acre and £690,000 per acre. The average value for Greenfield / unconstrained sites is £540,000 per acre. The value of Brownfield land ranges between £312,000 per acre and £335,000 per acre with an average value of circa £325,000 per acre.
- Brownfield land in Zone 7 ranges in value from c£75,000 per acre to circa £180,000 per acre, with an average value of around £115,000 per acre. One Brownfield site is unviable (ref 1425). Unconstrained / Greenfield land in Zone 7 ranges in value from £290,000 per acre to £322,000 per acre with an average value of £315,000 per acre.
- Greenfield land in Zone 8 ranges in value from £150,000 per acre to £575,000 per acre. The average Greenfield value in Zone 8 is circa £375,000 per acre. However, this zone includes two strategic sites (ref 1451 and 1463) which have land values of £240,000 and £170,000 per acre respectively. When these values are excluded the average value of Greenfield / unconstrained sites increases to around £390,000 per acre. Brownfield land ranges in value from £190,000 per

acre to £370,000 per acre. The average value of Brownfield land in Zone 8 is around £380,000 per acre.

- With the exception of one site (ref 1599) all Brownfield sites in Zone 9 are unviable. The average value of Greenfield / unconstrained sites in Zone 9 is £115,000 per acre with values ranging between £35,000 per acre and £157,000 per acre.

- 5.2 In summary development of unconstrained / Greenfield sites is viable across all areas of the Borough. In addition the average land values, for unconstrained / Greenfield sites, in all but Zone 9 are considerably higher than the minimum benchmark land value for Greenfield / unconstrained sites of £187,500 per acre.
- 5.3 The strategic sites (ref 1451 and 1463) have land values of £240,000 and £170,000 per acre respectively, which are higher than the minimum benchmark land value (£125,000 per acre) for the strategic sites.
- 5.4 From the 49 Brownfield sites 16 (a third) are not viable. Three quarters (twelve) of the unviable Brownfield sites are located within Zone 9, meaning 85% of the Brownfield sites in Zone 9 (there are 14 brownfield sites) are unviable.
- 5.5 The average land values for Brownfield sites in Zones 1, 6 and Zone 8 exceed the minimum benchmark land values for Greenfield / unconstrained sites. There are eleven brownfield sites in these zones accounting for almost a quarter of the Brownfield sites.
- 5.6 The average Brownfield land values in Zones 2, 3, 5 and 7 are comparatively low ranging between £85,000 per acre and £130,000 per acre. However, it should be remembered that our assessment has taken a cautious approach and assumed that all Brownfield sites will require remediation and site preparation and applied the associated mitigation costs to the entire site area.

Table 12 – Zone 1 [Hebden Bridge and Charlestown] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viability	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0784	1.553406	Zone 1	2,314,907	1,490,214	603,057	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0915	0.580237	Zone 1	521,930	899,512	364,013	Yes	Yes	YesBrownfield	YesBrownfieldHousing
0917	0.267512	Zone 1	440,639	1,647,172	666,574	Yes	Yes	YesBrownfield	YesBrownfieldHousing
0922	0.373552	Zone 1	448,671	1,201,094	486,057	Yes	Yes	YesBrownfield	YesBrownfieldHousing
1501	0.674488	Zone 1	1,373,800	2,036,804	824,250	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1503	0.440425	Zone 1	944,314	2,144,098	867,670	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1509	0.638144	Zone 1	1,282,913	2,010,383	813,558	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1556	0.484715	Zone 1	741,636	1,530,047	619,176	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 13 – Zone 2 [Todmorden, Walsden and Cornholme] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viability	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0053	0.491662	Zone 2	169,275	344,292	139,327	Yes	No	YesBrownfield	YesBrownfieldMixed
0327	0.328172	Zone 2	125,229	381,596	154,424	Yes	No	YesBrownfield	YesBrownfieldHousing
0635	0.927263	Zone 2	698,308	753,085	304,757	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0640	1.321891	Zone 2	1,049,977	794,299	321,435	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0649	0.565182	Zone 2	189,125	334,627	135,416	Yes	No	YesBrownfield	YesBrownfieldMixed
0651	2.342122	Zone 2	1,754,421	749,073	303,134	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0658	0.466099	Zone 2	(4,190)	-	-	No	No	NoBrownfield	NoBrownfieldApartments
0659	0.575414	Zone 2	482,917	839,252	339,627	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0914	2.01615	Zone 2	1,225,584	607,883	245,997	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1534	0.706374	Zone 2	171,150	242,294	98,051	Yes	No	YesBrownfield	YesBrownfieldHousing
1544	0.433883	Zone 2	352,940	813,445	329,183	Yes	Yes	YesGreenfield	YesGreenfieldMixed

Table 14 – Zone 3 [Mytholmroyd, Sowerby Bridge, Illingworth, Luddenden Foot, Luddenden and Brookhouse] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viability	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0003	0.760634	Zone 3	471,791	620,261	251,006	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0011	2.475945	Zone 3	1,428,692	577,029	233,511	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0044	2.943986	Zone 3	2,346,346	796,996	322,527	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0046	0.2906	Zone 3	210,014	722,690	292,457	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0073	0.260855	Zone 3	203,016	778,274	314,950	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0093	0.894685	Zone 3	169,011	188,906	76,446	Yes	No	YesBrownfield	YesBrownfieldHousing
0196	1.371472	Zone 3	925,906	675,119	273,206	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0216	0.6846	Zone 3	411,623	601,260	243,317	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0287	0.73298	Zone 3	168,611	230,035	93,090	Yes	No	YesGreenfield	YesGreenfieldHousing
0418	0.839234	Zone 3	574,763	684,867	277,151	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0435	1.90723	Zone 3	1,338,791	701,956	284,066	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0438	0.766493	Zone 3	471,791	615,519	249,087	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0441	0.385022	Zone 3	115,477	299,923	121,372	Yes	No	YesBrownfield	YesBrownfieldHousing
0531	7.196401	Zone 3	4,515,346	627,445	253,913	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0773	3.629829	Zone 3	2,283,779	629,170	254,611	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0781	2.106796	Zone 3	1,324,413	628,639	254,396	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0931	1.214618	Zone 3	832,498	685,399	277,366	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0968	2.714028	Zone 3	1,699,817	626,308	253,453	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1004	0.776674	Zone 3	151,072	194,512	78,715	Yes	No	YesBrownfield	YesBrownfieldHousing
1014	2.092533	Zone 3	1,324,413	632,924	256,130	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1015	1.092887	Zone 3	739,089	676,272	273,672	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1016	3.446135	Zone 3	2,158,644	626,396	253,489	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1017	13.2239	Zone 3	9,937,845	751,507	304,118	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1019	1.480142	Zone 3	385,997	260,784	105,533	Yes	No	YesBrownfield	YesBrownfieldHousing
1021	0.443709	Zone 3	(14,628)	-	-	No	No	NoBrownfield	NoBrownfieldApartments
1379	1.128435	Zone 3	776,452	688,079	278,450	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1391	0.397554	Zone 3	179,831	452,345	183,054	Yes	No	YesGreenfield	YesGreenfieldApartments
1398	4.103376	Zone 3	2,575,759	627,717	254,023	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1412	0.612513	Zone 3	210,014	342,873	138,753	Yes	No	YesGreenfield	YesGreenfieldHousing
1415	0.253441	Zone 3	59,735	235,697	95,382	Yes	No	YesBrownfield	YesBrownfieldMixed
1429	2.078478	Zone 3	296,666	142,733	57,761	Yes	No	YesBrownfield	YesBrownfieldHousing
1547	2.25177	Zone 3	336,648	149,504	60,501	Yes	No	YesBrownfield	YesBrownfieldHousing

Table 15 – Zone 4 [Ripponden, Rishworth and Barkisland] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0049	0.654505	Zone 4	1,154,797	1,764,382	714,007	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0613	0.507858	Zone 4	991,326	1,951,975	789,922	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1224	1.83517	Zone 4	2,135,138	1,163,455	470,825	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1602	0.758984	Zone 4	1,318,268	1,736,884	702,879	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 16 – Zone 5 [Elland, Greetland, Holywell Green and Stainland] Viability Results (Part 1)

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0026	2.234284	Zone 5	1,583,801	708,863	286,861	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0037	0.951218	Zone 5	653,553	687,070	278,042	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0041	0.429683	Zone 5	350,737	816,270	330,327	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0065	1.00615	Zone 5	777,592	772,839	312,751	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0075	0.323037	Zone 5	245,960	761,398	308,121	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0146	1.041093	Zone 5	671,051	644,564	260,841	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0177	9.876719	Zone 5	6,562,007	664,391	268,865	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0220	8.611969	Zone 5	6,068,883	704,703	285,178	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0506	0.427565	Zone 5	181,860	425,339	172,125	Yes	No	YesBrownfield	YesBrownfieldMixed
0951	0.591026	Zone 5	486,832	823,707	333,336	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0952	10.63208	Zone 5	7,501,291	705,534	285,514	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0959	3.456815	Zone 5	2,452,639	709,508	287,122	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0964	0.737729	Zone 5	328,055	444,682	179,953	Yes	No	YesGreenfield	YesGreenfieldHousing
0978	8.278137	Zone 5	5,834,061	704,755	285,199	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0982	2.037111	Zone 5	1,442,908	708,311	286,638	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1030	0.541673	Zone 5	441,467	815,006	329,815	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1082	3.099855	Zone 5	91,133	29,399	11,897	Yes	No	YesBrownfield	YesBrownfieldHousing
1088	0.801845	Zone 5	232,388	289,816	117,282	Yes	No	YesBrownfield	YesBrownfieldMixed
1407	0.77166	Zone 5	567,813	735,833	297,776	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1470	4.228002	Zone 5	2,992,727	707,835	286,445	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 16 – Zone 5 [Elland, Greetland, Holywell Green and Stainland] Viability Results (Part 2)

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
1567	20.52723	Zone 5	16,213,151	789,836	319,629	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1616	2.19207	Zone 5	1,560,319	711,801	288,050	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 17 – Zone 6 [Shelf, Northowram and Norwood Green] Viability Results (Part 1)

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0030	0.339	Zone 6	262,039	772,976	312,806	Yes	Yes	YesBrownfield	YesBrownfieldMixed
0221	1.822355	Zone 6	2,627,541	1,441,838	583,480	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0589	0.372501	Zone 6	452,346	1,214,349	491,420	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0759	0.540426	Zone 6	438,677	811,724	328,487	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0766	5.813999	Zone 6	7,599,918	1,307,176	528,985	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0779	0.282537	Zone 6	481,495	1,704,183	689,645	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0782	5.844364	Zone 6	7,643,535	1,307,847	529,257	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0948	5.400883	Zone 6	7,076,510	1,310,250	530,230	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0949	4.197815	Zone 6	5,506,285	1,311,703	530,817	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1034	1.970316	Zone 6	3,107,331	1,577,072	638,207	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1035	0.951254	Zone 6	1,423,892	1,496,857	605,745	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1036	2.503757	Zone 6	2,068,434	826,132	334,318	Yes	Yes	YesBrownfield	YesBrownfieldHousing
1037	0.992782	Zone 6	1,340,751	1,350,499	546,517	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1041	1.549577	Zone 6	864,314	557,774	225,719	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1044	2.415441	Zone 6	3,194,566	1,322,560	535,211	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1046	1.188834	Zone 6	1,792,564	1,507,834	610,187	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1047	0.333151	Zone 6	567,130	1,702,322	688,892	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1100	0.339392	Zone 6	422,890	1,246,023	504,238	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1101	1.217647	Zone 6	1,834,007	1,506,189	609,522	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1103	2.696956	Zone 6	3,020,097	1,119,817	453,165	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1523	1.424362	Zone 6	2,234,985	1,569,113	634,986	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 17 – Zone 6 [Shelf, Northowram and Norwood Green] Viability Results (Part 2)

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
1541	2.927489	Zone 6	3,456,270	1,180,626	477,773	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1543	11.13701	Zone 6	14,404,223	1,293,365	523,397	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1583	9.114376	Zone 6	11,918,035	1,307,608	529,160	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1617	1.519675	Zone 6	2,409,454	1,585,506	641,620	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 18 – Zone 7 [Halifax, Saville Park and Sidall] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0112	1.510101	Zone 7	557,644	369,276	149,438	Yes	No	YesBrownfield	YesBrownfieldHousing
0264	0.389437	Zone 7	70,414	180,810	73,170	Yes	No	YesBrownfield	YesBrownfieldHousing
0289	0.454457	Zone 7	108,766	239,331	96,852	Yes	No	YesBrownfield	YesBrownfieldHousing
0397	0.587324	Zone 7	421,480	717,627	290,408	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0400	0.311023	Zone 7	241,640	776,922	314,403	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0478	0.275373	Zone 7	123,438	448,257	181,400	Yes	No	YesBrownfield	YesBrownfieldHousing
0814	0.673727	Zone 7	158,986	235,980	95,496	Yes	No	YesBrownfield	YesBrownfieldMixed
0815	1.431159	Zone 7	449,654	314,188	127,145	Yes	No	YesBrownfield	YesBrownfieldMixed
1128	1.058465	Zone 7	836,841	790,618	319,946	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1194	1.181022	Zone 7	923,824	782,224	316,549	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1196	0.835369	Zone 7	666,685	798,073	322,963	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1197	1.117117	Zone 7	880,333	788,040	318,902	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1292	0.344285	Zone 7	68,545	199,092	80,568	Yes	No	YesBrownfield	YesBrownfieldHousing
1425	1.780831	Zone 7	(518,800)	-	-	No	No	NoBrownfield	NoBrownfieldHousing

Table 19 – Zone 8 [Brighouse, Rastrick, Clifton, Southowram and Hipperholme] Viability Results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £ per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0006	0.441056	Zone 8	569,519	1,291,263	522,546	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0174	2.818701	Zone 8	2,833,829	1,005,367	406,850	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0334	3.504818	Zone 8	3,024,598	862,983	349,230	Yes	Yes	YesBrownfield	YesBrownfieldHousing
0338	0.59937	Zone 8	744,213	1,241,659	502,472	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0353	0.327281	Zone 8	464,703	1,419,891	574,599	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0538	0.595071	Zone 8	744,213	1,250,629	506,102	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0565	0.527491	Zone 8	674,336	1,278,382	517,333	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0568	4.366065	Zone 8	3,012,520	689,985	279,222	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0579	0.422444	Zone 8	(73,792)	-	-	No	No	NoBrownfield	NoBrownfieldApartments
0846	0.303992	Zone 8	278,547	916,300	370,807	Yes	Yes	YesBrownfield	YesBrownfieldHousing
0856	4.067767	Zone 8	4,370,577	1,074,441	434,803	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0862	1.329507	Zone 8	1,621,588	1,219,691	493,582	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0893	13.06717	Zone 8	7,908,672	605,232	244,924	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0945	1.817976	Zone 8	1,437,187	790,543	319,915	Yes	Yes	YesBrownfield	YesBrownfieldHousing
1032	1.646997	Zone 8	1,285,945	780,781	315,965	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1033	3.302876	Zone 8	2,869,567	868,809	351,588	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1053	3.748498	Zone 8	3,691,549	984,807	398,530	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1054	1.23429	Zone 8	1,084,559	878,690	355,587	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1075	0.585841	Zone 8	279,201	476,582	192,862	Yes	Yes	YesBrownfield	YesBrownfieldMixed
1077	15.06825	Zone 8	14,091,405	935,172	378,444	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1078	26.54831	Zone 8	9,838,542	370,590	149,970	Yes	No	YesGreenfield	YesGreenfieldHousing
1093	1.221823	Zone 8	884,487	723,908	292,950	Yes	Yes	YesBrownfield	YesBrownfieldHousing
1095	5.13026	Zone 8	5,335,512	1,040,008	420,868	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1116	1.827762	Zone 8	1,797,417	983,397	397,959	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1322	0.287826	Zone 8	139,392	484,292	195,982	Yes	Yes	YesGreenfield	YesGreenfieldApartments
1451	62.99701	Zone 8	37,446,407	594,416	240,547	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1453	10.28771	Zone 8	9,338,206	907,705	367,328	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1463	140.6649	Zone 8	59,514,830	423,097	171,218	Yes	No	YesGreenfield	YesGreenfieldHousing
1469	0.444872	Zone 8	435,778	979,558	396,406	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1472	3.145192	Zone 8	2,976,782	946,455	383,010	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 20 – Zone 9 [Wheatley, Ovenden Boothtown and Mixenden – Part 1] Viability results

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
0103	0.977935	Zone 9	351,310	359,237	145,375	Yes	No	YesGreenfield	YesGreenfieldMixed
0152	0.35198	Zone 9	119,358	339,106	137,229	Yes	No	YesGreenfield	YesGreenfieldHousing
0164	0.383061	Zone 9	169,692	442,989	179,268	Yes	No	YesBrownfield	YesBrownfieldApartments
0234	3.320017	Zone 9	(972,282)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
0238	0.341069	Zone 9	102,307	299,961	121,387	Yes	No	YesGreenfield	YesGreenfieldHousing
0248	0.293022	Zone 9	113,703	388,036	157,030	Yes	No	YesGreenfield	YesGreenfieldMixed
0261	2.710635	Zone 9	730,699	269,568	109,088	Yes	No	YesGreenfield	YesGreenfieldHousing
0406	0.319844	Zone 9	(37,094)	-	-	No	No	NoBrownfield	NoBrownfieldMixed
0407	0.472099	Zone 9	(31,423)	-	-	No	No	NoBrownfield	NoBrownfieldMixed
0417	3.9526	Zone 9	332,932	84,231	34,087	Yes	No	YesGreenfield	YesGreenfieldHousing
0452	2.452634	Zone 9	881,852	359,553	145,503	Yes	No	YesGreenfield	YesGreenfieldHousing
0454	1.076018	Zone 9	272,476	253,227	102,475	Yes	No	YesGreenfield	YesGreenfieldHousing
0523	3.365129	Zone 9	908,526	269,983	109,256	Yes	No	YesGreenfield	YesGreenfieldHousing
0683	1.662081	Zone 9	543,981	327,289	132,447	Yes	No	YesGreenfield	YesGreenfieldHousing
0950	5.949034	Zone 9	490,633	82,473	33,375	Yes	No	YesGreenfield	YesGreenfieldHousing
0983	1.35211	Zone 9	217,937	161,183	65,227	Yes	No	YesGreenfield	YesGreenfieldHousing
0984	3.944019	Zone 9	(1,179,735)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
0987	1.164474	Zone 9	292,628	251,297	101,694	Yes	No	YesGreenfield	YesGreenfieldHousing
0988	4.065433	Zone 9	1,095,245	269,404	109,022	Yes	No	YesGreenfield	YesGreenfieldHousing
0990	1.061712	Zone 9	272,476	256,639	103,856	Yes	No	YesGreenfield	YesGreenfieldHousing
1009	1.516876	Zone 9	490,633	323,450	130,893	Yes	No	YesGreenfield	YesGreenfieldHousing
1137	0.83652	Zone 9	(245,647)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
1183	2.316819	Zone 9	(521,570)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
1215	0.273938	Zone 9	104,228	380,480	153,972	Yes	No	YesGreenfield	YesGreenfieldMixed
1216	9.53952	Zone 9	1,753,204	183,783	74,373	Yes	No	YesGreenfield	YesGreenfieldHousing
1228	1.033624	Zone 9	(285,674)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
1229	13.3393	Zone 9	3,300,299	247,412	100,122	Yes	No	YesGreenfield	YesGreenfieldHousing
1283	0.520524	Zone 9	(110,436)	-	-	No	No	NoBrownfield	NoBrownfieldHousing
1368	0.265143	Zone 9	(28,897)	-	-	No	No	NoBrownfield	NoBrownfieldMixed
1409	4.314203	Zone 9	1,113,027	257,991	104,403	Yes	No	YesGreenfield	YesGreenfieldHousing
1431	0.867634	Zone 9	(260,025)	-	-	No	No	NoBrownfield	NoBrownfieldHousing

Table 20 – Zone 9 [Wheatley, Ovenden Boothtown and Mixenden – Part 2] Viability results – Part 2

Local Plan Ref	Gross Site Area (HA)	Zone	Net Residual Land Value	Value £per ha	Value £ per acre	Viable	Minimum Land Value Benchmark Exceeded	Viability by Land Type	Viability by Land and Development Type
1432	0.2454	Zone 9	(28,246)	-	-	No	No	NoBrownfield	NoBrownfieldMixed
1486	0.763685	Zone 9	193,743	253,695	102,665	Yes	No	YesGreenfield	YesGreenfieldHousing
1487	0.341561	Zone 9	132,654	388,374	157,167	Yes	No	YesGreenfield	YesGreenfieldMixed
1488	0.267602	Zone 9	104,228	389,488	157,617	Yes	No	YesGreenfield	YesGreenfieldMixed
1489	0.345125	Zone 9	132,654	384,364	155,544	Yes	No	YesGreenfield	YesGreenfieldMixed
1570	1.796605	Zone 9	588,438	327,527	132,543	Yes	No	YesGreenfield	YesGreenfieldHousing
1590	0.591186	Zone 9	161,689	273,499	110,679	Yes	No	YesGreenfield	YesGreenfieldHousing
1599	0.368314	Zone 9	(34,170)	-	-	No	No	NoBrownfield	NoBrownfieldMixed
1603	0.448552	Zone 9	136,410	304,111	123,067	Yes	No	YesGreenfield	YesGreenfieldHousing
1607	4.284091	Zone 9	1,139,701	266,031	107,657	Yes	No	YesGreenfield	YesGreenfieldHousing
1609	0.25904	Zone 9	361,634	1,396,055	564,953	Yes	Yes	YesBrownfield	YesBrownfieldApartments

6. Impact of Local Plan Requirements on Baseline Residential Assessments

- 6.1 As outlined previously viability is an important theme in the National Planning Policy Framework (NPPF). Indeed, the Framework specifically states (para 173) that plans should be deliverable. It goes on to state that the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, it states that the costs of any requirements likely to be applied to development should, when taking account of the normal costs of development and on-site mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.
- 6.2 Paragraph 174 of the NPPF further states that local planning authorities should when setting out their policy on local standards assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk and should facilitate development throughout the economic cycle.
- 6.3 The NPPF also recognises that where practical, Community Infrastructure Levy (CIL) charges should be worked up and tested alongside the Local Plan. The Harman Report also recognises the parallels between viability testing of local plans and preparation of Community Infrastructure Levy charging schedules.
- 6.4 Para 005 of the Planning Policy Guidance (PPG) reinforces these points and recommends that development of plan policies be iterative – with draft policies tested against evidence of the likely ability of the market to deliver the plan's policies, and revised as part of a dynamic process. It further states that evidence should be proportionate to ensure that plans are underpinned by a broad understanding of viability but recognises that greater detail may be necessary in areas of known marginal viability or where the evidence suggests that viability might be an issue.
- 6.5 The primary role of a Local Plan viability assessment is to provide evidence to show that the requirements set out within the NPPF are met – i.e. that the policy requirements for development set out within the Local Plan do not threaten the viability of the sites and the scale of development upon which the plan relies. Demonstrably failing to consider this issue will place the Local Plan at risk of not being found sound.

New Local Plan – Impact of Future Policy Requirements

- 6.6 As outlined in the introduction the Council is working towards the adoption of a New Local Plan. This single plan will combine the functions of the Core Strategy and Land Allocations and Designation Plan development plan documents. We have been provided with a copy of the Calderdale Local Plan Policy

Draft. The purpose of this viability assessment is to demonstrate / provide the technical evidence that the policies being proposed are viable and will not undermine the viability of the planned development.

- 6.7 The assessment will, therefore, need to consider those policies that are likely to have a cost impact on development over and above what are typically included as standard development costs. We have identified that the following policies should be included / considered within this assessment.

- Policy TP10 District Heating
- Policy TP30 Residential Density
- Policy TP 31 Housing Mix
- Policy TP32 Housing for Independent Living
- Policy TP34 Affordable Housing
- Policy TP44 High Quality Inclusive Design

Policy TP10 – District Heating

- 6.8 Where technically feasible and in areas with sufficient existing or potential heat density Policy TP10 requires developments to propose heating systems which accord to the following hierarchy:

- i. Connection to existing district heating networks;
- ii. Construction of a site wide district heating network served by a new low carbon heat source;
- iii. Collaboration with neighbouring development sites or existing heat loads / sources to develop a viable shared district heating network; and
- iv. In areas where district heating is currently not viable, but there is potential for future district heating networks, all development proposals will need to demonstrate how sites have been designed to allow for connection to a future district heating network.

- 6.8 This policy is restricted to 10 dwellings or more.

- 6.9 The Council accept that a commercially viable opportunity has not yet been identified but they wish to encourage developers to investigate and bring forward heat networks for new developments. Policy TP10 reflects the Council's current position and demonstrates their support for district heating networks. The Council has identified that a possible means of achieving the necessary infrastructure could be through CIL contributions. The viability of CIL is considered later. Within this context and in view of the fact it is unclear which of the preferred sites are suitable for district heating we have not assessed the implications of this policy within our assessment.

Policy TP30 – Residential Density

- 6.10 Policy TP30 requires that all new housing developments should use land efficiently and recommends that a minimum net density of at least 30 dwellings per hectare should generally be sought. The policy expects higher densities in appropriate locations (such as in and around the main town centres and

close to main public transport routes and bus and rail stations) and accepts that lower densities may be appropriate on certain sites subject to a range of criteria.

- 6.11 As set out previously this assessment is modelling the viability of the Councils preferred housing sites rather than hypothetical schemes. The list of preferred sites provided by the Council provides an indication of site capacity and the average density. Please refer to the list of preferred sites included at Appendix 1.

Policy TP31 – Housing Mix

- 6.12 Policy TP31 requires that developments of 10 or more dwellings will be expected to provide for a mix of housing in terms of size, type, tenure and affordability. The policy further states that the housing mix should be informed by the most recent SHMA together with other relevant and recent information and also taking into account market factors and the location and characteristics of the site.
- 6.13 For the purpose of this assessment it is assumed that the mix of housing applied within the baseline appraisals (refer to Table 5 on page 2) would meet the requirements of this policy for the private housing.
- 6.14 With respect to the affordable housing (required under Policy TP34 – Affordable Housing) the SHMA identified that there is a particular requirement for smaller properties. There is less demand for larger households with only 1 in 4 households requiring a 3 bed + property. In this context the following mix has been applied to the affordable housing.

Table 21 – Housing Mix (affordable housing)

Development Type	Estate Housing	Apartments	Mixed
1 bed – 2 person flat	-	50%	15%
2 bed – 3 person flat	-	50%	10%
3 bed – 4 person flat	-	-	-
2 bed – 3 person house	75%	-	50%
3 bed – 4 person house	25%	-	25%
4 + bed – 6 person house	-	-	-
Totals	100%	100%	100%

Policy TP32 – Housing for Independent Living

- 6.15 Policy TP32 seeks to ensure that proposals for residential development provide 100% of the units to adaptable and accessible standards (i.e. requirement M4 (2) of the Building Regulations 2015). M4 (2) is an optional Building Regulation, which can be applied to a development if 'switched on' / required by a planning condition. The optional technical standard M4(2) provides homes suitable for a diverse population and many of the features of an M4(2) home will benefit disabled people, older people, families with young children and people with temporary impairments or injuries etc.

- 6.16 M4 (2) accessible and adaptable dwellings replaces and is the nearest technical housing standard to the previously recognised 'Lifetime Homes' standard. As outlined previously the baseline appraisals include an allowance for Lifetime Homes (in response to Policy H15 of the RCUDP) based on the findings of a study undertaken by EC Harris (on behalf of Department for Communities and Local Government). When adopted Policy TP32 of the New Local Plan will supersede Policy H15 (Lifetime Homes) of the RCUDP but the cost assumptions will remain the same. The only difference is that Policy TP32 requires these standards to be applied to 100% of the dwellings whereas policy H15 of the RCUDP only applied the lifetime homes standards to 15% of the total number of dwellings on sites greater than 1ha (2.4711 acres).
- 6.17 It should also be noted that for social rented housing there will be limited opportunity to offset the access related space costs through increased sales value. Therefore the costs have been included in full meaning the overall costs for social rented properties are £1,646 per property for apartments and £2,326.5 per property for social housing.

Table 22 - Cost of providing M42 Accessible and Adoptable Homes

Category	Average cost per property	
	Apartments	Housing
M4 (2) standard	£924	£521.5
Extra space related costs (private and intermediate)	£144	£361
Extra space related costs (affordable – social rent)	£722	£1,805
Total Category 2 Accessible Costs (Private and Intermediate)	£1,068	£882.5
Total Category 2 Accessible Costs (affordable – social rent)	£1,646	£2,326.5

Policy TP34 – Affordable Housing

- 6.18 Policy TP34 requires the provision of affordable housing in accordance with the requirements set out within Table 23. Policy TP34 also specifies that there will be no requirement for affordable housing on brownfield sites within Zones 2, 3, 5, 8 and 9.

Table 23 – Affordable Housing Requirements

Market Zone	Site Threshold (no dwgs)	% of dwellings
Zone 1 – Hebden Bridge and Charlestown	10	35%
Zone 2 – Todmorden, Walsden and Cornholme	15	25%
Zone 3 – Mytholmroyd, Sowerby Bridge, Illingworth, Luddenden Foot, Luddenden and Brookhouse	15	25%
Zone 4 – Ripponden, Rishworth and Barkisland	10	35%
Zone 5 – Elland, Greetland, Holywell Green and Stainland	15	20%
Zone 6 – Shelf, Northowram and Norwood Green	10	30%
Zone 7 – Halifax, Saville Park and Sidall	10	30%

Market Zone	Site Threshold (no dwgs)	% of dwellings
Zone 8 – Brighouse, Rastrick, Clifton, Southowram and Hipperholme	15	25%
Zone 9 – Wheatley, Ovenden Boothtown and Mixenden	15	20%

- 6.19 In terms of the draft policy requirement, the Council do not specify a split between the various types of affordable housing. The actual requirement (type of affordable housing) will depend on the specific locality and needs at the time of the application. It will also depend on the nature of the development proposed. This negotiation will be carried out between the applicant and the Council's Housing Team. It has been agreed with the Council, that for the purpose of this assessment, a 50:50 split between social rent and intermediate will be modelled.

Affordable Housing Revenue

- 6.20 For the purpose of this assessment it has been assumed that the preferred delivery mechanism for the affordable housing would be to transfer the units to a nominated provider. For the purpose of this assessment we have applied the rental values set out in Table 24 to the social rented units (these are based on the current properties available through the Councils Key Choice scheme).

Table 24 - Social Housing Weekly Rental Values

Development Type	Weekly Rent
1 bed – 2 person flat	£76
2 bed – 3 person flat	£90
2 bed – 3 person house	£91
3 bed – 4 person house	£96

- 6.21 To determine the capital / transfer values we have deducted a 10% management charge. A further 5% has been deducted for repair / maintenance liabilities (including sinking fund). The net rent has then been capitalised using a yield of 5.25%.
- 6.22 For intermediate affordable housing typologies the assessment is based on shared ownership. It is assumed the nominated provider will sell 50% initial equity stake and charge a rent of 2.75% on the retained equity. A 10% charge is deducted for management costs and a further 5% for repair and maintenance. The net rental income is once more capitalised using a yield of 5.25%.

Policy TP44 – High Quality Inclusive Design

- 6.23 Policy TP44 requires, amongst other things, all new residential developments to incorporate sustainable design and construction principles throughout the development process in line with the Governments objective of setting energy standards through the Building Regulations function. For the purpose of this assessment it is assumed this emerging policy will supersede Policy EP 27 Renewable

Energy in New Development set out within the RCUDP²¹. Therefore, the assumptions we have applied within the baseline appraisals for Policy EP27 already take into account the requirements of Policy TP44. On this basis we have not tested the impact of Policy TP44.

Impact of Local Plan Policies

- 6.24 As set out previously it is accepted that the market value (benchmarks) will need to be adjusted to reflect the emerging planning policies when undertaking area wide viability testing. However, it is also recognised that the adjustment should not be so excessive that it undermines competitive returns to a willing landowner (this point is recognised in the NPPF – para 173). This is a judgement for the practitioner, which must be reasonable, having regard to the workings of the property market.
- 6.25 The impact the Local Plan Policies (where applicable) are summarised below. The assessment has considered the impact of each policy individually and cumulatively.

Impact of Policy TP32 - Housing for Independent Living

- 6.26 When considering the impact of TP32 the assessment applies the costs to market sale dwellings only, as there is currently no policy requirement for affordable housing. The impact of policy TP32 and its relationship with affordable housing, particularly social rented properties, is considered when testing the impact of Policy TP34 (see later).
- 6.27 The results of our assessment with respect to the impact of Policy TP32 are summarised below:
- The policy reduces land values in Zone 1 by between £7,875 per acre and £16,500 per acre. The average reduction in value across all sites in Zone 1 is £12,190 per acre. This equates to an average drop in value of **-2%**. The average land value for unconstrained / Greenfield sites having taken into consideration the impact of Policy TP32 is £732,383 per acre. The average value for Brownfield sites, having also taken into consideration the impact of Policy TP32 is £495,000 per acre.
 - Within Zone 2 land values fall by between 7,500 per acre and £17,000 per acre. The average reduction in land value is £12,341 per acre which equates to a fall of **-6%**. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy TP32 is circa £295,000 per acre. The average value of Brownfield sites (excluding site 0658, which remains unviable) having taken into consideration the impact of Policy TP32 is around £120,000 per acre.
 - Land values fall by between 3,900 per acre and £21,500 per acre in Zone 3. The average reduction in land value is £10,800 per acre which equates to an average fall of **-6.6%**. The average value for Greenfield/unconstrained sites having taken into consideration the impact of

²¹ This policy requires major residential developments (defined as 25 dwellings or more) to incorporate on site renewable energy generation to provide at least 20% of predicted energy requirements up until 2020.

Policy TP32 is circa £245,000 per acre. The average value of Brownfield sites having taken into consideration the impact of Policy TP32 is around £75,000 per acre²²

- The impact of Policy TP32 in Zone 4 reduces land values by between £6,350 per acre and £12,145 per acre. The average reduction in land value is £10,000 per acre which equates to an average drop in value of **-2%**. Even after taking into account the impact of Policy TP32 the average land value for unconstrained / Greenfield sites is £659,327 per acre. There are no Brownfield sites in Zone 4.
- Land values fall by between £6,475 per acre and £18,800 per acre in Zone 5 after applying Policy TP32. What is interesting to note is that despite seeing the lowest fall in value site 1082 actually has the biggest percentage decrease in value at **-54%**. However, this is slightly misleading because the drop in value is being assessed against a comparatively low baseline value (circa £12,000 per acre) meaning the impact in percentage terms is much more pronounced²³. When site 1082 is excluded from the analysis site values fall, on average, by circa **-7%** within Zone 5 after applying Policy TP32. The average value for Greenfield / unconstrained sites in Zone 5 after taking into account the impact of Policy TP32 is c£280,000 per acre. The average value of Brownfield land after taking into account the impact of Policy TP32 is c£85,000 per acre. However, the value of Brownfield land is being suppressed as a result of site 1082. If this site is excluded from the analysis the average value of Brownfield land is circa £127,000 per acre.
- The imposition of Policy TP32 reduces land values by between circa £3,750 per acre and £15,000 per acre within Zone 6. The average reduction in land value across all sites in Zone 6 is **-2%**. The average value for Greenfield / unconstrained sites having considered the impact of Policy TP32 is around £530,000 per acre. The average value for Brownfield sites is circa £310,000 per acre.
- Policy TP32 reduces land values in Zone 7 by between £10,000 per acre and £17,000 per acre. The average drop in land values across all sites in Zone 7 is around **-8%**. The average value of Greenfield/unconstrained sites having considered the impact of Policy TP32 is around £300,000 per acre. The same figure for Brownfield sites is circa £100,000 per acre (this figure excludes site 1425 which remains unviable).
- Land values in Zone 8 fall by between £3,000 per acre and £74,000 per acre. The average drop in land values across all sites, in Zone 8, is around **-3%**. The average value of Greenfield/unconstrained sites having considered the impact of Policy TP32 is around £360,000 per acre. The same figure for Brownfield sites is circa £290,000 per acre (this figure excludes site 0579 which remains unviable). The land values for the strategic sites (sites 1451 and 1463) fall to £235,835 per acre and £167,863 per acre respectively – a reduction of **-2%**.
- As outlined previously most of the Brownfield sites in Zone 9 with the exception of sites 0164 and 1609 are unviable before the application of local plan policies. Therefore, the imposition of Policy TP32 simply compounds the viability challenges associated with Brownfield sites within Zone 9. With respect to the Greenfield / unconstrained sites the imposition of Policy TP32 reduces land values by between £3,500 per acre and £15,000 per acre. The average drop in land values for Greenfield sites is circa **-9%**. The average land value for Greenfield sites having taking into account the impact of Policy TP32 is around £105,000 per acre.

²² This analysis excludes site 1021, which remains unviable.

²³ The same is true for all the brownfield sites in Zone 5 albeit to a lesser extent than site 1082

- 6.28 In summary the development of unconstrained / Greenfield sites is viable across all areas of the Borough after taking into consideration the implications of Policy TP32. In addition the average land values, for unconstrained / Greenfield sites, in all but Zone 9, are still considerably higher than the minimum benchmark land value for Greenfield / unconstrained sites (£187,500 per acre) after taking into account the implications of Policy TP32.
- 6.29 The strategic sites (ref 1451 and 1463) have land values of £235,835 and £167,863 per acre respectively after taking into account the impact of Policy TP32. These values are higher than the benchmark land value of £125,000 per acre for strategic sites.
- 6.30 The average land values for Brownfield sites in Zones 1, 6 and 8 also exceed the minimum benchmark land values for Greenfield / unconstrained sites even after taking into account the implications of policy TP32.
- 6.31 The average Brownfield land values in Zones 2, 3, 5 and 7 after taking into account the impact of Policy TP32, are comparatively low ranging between £85,000 per acre and £127,000 per acre. However, it should, once again, be remembered that our assessment has taken a cautious approach and assumed that all Brownfield sites will require remediation and site preparation and applied the associated mitigation costs to the entire site area. On this basis it is our belief that Policy TP32 is unlikely to impact on Brownfield sites to such an extent that sites are not brought forward.
- 6.32 As outlined previously most of the brownfield sites in Zone 9 with the exception of sites 0164 and 1609 are unviable before the application of local plan policies. Therefore, the imposition of Policy TP32 simply compounds the viability challenges associated with Brownfield sites within Zone 9.

Table 25 – Impact of Policy TP32 – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viability	Viability by Land Type	Viability by Land and Development Type
0784	603,057	Yes	YesGreenfield	YesGreenfieldHousing
0915	364,013	Yes	YesBrownfield	YesBrownfieldHousing
0917	666,574	Yes	YesBrownfield	YesBrownfieldHousing
0922	486,057	Yes	YesBrownfield	YesBrownfieldHousing
1501	824,250	Yes	YesGreenfield	YesGreenfieldMixed
1503	867,670	Yes	YesGreenfield	YesGreenfieldMixed
1509	813,558	Yes	YesGreenfield	YesGreenfieldMixed
1556	619,176	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viability	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
595,182	Yes	7,875	-1%	Yes
355,596	Yes	8,417	-2%	Yes
653,534	Yes	13,040	-2%	Yes
475,784	Yes	10,272	-2%	Yes
808,048	Yes	16,202	-2%	Yes
851,127	Yes	16,542	-2%	Yes
797,574	Yes	15,984	-2%	Yes
609,986	Yes	9,190	-1%	Yes

Table 26 – Impact of Policy TP32 – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viability	Viability by Land Type	Viability by Land and Development Type
0053	139,327	Yes	YesBrownfield	YesBrownfieldMixed
0327	154,424	Yes	YesBrownfield	YesBrownfieldHousing
0635	304,757	Yes	YesGreenfield	YesGreenfieldMixed
0640	321,435	Yes	YesGreenfield	YesGreenfieldMixed
0649	135,416	Yes	YesBrownfield	YesBrownfieldMixed
0651	303,134	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	339,627	Yes	YesGreenfield	YesGreenfieldHousing
0914	245,997	Yes	YesGreenfield	YesGreenfieldHousing
1534	98,051	Yes	YesBrownfield	YesBrownfieldHousing
1544	329,183	Yes	YesGreenfield	YesGreenfieldMixed

Policy TP32 Land Value	Viability	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
122,200	Yes	17,128	-12%	No
143,224	Yes	11,200	-7%	No
288,650	Yes	16,107	-5%	Yes
308,673	Yes	12,763	-4%	Yes
118,485	Yes	16,931	-13%	No
295,752	Yes	7,381	-2%	Yes
-	No	-	0%	No
329,503	Yes	10,124	-3%	Yes
239,351	Yes	6,646	-3%	Yes
88,876	Yes	9,175	-9%	No
313,231	Yes	15,952	-5%	Yes

Table 27 – Impact of Policy TP32 – Zone 3

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0003	251,006	Yes	YesGreenfield	YesGreenfieldHousing
0011	233,511	Yes	YesGreenfield	YesGreenfieldHousing
0044	322,527	Yes	YesGreenfield	YesGreenfieldHousing
0046	292,457	Yes	YesGreenfield	YesGreenfieldHousing
0073	314,950	Yes	YesGreenfield	YesGreenfieldMixed
0093	76,446	Yes	YesBrownfield	YesBrownfieldHousing
0196	273,206	Yes	YesGreenfield	YesGreenfieldHousing
0216	243,317	Yes	YesGreenfield	YesGreenfieldHousing
0287	93,090	Yes	YesGreenfield	YesGreenfieldHousing
0418	277,151	Yes	YesGreenfield	YesGreenfieldHousing
0435	284,066	Yes	YesGreenfield	YesGreenfieldMixed
0438	249,087	Yes	YesGreenfield	YesGreenfieldHousing
0441	121,372	Yes	YesBrownfield	YesBrownfieldHousing
0531	253,913	Yes	YesGreenfield	YesGreenfieldHousing
0773	254,611	Yes	YesGreenfield	YesGreenfieldHousing
0781	254,396	Yes	YesGreenfield	YesGreenfieldHousing
0931	277,366	Yes	YesGreenfield	YesGreenfieldHousing
0968	253,453	Yes	YesGreenfield	YesGreenfieldHousing
1004	78,715	Yes	YesBrownfield	YesBrownfieldHousing
1014	256,130	Yes	YesGreenfield	YesGreenfieldHousing
1015	273,672	Yes	YesGreenfield	YesGreenfieldHousing
1016	253,489	Yes	YesGreenfield	YesGreenfieldHousing
1017	304,118	Yes	YesGreenfield	YesGreenfieldHousing
1019	105,533	Yes	YesBrownfield	YesBrownfieldHousing
1021	-	No	NoBrownfield	NoBrownfieldApartments

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
240,644	Yes	10,362	-4%	Yes
225,728	Yes	7,783	-3%	Yes
311,745	Yes	10,781	-3%	Yes
280,286	Yes	12,171	-4%	Yes
296,212	Yes	18,738	-6%	Yes
63,503	Yes	12,943	-17%	No
262,799	Yes	10,406	-4%	Yes
233,306	Yes	10,011	-4%	Yes
89,230	Yes	3,860	-4%	No
264,901	Yes	12,249	-4%	Yes
270,481	Yes	13,585	-5%	Yes
238,805	Yes	10,282	-4%	Yes
107,053	Yes	14,319	-12%	No
245,407	Yes	8,506	-3%	Yes
246,101	Yes	8,510	-3%	Yes
245,922	Yes	8,474	-3%	Yes
266,815	Yes	10,551	-4%	Yes
244,995	Yes	8,458	-3%	Yes
65,504	Yes	13,211	-17%	No
247,598	Yes	8,532	-3%	Yes
263,278	Yes	10,394	-4%	Yes
245,018	Yes	8,470	-3%	Yes
293,917	Yes	10,201	-3%	Yes
95,198	Yes	10,336	-10%	No
-	No	-	0%	No

Table 27 – Impact of Policy TP32 – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1379	278,450	Yes	YesGreenfield	YesGreenfieldHousing
1391	183,054	Yes	YesGreenfield	YesGreenfieldApartments
1398	254,023	Yes	YesGreenfield	YesGreenfieldHousing
1412	138,753	Yes	YesGreenfield	YesGreenfieldHousing
1415	95,382	Yes	YesBrownfield	YesBrownfieldMixed
1429	57,761	Yes	YesBrownfield	YesBrownfieldHousing
1547	60,501	Yes	YesBrownfield	YesBrownfieldHousing

Policy TP32 Land Value	Viable	Reductoin in Land Value (£)	% reduction	Minimum Land Value Benchmark Exceeded
267,868	Yes	10,583	-4%	Yes
161,520	Yes	21,534	-12%	No
245,528	Yes	8,495	-3%	Yes
132,979	Yes	5,774	-4%	No
76,881	Yes	18,500	-19%	No
49,151	Yes	8,610	-15%	No
51,784	Yes	8,717	-14%	No

Table 24 – Impact of Policy TP32 – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	714,007	Yes	YesGreenfield	YesGreenfieldHousing
0613	789,922	Yes	YesGreenfield	YesGreenfieldHousing
1224	470,825	Yes	YesGreenfield	YesGreenfieldHousing
1602	702,879	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
703,012	Yes	10,995	-2%	Yes
777,776	Yes	12,145	-2%	Yes
464,476	Yes	6,349	-1%	Yes
692,043	Yes	10,836	-2%	Yes

Table 25 – Impact of Policy TP32 – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	286,861	Yes	YesGreenfield	YesGreenfieldHousing
0037	278,042	Yes	YesGreenfield	YesGreenfieldHousing
0041	330,327	Yes	YesGreenfield	YesGreenfieldHousing
0065	312,751	Yes	YesGreenfield	YesGreenfieldHousing
0075	308,121	Yes	YesGreenfield	YesGreenfieldMixed
0146	260,841	Yes	YesGreenfield	YesGreenfieldHousing
0177	268,865	Yes	YesGreenfield	YesGreenfieldHousing
0220	285,178	Yes	YesGreenfield	YesGreenfieldHousing
0506	172,125	Yes	YesBrownfield	YesBrownfieldMixed
0951	333,336	Yes	YesGreenfield	YesGreenfieldHousing
0952	285,514	Yes	YesGreenfield	YesGreenfieldHousing
0959	287,122	Yes	YesGreenfield	YesGreenfieldHousing
0964	179,953	Yes	YesGreenfield	YesGreenfieldHousing
0978	285,199	Yes	YesGreenfield	YesGreenfieldHousing
0982	286,638	Yes	YesGreenfield	YesGreenfieldHousing
1030	329,815	Yes	YesGreenfield	YesGreenfieldHousing
1082	11,897	Yes	YesBrownfield	YesBrownfieldHousing
1088	117,282	Yes	YesBrownfield	YesBrownfieldMixed
1407	297,776	Yes	YesGreenfield	YesGreenfieldHousing
1470	286,445	Yes	YesGreenfield	YesGreenfieldHousing
1567	319,629	Yes	YesGreenfield	YesGreenfieldHousing
1616	288,050	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
278,363	Yes	8,498	-3%	Yes
267,235	Yes	10,807	-4%	Yes
318,364	Yes	11,962	-4%	Yes
302,329	Yes	10,422	-3%	Yes
293,084	Yes	15,037	-5%	Yes
252,168	Yes	8,673	-3%	Yes
260,859	Yes	8,005	-3%	Yes
276,688	Yes	8,490	-3%	Yes
153,325	Yes	18,800	-11%	No
321,161	Yes	12,176	-4%	Yes
277,011	Yes	8,503	-3%	Yes
278,596	Yes	8,526	-3%	Yes
173,450	Yes	6,503	-4%	No
276,709	Yes	8,490	-3%	Yes
278,152	Yes	8,486	-3%	Yes
317,796	Yes	12,020	-4%	Yes
5,422	Yes	6,475	-54%	No
100,097	Yes	17,185	-15%	No
286,230	Yes	11,546	-4%	Yes
277,933	Yes	8,513	-3%	Yes
310,103	Yes	9,526	-3%	Yes
279,518	Yes	8,533	-3%	Yes

Table 26 – Impact of Policy TP32 – Zone 6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0030	312,806	Yes	YesBrownfield	YesBrownfieldMixed
0221	583,480	Yes	YesGreenfield	YesGreenfieldHousing
0589	491,420	Yes	YesGreenfield	YesGreenfieldMixed
0759	328,487	Yes	YesGreenfield	YesGreenfieldHousing
0766	528,985	Yes	YesGreenfield	YesGreenfieldHousing
0779	689,645	Yes	YesGreenfield	YesGreenfieldHousing
0782	529,257	Yes	YesGreenfield	YesGreenfieldHousing
0948	530,230	Yes	YesGreenfield	YesGreenfieldHousing
0949	530,817	Yes	YesGreenfield	YesGreenfieldHousing
1034	638,207	Yes	YesGreenfield	YesGreenfieldHousing
1035	605,745	Yes	YesGreenfield	YesGreenfieldHousing
1036	334,318	Yes	YesBrownfield	YesBrownfieldHousing
1037	546,517	Yes	YesGreenfield	YesGreenfieldHousing
1041	225,719	Yes	YesGreenfield	YesGreenfieldHousing
1044	535,211	Yes	YesGreenfield	YesGreenfieldHousing
1046	610,187	Yes	YesGreenfield	YesGreenfieldHousing
1047	688,892	Yes	YesGreenfield	YesGreenfieldHousing
1100	504,238	Yes	YesGreenfield	YesGreenfieldMixed
1101	609,522	Yes	YesGreenfield	YesGreenfieldHousing
1103	453,165	Yes	YesGreenfield	YesGreenfieldHousing
1523	634,986	Yes	YesGreenfield	YesGreenfieldHousing
1541	477,773	Yes	YesGreenfield	YesGreenfieldHousing
1543	523,397	Yes	YesGreenfield	YesGreenfieldHousing
1583	529,160	Yes	YesGreenfield	YesGreenfieldHousing
1617	641,620	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
297,491	Yes	15,315	-5%	Yes
574,149	Yes	9,331	-2%	Yes
476,751	Yes	14,669	-3%	Yes
322,146	Yes	6,341	-2%	Yes
520,504	Yes	8,481	-2%	Yes
676,304	Yes	13,341	-2%	Yes
520,771	Yes	8,486	-2%	Yes
521,729	Yes	8,501	-2%	Yes
522,311	Yes	8,506	-2%	Yes
627,994	Yes	10,212	-2%	Yes
593,498	Yes	12,248	-2%	Yes
325,671	Yes	8,646	-3%	Yes
535,472	Yes	11,045	-2%	Yes
221,960	Yes	3,759	-2%	Yes
526,646	Yes	8,565	-2%	Yes
599,652	Yes	10,535	-2%	Yes
675,521	Yes	13,371	-2%	Yes
489,212	Yes	15,027	-3%	Yes
598,997	Yes	10,525	-2%	Yes
445,915	Yes	7,251	-2%	Yes
624,838	Yes	10,147	-2%	Yes
470,126	Yes	7,648	-2%	Yes
514,999	Yes	8,397	-2%	Yes
520,672	Yes	8,489	-2%	Yes
631,363	Yes	10,257	-2%	Yes

Table 27 – Impact of Policy TP32 – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0112	149,438	Yes	YesBrownfield	YesBrownfieldHousing
0264	73,170	Yes	YesBrownfield	YesBrownfieldHousing
0289	96,852	Yes	YesBrownfield	YesBrownfieldHousing
0397	290,408	Yes	YesGreenfield	YesGreenfieldMixed
0400	314,403	Yes	YesGreenfield	YesGreenfieldHousing
0478	181,400	Yes	YesBrownfield	YesBrownfieldHousing
0814	95,496	Yes	YesBrownfield	YesBrownfieldMixed
0815	127,145	Yes	YesBrownfield	YesBrownfieldMixed
1128	319,946	Yes	YesGreenfield	YesGreenfieldHousing
1194	316,549	Yes	YesGreenfield	YesGreenfieldHousing
1196	322,963	Yes	YesGreenfield	YesGreenfieldHousing
1197	318,902	Yes	YesGreenfield	YesGreenfieldHousing
1292	80,568	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
139,116	Yes	10,322	-7%	No
62,788	Yes	10,382	-14%	No
85,529	Yes	11,323	-12%	No
274,282	Yes	16,126	-6%	Yes
303,031	Yes	11,372	-4%	Yes
166,718	Yes	14,682	-8%	No
78,242	Yes	17,254	-18%	No
113,423	Yes	13,722	-11%	No
309,489	Yes	10,457	-3%	Yes
306,191	Yes	10,358	-3%	Yes
310,657	Yes	12,306	-4%	Yes
308,473	Yes	10,429	-3%	Yes
69,893	Yes	10,676	-13%	No
-	No	-	0%	No

Table 28 – Impact of Policy TP32 – Zone 8

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	522,546	Yes	YesGreenfield	YesGreenfieldHousing
0174	406,850	Yes	YesGreenfield	YesGreenfieldHousing
0334	349,230	Yes	YesBrownfield	YesBrownfieldHousing
0338	502,472	Yes	YesGreenfield	YesGreenfieldHousing
0353	574,599	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
510,115	Yes	12,431	-2%	Yes
398,907	Yes	7,943	-2%	Yes
338,277	Yes	10,953	-3%	Yes
490,466	Yes	12,006	-2%	Yes
560,987	Yes	13,611	-2%	Yes

Table 28 – Impact of Policy TP32 – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viability	Viability by Land Type	Viability by Land and Development Type
0538	506,102	Yes	YesGreenfield	YesGreenfieldHousing
0565	517,333	Yes	YesGreenfield	YesGreenfieldHousing
0568	279,222	Yes	YesGreenfield	YesGreenfieldHousing
0579	-	No	NoBrownfield	NoBrownfieldApartments
0846	370,807	Yes	YesBrownfield	YesBrownfieldHousing
0856	434,803	Yes	YesGreenfield	YesGreenfieldHousing
0862	493,582	Yes	YesGreenfield	YesGreenfieldHousing
0893	244,924	Yes	YesGreenfield	YesGreenfieldHousing
0945	319,915	Yes	YesBrownfield	YesBrownfieldHousing
1032	315,965	Yes	YesGreenfield	YesGreenfieldHousing
1033	351,588	Yes	YesGreenfield	YesGreenfieldHousing
1053	398,530	Yes	YesGreenfield	YesGreenfieldHousing
1054	355,587	Yes	YesGreenfield	YesGreenfieldHousing
1075	192,862	Yes	YesBrownfield	YesBrownfieldMixed
1077	378,444	Yes	YesGreenfield	YesGreenfieldHousing
1078	149,970	Yes	YesGreenfield	YesGreenfieldHousing
1093	292,950	Yes	YesBrownfield	YesBrownfieldHousing
1095	420,868	Yes	YesGreenfield	YesGreenfieldHousing
1116	397,959	Yes	YesGreenfield	YesGreenfieldHousing
1322	195,982	Yes	YesGreenfield	YesGreenfieldApartments
1451	240,547	Yes	YesGreenfield	YesGreenfieldHousing
1453	367,328	Yes	YesGreenfield	YesGreenfieldHousing
1463	171,218	Yes	YesGreenfield	YesGreenfieldHousing
1469	396,406	Yes	YesGreenfield	YesGreenfieldMixed
1472	383,010	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viability	Reduction in Land Value (£)	% reduction	Minimum Land Value Benchmark Exceeded
494,009	Yes	12,093	-2%	Yes
504,990	Yes	12,343	-2%	Yes
273,770	Yes	5,452	-2%	Yes
-	No	-	0%	No
357,036	Yes	13,771	-4%	Yes
426,303	Yes	8,500	-2%	Yes
483,066	Yes	10,516	-2%	Yes
240,131	Yes	4,793	-2%	Yes
309,595	Yes	10,320	-3%	Yes
309,245	Yes	6,720	-2%	Yes
344,724	Yes	6,864	-2%	Yes
390,743	Yes	7,787	-2%	Yes
348,035	Yes	7,551	-2%	Yes
176,404	Yes	16,458	-9%	No
371,033	Yes	7,410	-2%	Yes
147,034	Yes	2,936	-2%	No
282,271	Yes	10,678	-4%	Yes
412,638	Yes	8,231	-2%	Yes
390,207	Yes	7,753	-2%	Yes
122,131	Yes	73,851	-38%	No
235,835	Yes	4,712	-2%	Yes
360,138	Yes	7,190	-2%	Yes
167,863	Yes	3,354	-2%	Yes
380,848	Yes	15,558	-4%	Yes
375,531	Yes	7,479	-2%	Yes

Table 29 – Impact of Policy TP32 – Zone 9

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	145,375	Yes	YesGreenfield	YesGreenfieldMixed
0152	137,229	Yes	YesGreenfield	YesGreenfieldHousing
0164	179,268	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	121,387	Yes	YesGreenfield	YesGreenfieldHousing
0248	157,030	Yes	YesGreenfield	YesGreenfieldMixed
0261	109,088	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	34,087	Yes	YesGreenfield	YesGreenfieldHousing
0452	145,503	Yes	YesGreenfield	YesGreenfieldHousing
0454	102,475	Yes	YesGreenfield	YesGreenfieldHousing
0523	109,256	Yes	YesGreenfield	YesGreenfieldHousing
0683	132,447	Yes	YesGreenfield	YesGreenfieldHousing
0950	33,375	Yes	YesGreenfield	YesGreenfieldHousing
0983	65,227	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldHousing
0987	101,694	Yes	YesGreenfield	YesGreenfieldHousing
0988	109,022	Yes	YesGreenfield	YesGreenfieldHousing
0990	103,856	Yes	YesGreenfield	YesGreenfieldHousing
1009	130,893	Yes	YesGreenfield	YesGreenfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	153,972	Yes	YesGreenfield	YesGreenfieldMixed
1216	74,373	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP32 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
128,985	Yes	16,390	-11%	No
122,868	Yes	14,361	-10%	No
140,277	Yes	38,991	-22%	No
-	No	-	0%	No
108,685	Yes	12,703	-10%	No
141,312	Yes	15,718	-10%	No
100,620	Yes	8,469	-8%	No
-	No	-	0%	No
-	No	-	0%	No
30,549	Yes	3,537	-10%	No
134,180	Yes	11,324	-8%	No
91,918	Yes	10,557	-10%	No
100,750	Yes	8,506	-8%	No
122,216	Yes	10,230	-8%	No
30,802	Yes	2,572	-8%	No
58,334	Yes	6,893	-11%	No
-	No	-	0%	No
91,189	Yes	10,505	-10%	No
100,517	Yes	8,504	-8%	No
93,157	Yes	10,699	-10%	No
120,804	Yes	10,089	-8%	No
-	No	-	0%	No
-	No	-	0%	No
138,560	Yes	15,412	-10%	No
68,550	Yes	5,823	-8%	No

Table 29 – Impact of Policy TP32 – Zone 9 (Part two)

Local Plan Ref	Baseline Value £ per acre	Viability	Viability by Land Type	Viability by Land and Development Type
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	100,122	Yes	YesGreenfield	YesGreenfieldHousing
1283	-	No	NoBrownfield	NoBrownfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldMixed
1409	104,403	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed
1486	102,665	Yes	YesGreenfield	YesGreenfieldHousing
1487	157,167	Yes	YesGreenfield	YesGreenfieldMixed
1488	157,617	Yes	YesGreenfield	YesGreenfieldMixed
1489	155,544	Yes	YesGreenfield	YesGreenfieldMixed
1570	132,543	Yes	YesGreenfield	YesGreenfieldHousing
1590	110,679	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldMixed
1603	123,067	Yes	YesGreenfield	YesGreenfieldHousing
1607	107,657	Yes	YesGreenfield	YesGreenfieldHousing
1609	564,953	Yes	YesBrownfield	YesBrownfieldApartments

Policy TP32 Land Value	Viability	Reduction in Land Value (£)	% reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	No
92,261	Yes	7,861	-8%	No
-	No	-	0%	No
-	No	-	0%	No
96,258	Yes	8,145	-8%	No
-	No	-	0%	No
-	No	-	0%	No
90,160	Yes	12,505	-12%	No
141,435	Yes	15,732	-10%	No
141,840	Yes	15,777	-10%	No
139,974	Yes	15,569	-10%	No
122,290	Yes	10,253	-8%	No
99,279	Yes	11,400	-10%	No
-	No	-	0%	No
110,188	Yes	12,879	-10%	No
99,256	Yes	8,401	-8%	No
485,095	Yes	79,858	-14%	Yes

Impact of Policy TP34 – Affordable Housing

6.32 When considering the impact of Policy TP34 it should be recognised that this policy also triggers additional costs under Policy TP32. In particular a proportion of the costs associated with achieving M4 (2) accessibility standards can't be recovered through increased sales on social rented properties as they can on private sales. This means the costs have been included in full on the social rented properties (refer to para 6.15). The results of our assessment with respect to the impact of Policy TP34 are summarised below

- The policy reduces land values in Zone 1 by between £212,000 per acre and £315,000 per acre. The average reduction in value across all sites in Zone 1 is £234,000 per acre. This equates to an average drop in value of **-38%**. Whilst the reduction in land value is considerable all sites remain viable. The average land value for unconstrained / Greenfield sites having taken into consideration the impact of Policy TP34 is still £463,000 per acre. The average value for Brownfield sites, having also taken into consideration the impact of Policy TP34 is £192,256 per acre (this excludes site 0917 which falls below the size threshold for affordable housing).
- Within Zone 2 land values fall by between £98,000 per acre and £140,000 per acre. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy TP34 is circa £188,000 per acre. Policy TP34 does not seek affordable housing on Brownfield sites in Zone 2 therefore the baseline land values remain unchanged.
- Land values fall by between £60,000 per acre and £125,000 per acre in Zone 3. The average reduction in land value is £105,000 per acre which equates to an average fall of **-40%**. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy TP34 is circa £155,000 per acre (this excludes sites 0046, 0073, 0287 and 1412 which fall below the size threshold for affordable housing). Brownfield land values remain unchanged as Policy TP34 does not seek affordable housing on Brownfield sites in Zone 3.
- The impact of Policy TP34 in Zone 4 reduces land values by between £175,000 per acre and £275,000 per acre. The average reduction in land value is £237,000 per acre which equates to an average drop in value of **-36%**. Even after taking into account the impact of Policy TP34 the average land value for unconstrained / Greenfield sites is £432,071 per acre. There are no Brownfield sites in Zone 4.
- Land values fall by between £80,000 per acre and £100,000 per acre in Zone 5 after applying Policy TP34. These reductions are restricted to the Greenfield / unconstrained sites as Policy TP34 does not seek affordable housing on Brownfield sites in Zone 5, hence Brownfield values remain unchanged. The average value for Greenfield / unconstrained sites in Zone 5 after taking into account the impact of Policy TP34 is c£205,000 per acre (this excludes sites 0041, 0075, and 0964 which fall below the size threshold for affordable housing). Policy TP34 reduces Greenfield / unconstrained values by an average of £85,000 per acre which is a fall of circa **-29%**.
- The imposition of Policy TP34 reduces land values by between £80,000 per acre and £255,000 per acre within Zone 6. The average reduction in land value across all sites in Zone 6 is £197,000 per acre, which represents a fall of circa **-38%**. The average value for Greenfield / unconstrained

sites having considered the impact of Policy TP434 is circa £350,000 per acre (this excludes site 0759 which falls below the size threshold for affordable housing). The average value for Brownfield sites is circa £137,000 per acre.

- Policy TP34 reduces land values in Zone 7 by between £75,000 per acre and £165,000 per acre. The average drop in land values across all sites in Zone 7 is circa £135,000 per acre, which reflects a fall of circa -30%. The average value of Greenfield/unconstrained sites having considered the impact of Policy TP34 is around £160,000 per acre (this excludes site 0400 which falls below the size threshold for affordable housing). Policy TP34 generally makes Brownfield sites unviable in Zone 7.
- Land values in Zone 8 fall by between £45,000 per acre and £175,000 per acre. The average drop in land values across all sites, in Zone 8, is around £125,000 per acre (a fall of circa -36%). The average value of Greenfield/unconstrained sites having considered the impact of Policy TP34 is around £255,000 per acre. This figure excludes site 0353 which falls below the size threshold for affordable housing. The figure also excludes the strategic sites (1451 and 1463), which have a land value of £109,885 and £78,140 after taking into consideration the implications of Policy TP34. Policy TP34 does not seek affordable housing on Brownfield sites in Zone 2 therefore the baseline land values remain unchanged.
- Policy TP34 has no impact on the Brownfield sites in Zone 9 as the Policy does not seek affordable housing on Brownfield sites in this zone. The average value of Greenfield / unconstrained sites after taking into consideration the impact of Policy TP34 is around £50,000 per acre.

6.33 In summary the development of unconstrained / Greenfield sites is viable across all areas of the Borough after taking into consideration the implications of Policy TP34. In addition the average land values, for unconstrained / Greenfield sites, except in Zones 3, 7 and 9, are still considerably higher than the minimum benchmark land value for Greenfield / unconstrained sites (£187,500 per acre) even after taking into account the implications of policy TP34. However, whilst the average land values in Zones 3 and 7 fall below the minimum benchmark land value applied in this assessment they are at a level which may encourage landowners to release land for development. The same is not true within Zone 9 where average land value of £50,000 per acre is unlikely to be enough to encourage landowners to release land for development.

6.34 The strategic sites (ref 1451 and 1463) have land values of £110,000 per acre and £80,000 per acre respectively after taking into account the impact of Policy TP34. These values are below the minimum benchmark land value for the strategic sites (i.e. £125,000 per acre).

Table 30 – Impact of Policy TP34 (Affordable Housing) – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0784	603,057	Yes	YesGreenfield	YesGreenfieldHousing
0915	364,013	Yes	YesBrownfield	YesBrownfieldHousing
0917	666,574	Yes	YesBrownfield	YesBrownfieldHousing
0922	486,057	Yes	YesBrownfield	YesBrownfieldHousing
1501	824,250	Yes	YesGreenfield	YesGreenfieldMixed
1503	867,670	Yes	YesGreenfield	YesGreenfieldMixed
1509	813,558	Yes	YesGreenfield	YesGreenfieldMixed
1556	619,176	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
371,576	Yes	231,481	-38%	Yes
151,837	Yes	212,175	-58%	No
666,574	Yes	-	0%	Yes
232,675	Yes	253,382	-52%	Yes
508,774	Yes	315,476	-38%	Yes
556,453	Yes	311,217	-36%	Yes
516,927	Yes	296,631	-36%	Yes
365,119	Yes	254,058	-41%	Yes

Table 31 – Impact of Policy TP34 (Affordable Housing) – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0053	139,327	Yes	NoBrownfield	NoBrownfieldMixed
0327	154,424	Yes	YesBrownfield	YesBrownfieldHousing
0635	304,757	Yes	YesGreenfield	YesGreenfieldMixed
0640	321,435	Yes	YesGreenfield	YesGreenfieldMixed
0649	135,416	Yes	YesBrownfield	YesBrownfieldMixed
0651	303,134	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	339,627	Yes	YesGreenfield	YesGreenfieldHousing
0914	245,997	Yes	YesGreenfield	YesGreenfieldHousing
1534	98,051	Yes	NoBrownfield	NoBrownfieldHousing
1544	329,183	Yes	YesGreenfield	YesGreenfieldMixed

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
139,327	Yes	-	0%	No
154,424	Yes	-	0%	No
176,733	Yes	128,024	-42%	No
195,144	Yes	126,292	-39%	Yes
135,416	Yes	-	0%	No
195,980	Yes	107,154	-35%	Yes
-	No	-	0%	No
224,286	Yes	115,340	-34%	Yes
147,242	Yes	98,755	-40%	No
98,051	Yes	-	0%	No
191,215	Yes	137,969	-42%	Yes

Table 32 – Impact of Policy TP34 (Affordable Housing) – Zone 3

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0003	251,006	Yes	YesGreenfield	YesGreenfieldHousing	148,374	Yes	102,632	-41%	No
0011	233,511	Yes	YesGreenfield	YesGreenfieldHousing	143,066	Yes	90,445	-39%	No
0044	322,527	Yes	YesGreenfield	YesGreenfieldHousing	197,754	Yes	124,773	-39%	Yes
0046	292,457	Yes	YesGreenfield	YesGreenfieldHousing	292,457	Yes	-	0%	Yes
0073	314,950	Yes	YesGreenfield	YesGreenfieldMixed	314,950	Yes	-	0%	Yes
0093	76,446	Yes	YesBrownfield	YesBrownfieldHousing	76,446	Yes	-	0%	No
0196	273,206	Yes	YesGreenfield	YesGreenfieldHousing	159,364	Yes	113,841	-42%	No
0216	243,317	Yes	YesGreenfield	YesGreenfieldHousing	146,954	Yes	96,363	-40%	No
0287	93,090	Yes	YesGreenfield	YesGreenfieldHousing	93,090	Yes	-	0%	No
0418	277,151	Yes	YesGreenfield	YesGreenfieldHousing	153,125	Yes	124,026	-45%	No
0435	284,066	Yes	YesGreenfield	YesGreenfieldMixed	166,248	Yes	117,818	-41%	No
0438	249,087	Yes	YesGreenfield	YesGreenfieldHousing	147,240	Yes	101,847	-41%	No
0441	121,372	Yes	YesBrownfield	YesBrownfieldHousing	121,372	Yes	-	0%	No
0531	253,913	Yes	YesGreenfield	YesGreenfieldHousing	155,472	Yes	98,441	-39%	No
0773	254,611	Yes	YesGreenfield	YesGreenfieldHousing	156,775	Yes	97,836	-38%	No
0781	254,396	Yes	YesGreenfield	YesGreenfieldHousing	154,765	Yes	99,631	-39%	No
0931	277,366	Yes	YesGreenfield	YesGreenfieldHousing	158,781	Yes	118,585	-43%	No
0968	253,453	Yes	YesGreenfield	YesGreenfieldHousing	156,778	Yes	96,675	-38%	No
1004	78,715	Yes	YesBrownfield	YesBrownfieldHousing	78,715	Yes	-	0%	No
1014	256,130	Yes	YesGreenfield	YesGreenfieldHousing	155,820	Yes	100,311	-39%	No
1015	273,672	Yes	YesGreenfield	YesGreenfieldHousing	154,622	Yes	119,050	-44%	No
1016	253,489	Yes	YesGreenfield	YesGreenfieldHousing	154,510	Yes	98,978	-39%	No
1017	304,118	Yes	YesGreenfield	YesGreenfieldHousing	185,993	Yes	118,125	-39%	No
1019	105,533	Yes	YesBrownfield	YesBrownfieldHousing	105,533	Yes	-	0%	No
1021	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	No
1379	278,450	Yes	YesGreenfield	YesGreenfieldHousing	163,150	Yes	115,300	-41%	No
1391	183,054	Yes	YesGreenfield	YesGreenfieldApartments	123,658	Yes	59,396	-32%	No
1398	254,023	Yes	YesGreenfield	YesGreenfieldHousing	154,690	Yes	99,334	-39%	No

Table 32 – Impact of Policy TP34 (Affordable Housing) – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1412	138,753	Yes	YesGreenfield	YesGreenfieldHousing
1415	95,382	Yes	YesBrownfield	YesBrownfieldMixed
1429	57,761	Yes	YesBrownfield	YesBrownfieldHousing
1547	60,501	Yes	YesBrownfield	YesBrownfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
138,753	Yes	-	0%	No
95,382	Yes	-	0%	No
57,761	Yes	-	0%	No
60,501	Yes	-	0%	No

Table 33 – Impact of Policy TP34 (Affordable Housing) – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	714,007	Yes	YesGreenfield	YesGreenfieldHousing
0613	789,922	Yes	YesGreenfield	YesGreenfieldHousing
1224	470,825	Yes	YesGreenfield	YesGreenfieldHousing
1602	702,879	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
459,113	Yes	254,893	-36%	Yes
516,287	Yes	273,635	-35%	Yes
294,134	Yes	176,691	-38%	Yes
458,750	Yes	244,129	-35%	Yes

Table 34 – Impact of Policy TP34 (Affordable Housing) – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	286,861	Yes	YesGreenfield	YesGreenfieldHousing
0037	278,042	Yes	YesGreenfield	YesGreenfieldHousing
0041	330,327	Yes	YesGreenfield	YesGreenfieldHousing
0065	312,751	Yes	YesGreenfield	YesGreenfieldHousing
0075	308,121	Yes	YesGreenfield	YesGreenfieldMixed

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
205,756	Yes	81,105	-28%	Yes
191,407	Yes	86,635	-31%	Yes
330,327	Yes	-	0%	Yes
215,948	Yes	96,803	-31%	Yes
308,121	Yes	-	0%	Yes

Table 34 – Impact of Policy TP34 (Affordable Housing) – Zone 5 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0146	260,841	Yes	YesGreenfield	YesGreenfieldHousing	181,685	Yes	79,156	-30%	No
0177	268,865	Yes	YesGreenfield	YesGreenfieldHousing	190,377	Yes	78,488	-29%	Yes
0220	285,178	Yes	YesGreenfield	YesGreenfieldHousing	201,593	Yes	83,585	-29%	Yes
0506	172,125	Yes	YesBrownfield	NoBrownfieldMixed	172,125	Yes	-	0%	No
0951	333,336	Yes	YesGreenfield	YesGreenfieldHousing	240,381	Yes	92,956	-28%	Yes
0952	285,514	Yes	YesGreenfield	YesGreenfieldHousing	202,187	Yes	83,327	-29%	Yes
0959	287,122	Yes	YesGreenfield	YesGreenfieldHousing	202,665	Yes	84,458	-29%	Yes
0964	179,953	Yes	YesGreenfield	YesGreenfieldHousing	179,953	Yes	-	0%	No
0978	285,199	Yes	YesGreenfield	YesGreenfieldHousing	201,588	Yes	83,611	-29%	Yes
0982	286,638	Yes	YesGreenfield	YesGreenfieldHousing	205,094	Yes	81,544	-28%	Yes
1030	329,815	Yes	YesGreenfield	YesGreenfieldHousing	228,390	Yes	101,425	-31%	Yes
1082	11,897	Yes	YesBrownfield	YesBrownfieldHousing	11,897	Yes	-	0%	No
1088	117,282	Yes	YesBrownfield	YesBrownfieldMixed	117,282	Yes	-	0%	No
1407	297,776	Yes	YesGreenfield	YesGreenfieldHousing	207,155	Yes	90,621	-30%	Yes
1470	286,445	Yes	YesGreenfield	YesGreenfieldHousing	204,296	Yes	82,149	-29%	Yes
1567	319,629	Yes	YesGreenfield	YesGreenfieldHousing	226,567	Yes	93,063	-29%	Yes
1616	288,050	Yes	YesGreenfield	YesGreenfieldHousing	205,383	Yes	82,667	-29%	Yes

Table 35 – Impact of Policy TP34 (Affordable Housing) – Zone6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0030	312,806	Yes	YesBrownfield	YesBrownfieldMixed
0221	583,480	Yes	YesGreenfield	YesGreenfieldHousing
0589	491,420	Yes	YesGreenfield	YesGreenfieldMixed
0759	328,487	Yes	YesGreenfield	YesGreenfieldHousing
0766	528,985	Yes	YesGreenfield	YesGreenfieldHousing
0779	689,645	Yes	YesGreenfield	YesGreenfieldHousing
0782	529,257	Yes	YesGreenfield	YesGreenfieldHousing
0948	530,230	Yes	YesGreenfield	YesGreenfieldHousing
0949	530,817	Yes	YesGreenfield	YesGreenfieldHousing
1034	638,207	Yes	YesGreenfield	YesGreenfieldHousing
1035	605,745	Yes	YesGreenfield	YesGreenfieldHousing
1036	334,318	Yes	YesBrownfield	YesBrownfieldHousing
1037	546,517	Yes	YesGreenfield	YesGreenfieldHousing
1041	225,719	Yes	YesGreenfield	YesGreenfieldHousing
1044	535,211	Yes	YesGreenfield	YesGreenfieldHousing
1046	610,187	Yes	YesGreenfield	YesGreenfieldHousing
1047	688,892	Yes	YesGreenfield	YesGreenfieldHousing
1100	504,238	Yes	YesGreenfield	YesGreenfieldMixed
1101	609,522	Yes	YesGreenfield	YesGreenfieldHousing
1103	453,165	Yes	YesGreenfield	YesGreenfieldHousing
1523	634,986	Yes	YesGreenfield	YesGreenfieldHousing
1541	477,773	Yes	YesGreenfield	YesGreenfieldHousing
1543	523,397	Yes	YesGreenfield	YesGreenfieldHousing
1583	529,160	Yes	YesGreenfield	YesGreenfieldHousing
1617	641,620	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
133,161	Yes	179,645	-57%	No
376,866	Yes	206,614	-35%	Yes
288,444	Yes	202,976	-41%	Yes
328,487	Yes	-	0%	Yes
341,896	Yes	187,089	-35%	Yes
460,446	Yes	229,200	-33%	Yes
339,163	Yes	190,094	-36%	Yes
340,018	Yes	190,211	-36%	Yes
341,461	Yes	189,357	-36%	Yes
414,077	Yes	224,129	-35%	Yes
386,983	Yes	218,763	-36%	Yes
141,893	Yes	192,424	-58%	No
336,905	Yes	209,612	-38%	Yes
145,143	Yes	80,576	-36%	No
344,689	Yes	190,522	-36%	Yes
380,671	Yes	229,516	-38%	Yes
439,037	Yes	249,855	-36%	Yes
330,128	Yes	174,110	-35%	Yes
385,437	Yes	224,085	-37%	Yes
289,423	Yes	163,742	-36%	Yes
413,063	Yes	221,922	-35%	Yes
306,285	Yes	171,489	-36%	Yes
337,242	Yes	186,155	-36%	Yes
340,966	Yes	188,194	-36%	Yes
406,087	Yes	235,533	-37%	Yes

Table 36 – Impact of Policy TP34 (Affordable Housing) – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0112	149,438	Yes	NoBrownfield	NoBrownfieldHousing
0264	73,170	Yes	NoBrownfield	NoBrownfieldHousing
0289	96,852	Yes	NoBrownfield	NoBrownfieldHousing
0397	290,408	Yes	YesGreenfield	YesGreenfieldMixed
0400	314,403	Yes	YesGreenfield	YesGreenfieldHousing
0478	181,400	Yes	YesBrownfield	YesBrownfieldHousing
0814	95,496	Yes	NoBrownfield	NoBrownfieldMixed
0815	127,145	Yes	NoBrownfield	NoBrownfieldMixed
1128	319,946	Yes	YesGreenfield	YesGreenfieldHousing
1194	316,549	Yes	YesGreenfield	YesGreenfieldHousing
1196	322,963	Yes	YesGreenfield	YesGreenfieldHousing
1197	318,902	Yes	YesGreenfield	YesGreenfieldHousing
1292	80,568	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	149,438	0%	No
-	No	73,170	0%	No
-	No	96,852	0%	No
141,334	Yes	149,074	-51%	No
314,403	Yes	-	0%	Yes
15,146	Yes	166,254	-92%	No
-	No	95,496	0%	No
-	No	127,145	0%	No
170,980	Yes	148,965	-47%	No
158,909	Yes	157,640	-50%	No
168,333	Yes	154,630	-48%	No
165,821	Yes	153,081	-48%	No
80,568	Yes	-	0%	No
-	No	-	0%	No

Table 37 – Impact of Policy TP34 (Affordable Housing) – Zone 8

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	522,546	Yes	YesGreenfield	YesGreenfieldHousing
0174	406,850	Yes	YesGreenfield	YesGreenfieldHousing
0334	349,230	Yes	YesBrownfield	YesBrownfieldHousing
0338	502,472	Yes	YesGreenfield	YesGreenfieldHousing
0353	574,599	Yes	YesGreenfield	YesGreenfieldHousing
0538	506,102	Yes	YesGreenfield	YesGreenfieldHousing
0565	517,333	Yes	YesGreenfield	YesGreenfieldHousing
0568	279,222	Yes	YesGreenfield	YesGreenfieldHousing
0579	-	No	NoBrownfield	NoBrownfieldApartments

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
358,124	Yes	164,422	-31%	Yes
277,444	Yes	129,406	-32%	Yes
349,230	Yes	-	0%	Yes
348,196	Yes	154,276	-31%	Yes
574,599	Yes	-	0%	Yes
350,712	Yes	155,390	-31%	Yes
342,035	Yes	175,298	-34%	Yes
191,084	Yes	88,138	-32%	Yes
-	No	-	0%	No

Table 37 – Impact of Policy TP34 (Affordable Housing) – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0846	370,807	Yes	YesBrownfield	YesBrownfieldHousing
0856	434,803	Yes	YesGreenfield	YesGreenfieldHousing
0862	493,582	Yes	YesGreenfield	YesGreenfieldHousing
0893	244,924	Yes	YesGreenfield	YesGreenfieldHousing
0945	319,915	Yes	YesBrownfield	YesBrownfieldHousing
1032	315,965	Yes	YesGreenfield	YesGreenfieldHousing
1033	351,588	Yes	YesGreenfield	YesGreenfieldHousing
1053	398,530	Yes	YesGreenfield	YesGreenfieldHousing
1054	355,587	Yes	YesGreenfield	YesGreenfieldHousing
1075	192,862	Yes	YesBrownfield	YesBrownfieldMixed
1077	378,444	Yes	YesGreenfield	YesGreenfieldHousing
1078	149,970	Yes	YesGreenfield	YesGreenfieldHousing
1093	292,950	Yes	YesBrownfield	YesBrownfieldHousing
1095	420,868	Yes	YesGreenfield	YesGreenfieldHousing
1116	397,959	Yes	YesGreenfield	YesGreenfieldHousing
1322	195,982	Yes	YesGreenfield	YesGreenfieldApartments
1451	240,547	Yes	YesGreenfield	YesGreenfieldHousing
1453	367,328	Yes	YesGreenfield	YesGreenfieldHousing
1463	171,218	Yes	YesGreenfield	YesGreenfieldHousing
1469	396,406	Yes	YesGreenfield	YesGreenfieldMixed
1472	383,010	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
370,807	Yes	-	0%	Yes
295,367	Yes	139,436	-32%	Yes
329,945	Yes	163,638	-33%	Yes
168,021	Yes	76,903	-31%	No
319,915	Yes	-	0%	Yes
205,887	Yes	110,078	-35%	Yes
241,151	Yes	110,436	-31%	Yes
272,030	Yes	126,500	-32%	Yes
238,079	Yes	117,507	-33%	Yes
192,862	Yes	-	0%	Yes
258,498	Yes	119,945	-32%	Yes
102,500	Yes	47,469	-32%	No
292,950	Yes	-	0%	Yes
288,980	Yes	131,888	-31%	Yes
267,247	Yes	130,713	-33%	Yes
53,582	Yes	142,400	-73%	No
109,885	Yes	130,662	-54%	No
251,920	Yes	115,408	-31%	Yes
78,140	Yes	93,078	-54%	No
252,057	Yes	144,349	-36%	Yes
260,659	Yes	122,350	-32%	Yes

Table 37 – Impact of Policy TP34 (Affordable Housing) – Zone 9

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	145,375	Yes	YesGreenfield	YesGreenfieldMixed
0152	137,229	Yes	YesGreenfield	YesGreenfieldHousing
0164	179,268	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	121,387	Yes	YesGreenfield	YesGreenfieldHousing
0248	157,030	Yes	YesGreenfield	YesGreenfieldMixed
0261	109,088	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	34,087	Yes	YesGreenfield	YesGreenfieldHousing
0452	145,503	Yes	YesGreenfield	YesGreenfieldHousing
0454	102,475	Yes	YesGreenfield	YesGreenfieldHousing
0523	109,256	Yes	YesGreenfield	YesGreenfieldHousing
0683	132,447	Yes	YesGreenfield	YesGreenfieldHousing
0950	33,375	Yes	YesGreenfield	YesGreenfieldHousing
0983	65,227	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldHousing
0987	101,694	Yes	YesGreenfield	YesGreenfieldHousing
0988	109,022	Yes	YesGreenfield	YesGreenfieldHousing
0990	103,856	Yes	YesGreenfield	YesGreenfieldHousing
1009	130,893	Yes	YesGreenfield	YesGreenfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	153,972	Yes	YesGreenfield	YesGreenfieldMixed
1216	74,373	Yes	YesGreenfield	YesGreenfieldHousing
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	100,122	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
72,380	Yes	72,995	-50%	No
137,229	Yes	-	0%	No
179,268	Yes	-	0%	No
-	No	-	0%	No
121,387	Yes	-	0%	No
157,030	Yes	-	0%	No
58,897	Yes	50,191	-46%	No
-	No	-	0%	No
-	No	-	0%	No
12,403	Yes	21,683	-64%	No
76,164	Yes	69,339	-48%	No
38,047	Yes	64,428	-63%	No
58,719	Yes	50,537	-46%	No
71,055	Yes	61,391	-46%	No
17,536	Yes	15,839	-47%	No
26,415	Yes	38,812	-60%	No
-	No	-	0%	No
42,536	Yes	59,159	-58%	No
58,824	Yes	50,198	-46%	No
38,560	Yes	65,296	-63%	No
68,776	Yes	62,117	-47%	No
-	No	-	0%	No
-	No	-	0%	No
153,972	Yes	-	0%	No
39,538	Yes	34,835	-47%	No
-	No	-	0%	No
52,951	Yes	47,171	-47%	No

Table 37 – Impact of Policy TP34 (Affordable Housing) – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1283	-	No	NoBrownfield	NoBrownfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldMixed
1409	104,403	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed
1486	102,665	Yes	YesGreenfield	YesGreenfieldHousing
1487	157,167	Yes	YesGreenfield	YesGreenfieldMixed
1488	157,617	Yes	YesGreenfield	YesGreenfieldMixed
1489	155,544	Yes	YesGreenfield	YesGreenfieldMixed
1570	132,543	Yes	YesGreenfield	YesGreenfieldHousing
1590	110,679	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldMixed
1603	123,067	Yes	YesGreenfield	YesGreenfieldHousing
1607	107,657	Yes	YesGreenfield	YesGreenfieldHousing
1609	564,953	Yes	YesBrownfield	YesBrownfieldApartments

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	No
-	No	-	0%	No
54,970	Yes	49,434	-47%	No
-	No	-	0%	No
-	No	-	0%	No
44,313	Yes	58,352	-57%	No
157,167	Yes	-	0%	No
157,617	Yes	-	0%	No
155,544	Yes	-	0%	No
70,632	Yes	61,911	-47%	No
51,036	Yes	59,643	-54%	No
-	No	-	0%	No
62,289	Yes	60,778	-49%	No
57,876	Yes	49,781	-46%	No
564,953	Yes	-	0%	Yes

Cumulative Impact of Policy TP32 and TP34 – Housing for Independent Living and Affordable Housing

6.35 We have previously set out the impact of Policies TP32 and TP34 in isolation and it is clear that Policy TP34 (Affordable Housing) has the greatest impact on viability. Within the following few paragraphs we summarise the cumulative impact of these respective policies.

- Within Zone 1 the average land value for Greenfield / unconstrained sites is circa £450,000 per acre, which is well in excess of the minimum benchmark land value (£187,500 per acre). The average value of Brownfield sites is circa £180,000 per acre (this excludes site 0917 which falls below the size threshold for affordable housing). The average value for Brownfield sites is considered reasonable but the average is taken across 2 sites (one site – 0915 - has a land value of £143,000 per acre and the other – site 0922 – has a site value of £222,000 per acre). Based on this assessment the application of Policies TP32 and TP34 are viable in Zone 1 and are unlikely to prevent land from being released for development.
- Policy TP34 does not seek affordable housing on Brownfield sites within Zone 2, therefore the impact of policy TP32 is marginal on Brownfield sites with average land values falling by circa £13,500 per acre. The average land value for Brownfield sites, as outlined previously, is circa £120,000 per acre (but values range from £89,000 per acre to £143,000 per acre) having taken into account the impact of Policy TP32. The average land value for Greenfield /unconstrained sites is £177,000 per acre, which is slightly less than the minimum benchmark land value (£187,500 per acre).
- Once again the impact on Brownfield sites is marginal in Zone 3 as Policy TP34 does not seek affordable housing on Brownfield sites. As outlined previously the average value of Brownfield sites in Zone 3 having taken into account the impact of Policy TP32 is circa £75,000 per acre (values range between £50,000 per acre and £107,000 per acre). The average value of Greenfield sites having taken into account the cumulative impact of Policies TP32 and YTP34 is around £145,000 per acre (but values range between £90,000 and £280,000 per acre).
- Average values for Greenfield / unconstrained sites in Zone 4 are circa £420,000 per acre (values range between £287,000 per acre and £504,141 per acre). There are no Brownfield sites in Zone 4.
- The average value of Greenfield / unconstrained sites in Zone 5 after taking into consideration the cumulative impact of Policy TP32 and TP34 is circa £200,000 per acre. The average value of Brownfield sites is circa £85,000 (values range between £5,000 per acre and £150,000 per acre).
- Within Zone 6 the average value of Greenfield / unconstrained sites is circa £340,000 per acre (values range between £140,000 per acre and £450,000 per acre) after taking into account the impact of Policies TP32 and TP34. There are only two Brownfield sites within Zone 6 which have an average value of £125,000 per acre after taking into account the impact of policies TP32 and TP34.
- Brownfield development in Zone 7 is generally unviable after taking into account the impact of policies TP32 and TP34. The biggest impact on viability, as expected, is Policy TP34 with all but

one of the brownfield sites being viable when affordable housing is excluded albeit the land values are comparably low. The average value for Greenfield / unconstrained sites is circa £150,000 per acre after taking into account the impact of policies TP32 and TP34.

- The average land value for Greenfield / unconstrained sites in Zone 8 having considered the impact of Policies TP32 and TP34 is around £255,000 per acre (values range between £100,000 per acre and £345,000 per acre). This value excludes the strategic sites (1451 and 1463), which have a land value of £106,000 and £76,000 per acre respectively after taking into consideration the implications of Policy TP32 and TP34. These values are below the £125,000 per acre benchmark for the strategic sites. The average value for Brownfield site is £292,000 per acre, which is higher than the Greenfield sites – this is because Policy TP34 does not seek affordable housing on Brownfield sites within this Zone.
- The baseline assessments demonstrated that the majority of brownfield sites in Zone 9 with the exception of sites 0164 and 1609 were unviable before the application of local plan policies. Therefore, the imposition of Policy TP32 and simply compounds the viability challenges associated with Brownfield sites within Zone 9. TP34 does not seek affordable housing on Brownfield sites in Zone 9. The average value of Greenfield / unconstrained sites in Zone 9 having taken into account the impact of Policies TP32 and TP34 is around £40,000 per acre.

Initial Conclusions

- 6.36 The most notable conclusion from our assessment is the viability challenges evident within Zone 9. Whilst the Council's policy on affordable housing seeks to exclude affordable housing on Brownfield sites within this zone it may also be appropriate to exclude affordable housing from Greenfield / unconstrained sites also. Based on the results from our assessment we suggest the Council consider amending its policy to exclude affordable housing altogether within Zone 9.
- 6.37 Rather than being specific around excluding affordable housing on Brownfield sites within other areas we suggest it may be more appropriate to include a general viability clause, covering all areas and all categories of land (i.e. Greenfield and Brownfield), which would permit variations to the suggested levels of affordable housing provision if justified by a detail viability assessment. We think this is appropriate in view of the fact that the average land values for Greenfield / unconstrained sites falls below the minimum benchmark land value in some areas.
- 6.38 It is also suggested that the Council be clearer on their position with respect to the Strategic Sites. A simple reference could be made to the fact that the requirement for 25% affordable housing in Zone 8 would not apply to the Strategic Sites and a suitable requirement, if appropriate, would be negotiated taking into consideration the wider costs associated with bringing these sites forward.
- 6.39 Whilst it is considered that the imposition of Policy TP32 is within acceptable limits we suggest that a viability clause also be included in the policy which would permit variations to the suggested policy position if justified by a detailed viability assessment.

Table 38 – Cumulative Impact of Policies TP32 and TP34 – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0784	603,057	Yes	YesGreenfield	YesGreenfieldHousing
0915	364,013	Yes	YesBrownfield	YesBrownfieldHousing
0917	666,574	Yes	YesBrownfield	YesBrownfieldHousing
0922	486,057	Yes	YesBrownfield	YesBrownfieldHousing
1501	824,250	Yes	YesGreenfield	YesGreenfieldMixed
1503	867,670	Yes	YesGreenfield	YesGreenfieldMixed
1509	813,558	Yes	YesGreenfield	YesGreenfieldMixed
1556	619,176	Yes	YesGreenfield	YesGreenfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
363,700	Yes	239,356	-40%	Yes
143,150	Yes	220,863	-61%	No
653,534	Yes	13,040	-2%	Yes
222,072	Yes	263,985	-54%	Yes
492,630	Yes	331,620	-40%	Yes
539,968	Yes	327,702	-38%	Yes
501,000	Yes	312,558	-38%	Yes
355,928	Yes	263,248	-43%	Yes

Table 39 – Cumulative Impact of Policies TP32 and TP34 – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0053	139,327	Yes	NoBrownfield	NoBrownfieldMixed
0327	154,424	Yes	YesBrownfield	YesBrownfieldHousing
0635	304,757	Yes	YesGreenfield	YesGreenfieldMixed
0640	321,435	Yes	YesGreenfield	YesGreenfieldMixed
0649	135,416	Yes	YesBrownfield	YesBrownfieldMixed
0651	303,134	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	339,627	Yes	YesGreenfield	YesGreenfieldHousing
0914	245,997	Yes	YesGreenfield	YesGreenfieldHousing
1534	98,051	Yes	NoBrownfield	NoBrownfieldHousing
1544	329,183	Yes	YesGreenfield	YesGreenfieldMixed

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
122,200	Yes	17,128	-12%	No
143,224	Yes	11,200	-7%	No
160,665	Yes	144,092	-47%	No
182,412	Yes	139,023	-43%	No
118,485	Yes	16,931	-13%	No
188,599	Yes	114,535	-38%	Yes
-	No	-	0%	No
214,162	Yes	125,464	-37%	Yes
140,596	Yes	105,401	-43%	No
88,876	Yes	9,175	-9%	No
174,792	Yes	154,391	-47%	No

Table 40 – Cumulative Impact of Policies TP32 and TP34 – Zone 3 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0003	251,006	Yes	YesGreenfield	YesGreenfieldHousing	138,013	Yes	112,993	-45%	No
0011	233,511	Yes	YesGreenfield	YesGreenfieldHousing	135,282	Yes	98,229	-42%	No
0044	322,527	Yes	YesGreenfield	YesGreenfieldHousing	186,972	Yes	135,555	-42%	No
0046	292,457	Yes	YesGreenfield	YesGreenfieldHousing	280,286	Yes	12,171	-4%	Yes
0073	314,950	Yes	YesGreenfield	YesGreenfieldMixed	296,212	Yes	18,738	-6%	Yes
0093	76,446	Yes	YesBrownfield	YesBrownfieldHousing	63,503	Yes	12,943	-17%	No
0196	273,206	Yes	YesGreenfield	YesGreenfieldHousing	148,958	Yes	124,248	-45%	No
0216	243,317	Yes	YesGreenfield	YesGreenfieldHousing	136,716	Yes	106,601	-44%	No
0287	93,090	Yes	YesGreenfield	YesGreenfieldHousing	89,230	Yes	3,860	-4%	No
0418	277,151	Yes	YesGreenfield	YesGreenfieldHousing	140,875	Yes	136,275	-49%	No
0435	284,066	Yes	YesGreenfield	YesGreenfieldMixed	152,698	Yes	131,368	-46%	No
0438	249,087	Yes	YesGreenfield	YesGreenfieldHousing	136,958	Yes	112,129	-45%	No
0441	121,372	Yes	YesBrownfield	YesBrownfieldHousing	107,053	Yes	14,319	-12%	No
0531	253,913	Yes	YesGreenfield	YesGreenfieldHousing	146,966	Yes	106,947	-42%	No
0773	254,611	Yes	YesGreenfield	YesGreenfieldHousing	148,265	Yes	106,346	-42%	No
0781	254,396	Yes	YesGreenfield	YesGreenfieldHousing	146,290	Yes	108,106	-42%	No
0931	277,366	Yes	YesGreenfield	YesGreenfieldHousing	148,230	Yes	129,136	-47%	No
0968	253,453	Yes	YesGreenfield	YesGreenfieldHousing	148,320	Yes	105,133	-41%	No
1004	78,715	Yes	YesBrownfield	YesBrownfieldHousing	65,504	Yes	13,211	-17%	No
1014	256,130	Yes	YesGreenfield	YesGreenfieldHousing	147,288	Yes	108,843	-42%	No
1015	273,672	Yes	YesGreenfield	YesGreenfieldHousing	144,228	Yes	129,444	-47%	No
1016	253,489	Yes	YesGreenfield	YesGreenfieldHousing	146,040	Yes	107,449	-42%	No
1017	304,118	Yes	YesGreenfield	YesGreenfieldHousing	175,792	Yes	128,326	-42%	No
1019	105,533	Yes	YesBrownfield	YesBrownfieldHousing	95,198	Yes	10,336	-10%	No
1021	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	No
1379	278,450	Yes	YesGreenfield	YesGreenfieldHousing	152,568	Yes	125,883	-45%	No
1391	183,054	Yes	YesGreenfield	YesGreenfieldApartments	101,677	Yes	81,377	-44%	No

Table 40 – Cumulative Impact of Policies TP32 and TP34 – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1398	254,023	Yes	YesGreenfield	YesGreenfieldHousing
1412	138,753	Yes	YesGreenfield	YesGreenfieldHousing
1415	95,382	Yes	YesBrownfield	YesBrownfieldMixed
1429	57,761	Yes	YesBrownfield	YesBrownfieldHousing
1547	60,501	Yes	YesBrownfield	YesBrownfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
146,195	Yes	107,828	-42%	No
132,979	Yes	5,774	-4%	No
76,881	Yes	18,500	-19%	No
49,151	Yes	8,610	-15%	No
51,784	Yes	8,717	-14%	No

Table 41 – Cumulative Impact of Policies TP32 and TP34 – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	714,007	Yes	YesGreenfield	YesGreenfieldHousing
0613	789,922	Yes	YesGreenfield	YesGreenfieldHousing
1224	470,825	Yes	YesGreenfield	YesGreenfieldHousing
1602	702,879	Yes	YesGreenfield	YesGreenfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
448,119	Yes	265,888	-37%	Yes
504,141	Yes	285,780	-36%	Yes
287,785	Yes	183,040	-39%	Yes
447,914	Yes	254,965	-36%	Yes

Table 42 – Cumulative Impact of Policies TP32 and TP34 – Zone 5 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	286,861	Yes	YesGreenfield	YesGreenfieldHousing
0037	278,042	Yes	YesGreenfield	YesGreenfieldHousing
0041	330,327	Yes	YesGreenfield	YesGreenfieldHousing
0065	312,751	Yes	YesGreenfield	YesGreenfieldHousing
0075	308,121	Yes	YesGreenfield	YesGreenfieldMixed

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
197,258	Yes	89,603	-31%	Yes
180,600	Yes	97,442	-35%	No
318,364	Yes	11,962	-4%	Yes
205,527	Yes	107,224	-34%	Yes
293,084	Yes	15,037	-5%	Yes

Table 42 – Cumulative Impact of Policies TP32 and TP34 – Zone 5 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0146	260,841	Yes	YesGreenfield	YesGreenfieldHousing
0177	268,865	Yes	YesGreenfield	YesGreenfieldHousing
0220	285,178	Yes	YesGreenfield	YesGreenfieldHousing
0506	172,125	Yes	YesBrownfield	NoBrownfieldMixed
0951	333,336	Yes	YesGreenfield	YesGreenfieldHousing
0952	285,514	Yes	YesGreenfield	YesGreenfieldHousing
0959	287,122	Yes	YesGreenfield	YesGreenfieldHousing
0964	179,953	Yes	YesGreenfield	YesGreenfieldHousing
0978	285,199	Yes	YesGreenfield	YesGreenfieldHousing
0982	286,638	Yes	YesGreenfield	YesGreenfieldHousing
1030	329,815	Yes	YesGreenfield	YesGreenfieldHousing
1082	11,897	Yes	YesBrownfield	YesBrownfieldHousing
1088	117,282	Yes	YesBrownfield	YesBrownfieldMixed
1407	297,776	Yes	YesGreenfield	YesGreenfieldHousing
1470	286,445	Yes	YesGreenfield	YesGreenfieldHousing
1567	319,629	Yes	YesGreenfield	YesGreenfieldHousing
1616	288,050	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
173,012	Yes	87,829	-34%	No
182,371	Yes	86,493	-32%	No
193,103	Yes	92,075	-32%	Yes
153,325	Yes	18,800	-11%	No
228,205	Yes	105,131	-32%	Yes
193,684	Yes	91,830	-32%	Yes
194,139	Yes	92,984	-32%	Yes
173,450	Yes	6,503	-4%	No
193,098	Yes	92,101	-32%	Yes
196,608	Yes	90,030	-31%	Yes
216,371	Yes	113,444	-34%	Yes
5,422	Yes	6,475	-54%	No
100,097	Yes	17,185	-15%	No
195,609	Yes	102,167	-34%	Yes
195,784	Yes	90,662	-32%	Yes
217,041	Yes	102,589	-32%	Yes
196,851	Yes	91,200	-32%	Yes

Table 43 – Cumulative Impact of Policies TP32 and TP34 – Zone 6 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0030	312,806	Yes	YesBrownfield	YesBrownfieldMixed
0221	583,480	Yes	YesGreenfield	YesGreenfieldHousing
0589	491,420	Yes	YesGreenfield	YesGreenfieldMixed
0759	328,487	Yes	YesGreenfield	YesGreenfieldHousing
0766	528,985	Yes	YesGreenfield	YesGreenfieldHousing
0779	689,645	Yes	YesGreenfield	YesGreenfieldHousing
0782	529,257	Yes	YesGreenfield	YesGreenfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
117,071	Yes	195,735	-63%	No
367,536	Yes	215,945	-37%	Yes
273,823	Yes	217,597	-44%	Yes
322,146	Yes	6,341	-2%	Yes
333,415	Yes	195,571	-37%	Yes
447,105	Yes	242,541	-35%	Yes
330,677	Yes	198,580	-38%	Yes

Table 43 – Cumulative Impact of Policies TP32 and TP34 – Zone 6 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0948	530,230	Yes	YesGreenfield	YesGreenfieldHousing
0949	530,817	Yes	YesGreenfield	YesGreenfieldHousing
1034	638,207	Yes	YesGreenfield	YesGreenfieldHousing
1035	605,745	Yes	YesGreenfield	YesGreenfieldHousing
1036	334,318	Yes	YesBrownfield	YesBrownfieldHousing
1037	546,517	Yes	YesGreenfield	YesGreenfieldHousing
1041	225,719	Yes	YesGreenfield	YesGreenfieldHousing
1044	535,211	Yes	YesGreenfield	YesGreenfieldHousing
1046	610,187	Yes	YesGreenfield	YesGreenfieldHousing
1047	688,892	Yes	YesGreenfield	YesGreenfieldHousing
1100	504,238	Yes	YesGreenfield	YesGreenfieldMixed
1101	609,522	Yes	YesGreenfield	YesGreenfieldHousing
1103	453,165	Yes	YesGreenfield	YesGreenfieldHousing
1523	634,986	Yes	YesGreenfield	YesGreenfieldHousing
1541	477,773	Yes	YesGreenfield	YesGreenfieldHousing
1543	523,397	Yes	YesGreenfield	YesGreenfieldHousing
1583	529,160	Yes	YesGreenfield	YesGreenfieldHousing
1617	641,620	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
331,518	Yes	198,712	-37%	Yes
332,954	Yes	197,863	-37%	Yes
403,865	Yes	234,341	-37%	Yes
374,735	Yes	231,011	-38%	Yes
133,247	Yes	201,071	-60%	No
325,860	Yes	220,657	-40%	Yes
141,383	Yes	84,336	-37%	No
336,124	Yes	199,087	-37%	Yes
370,136	Yes	240,051	-39%	Yes
425,666	Yes	263,227	-38%	Yes
315,144	Yes	189,094	-38%	Yes
374,912	Yes	234,610	-38%	Yes
282,173	Yes	170,993	-38%	Yes
402,916	Yes	232,069	-37%	Yes
298,637	Yes	179,136	-37%	Yes
328,844	Yes	194,552	-37%	Yes
332,477	Yes	196,683	-37%	Yes
395,830	Yes	245,790	-38%	Yes

Table 44 – Cumulative Impact of Policies TP32 and TP34 – Zone 7 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0112	149,438	Yes	NoBrownfield	NoBrownfieldHousing
0264	73,170	Yes	NoBrownfield	NoBrownfieldHousing
0289	96,852	Yes	NoBrownfield	NoBrownfieldHousing
0397	290,408	Yes	YesGreenfield	YesGreenfieldMixed
0400	314,403	Yes	YesGreenfield	YesGreenfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	149,438	0%	No
-	No	73,170	0%	No
-	No	96,852	0%	No
124,739	Yes	165,669	-57%	No
303,031	Yes	11,372	-4%	Yes

Table 44 – Cumulative Impact of Policies TP32 and TP34 – Zone 7 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0478	181,400	Yes	YesBrownfield	YesBrownfieldHousing
0814	95,496	Yes	NoBrownfield	NoBrownfieldMixed
0815	127,145	Yes	NoBrownfield	NoBrownfieldMixed
1128	319,946	Yes	YesGreenfield	YesGreenfieldHousing
1194	316,549	Yes	YesGreenfield	YesGreenfieldHousing
1196	322,963	Yes	YesGreenfield	YesGreenfieldHousing
1197	318,902	Yes	YesGreenfield	YesGreenfieldHousing
1292	80,568	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
464	Yes	180,936	-100%	No
-	No	95,496	0%	No
-	No	127,145	0%	No
160,523	Yes	159,422	-50%	No
148,551	Yes	167,998	-53%	No
156,027	Yes	166,936	-52%	No
155,392	Yes	163,511	-51%	No
69,893	Yes	10,676	-13%	No
-	No	-	0%	No

Table 45 – Cumulative Impact of Policies TP32 and TP34 – Zone 8 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	522,546	Yes	YesGreenfield	YesGreenfieldHousing
0174	406,850	Yes	YesGreenfield	YesGreenfieldHousing
0334	349,230	Yes	YesBrownfield	YesBrownfieldHousing
0338	502,472	Yes	YesGreenfield	YesGreenfieldHousing
0353	574,599	Yes	YesGreenfield	YesGreenfieldHousing
0538	506,102	Yes	YesGreenfield	YesGreenfieldHousing
0565	517,333	Yes	YesGreenfield	YesGreenfieldHousing
0568	279,222	Yes	YesGreenfield	YesGreenfieldHousing
0579	-	No	NoBrownfield	NoBrownfieldApartments
0846	370,807	Yes	YesBrownfield	YesBrownfieldHousing
0856	434,803	Yes	YesGreenfield	YesGreenfieldHousing
0862	493,582	Yes	YesGreenfield	YesGreenfieldHousing
0893	244,924	Yes	YesGreenfield	YesGreenfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
345,694	Yes	176,852	-34%	Yes
269,501	Yes	137,349	-34%	Yes
338,277	Yes	10,953	-3%	Yes
336,190	Yes	166,282	-33%	Yes
560,987	Yes	13,611	-2%	Yes
338,619	Yes	167,483	-33%	Yes
329,692	Yes	187,641	-36%	Yes
185,632	Yes	93,590	-34%	No
-	No	-	0%	No
357,036	Yes	13,771	-4%	Yes
286,867	Yes	147,936	-34%	Yes
319,429	Yes	174,153	-35%	Yes
163,228	Yes	81,696	-33%	No

Table 45 – Cumulative Impact of Policies TP32 and TP34 – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0945	319,915	Yes	YesBrownfield	YesBrownfieldHousing
1032	315,965	Yes	YesGreenfield	YesGreenfieldHousing
1033	351,588	Yes	YesGreenfield	YesGreenfieldHousing
1053	398,530	Yes	YesGreenfield	YesGreenfieldHousing
1054	355,587	Yes	YesGreenfield	YesGreenfieldHousing
1075	192,862	Yes	YesBrownfield	YesBrownfieldMixed
1077	378,444	Yes	YesGreenfield	YesGreenfieldHousing
1078	149,970	Yes	YesGreenfield	YesGreenfieldHousing
1093	292,950	Yes	YesBrownfield	YesBrownfieldHousing
1095	420,868	Yes	YesGreenfield	YesGreenfieldHousing
1116	397,959	Yes	YesGreenfield	YesGreenfieldHousing
1322	195,982	Yes	YesGreenfield	YesGreenfieldApartments
1451	240,547	Yes	YesGreenfield	YesGreenfieldHousing
1453	367,328	Yes	YesGreenfield	YesGreenfieldHousing
1463	171,218	Yes	YesGreenfield	YesGreenfieldHousing
1469	396,406	Yes	YesGreenfield	YesGreenfieldMixed
1472	383,010	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
309,595	Yes	10,320	-3%	Yes
199,167	Yes	116,798	-37%	Yes
234,287	Yes	117,301	-33%	Yes
264,243	Yes	134,287	-34%	Yes
230,528	Yes	125,059	-35%	Yes
176,404	Yes	16,458	-9%	No
251,088	Yes	127,356	-34%	Yes
99,565	Yes	50,405	-34%	No
282,271	Yes	10,678	-4%	Yes
280,750	Yes	140,119	-33%	Yes
259,494	Yes	138,465	-35%	Yes
-	No	195,982	0%	No
106,743	Yes	133,804	-56%	No
244,731	Yes	122,597	-33%	Yes
75,904	Yes	95,314	-56%	No
236,539	Yes	159,867	-40%	Yes
253,181	Yes	129,829	-34%	Yes

Table 45 – Cumulative Impact of Policies TP32 and TP34 – Zone 9 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	145,375	Yes	YesGreenfield	YesGreenfieldMixed
0152	137,229	Yes	YesGreenfield	YesGreenfieldHousing
0164	179,268	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing

TP32 and TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
55,383	Yes	89,992	-62%	No
122,868	Yes	14,361	-10%	No
140,277	Yes	38,991	-22%	No
-	No	-	0%	No

Table 45 – Cumulative Impact of Policies TP32 and TP34 – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0238	121,387	Yes	YesGreenfield	YesGreenfieldHousing
0248	157,030	Yes	YesGreenfield	YesGreenfieldMixed
0261	109,088	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	34,087	Yes	YesGreenfield	YesGreenfieldHousing
0452	145,503	Yes	YesGreenfield	YesGreenfieldHousing
0454	102,475	Yes	YesGreenfield	YesGreenfieldHousing
0523	109,256	Yes	YesGreenfield	YesGreenfieldHousing
0683	132,447	Yes	YesGreenfield	YesGreenfieldHousing
0950	33,375	Yes	YesGreenfield	YesGreenfieldHousing
0983	65,227	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldHousing
0987	101,694	Yes	YesGreenfield	YesGreenfieldHousing
0988	109,022	Yes	YesGreenfield	YesGreenfieldHousing
0990	103,856	Yes	YesGreenfield	YesGreenfieldHousing
1009	130,893	Yes	YesGreenfield	YesGreenfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	153,972	Yes	YesGreenfield	YesGreenfieldMixed
1216	74,373	Yes	YesGreenfield	YesGreenfieldHousing
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	100,122	Yes	YesGreenfield	YesGreenfieldHousing
1283	-	No	NoBrownfield	NoBrownfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldMixed
1409	104,403	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
108,685	Yes	12,703	-10%	No
141,312	Yes	15,718	-10%	No
50,428	Yes	58,660	-54%	No
-	No	-	0%	No
-	No	-	0%	No
8,677	Yes	25,410	-75%	No
64,841	Yes	80,663	-55%	No
26,924	Yes	75,551	-74%	No
50,213	Yes	59,043	-54%	No
60,825	Yes	71,622	-54%	No
14,912	Yes	18,463	-55%	No
19,379	Yes	45,848	-70%	No
-	No	-	0%	No
31,467	Yes	70,227	-69%	No
50,320	Yes	58,702	-54%	No
27,287	Yes	76,569	-74%	No
58,484	Yes	72,409	-55%	No
-	No	-	0%	No
-	No	-	0%	No
138,560	Yes	15,412	-10%	No
33,715	Yes	40,658	-55%	No
-	No	-	0%	No
45,090	Yes	55,032	-55%	No
-	No	-	0%	No
-	No	-	0%	No
46,824	Yes	57,579	-55%	No
-	No	-	0%	No
-	No	-	0%	No

Table 45 – Cumulative Impact of Policies TP32 and TP34 – Zone 9 (Part 3)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1486	102,665	Yes	YesGreenfield	YesGreenfieldHousing
1487	157,167	Yes	YesGreenfield	YesGreenfieldMixed
1488	157,617	Yes	YesGreenfield	YesGreenfieldMixed
1489	155,544	Yes	YesGreenfield	YesGreenfieldMixed
1570	132,543	Yes	YesGreenfield	YesGreenfieldHousing
1590	110,679	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldMixed
1603	123,067	Yes	YesGreenfield	YesGreenfieldHousing
1607	107,657	Yes	YesGreenfield	YesGreenfieldHousing
1609	564,953	Yes	YesBrownfield	YesBrownfieldApartments

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
31,548	Yes	71,117	-69%	No
141,435	Yes	15,732	-10%	No
141,840	Yes	15,777	-10%	No
139,974	Yes	15,569	-10%	No
60,379	Yes	72,165	-54%	No
39,432	Yes	71,247	-64%	No
-	No	-	0%	No
49,410	Yes	73,657	-60%	No
49,474	Yes	58,183	-54%	No
485,095	Yes	79,858	-14%	Yes

7. Baseline Appraisals – Commercial Assumptions

7.1 The assumptions applied within our baseline commercial assessments are summarised below:

Construction Costs

7.2 For the purpose of this assessment we have updated the lower quartile cost data from BCIS, used in the previous assessments, to the second quarter 2017. Because the data from BCIS excludes costs associated with external works an additional allowance has been included for these items at 10% of the construction rates / costs (these assumptions mirror those from the previous assessments). On this basis the following costs have been applied to the commercial uses within our latest assessment.

Table 46 – Base Construction Costs

Description	BCIS Lower Quartile Rates £psm (£psf)	External Works	Total Build Costs £psm (£psf)
Offices (B1)	£1,050psm (£98psf)	10%	£1,155psm (£107psf)
Industrial (B2)	£490psm (£45psf)	10%	£539psm (£50psf)
Storage and Distribution (B8)	£457 (£42psf)	10%	£503psm (£47psf)
Town Centre Comparison Retail	£683psm (63psf)	10%	£751psm (£70psf)
Convenience Stores	£929psm (£86psf)	10%	£1,022psm (£95psf)
Supermarkets	£929psm (£86psf)	10%	£1,022psm (£95psf)
Superstores	£929psm (£86psf)	10%	£1,022psm (£95psf)
Hypermarkets	£929psm (£86psf)	10%	£1,022psm (£95psf)
Retail Warehouse	£542psm (£50psf)	10%	£596psm (£55psf)
Restaurants and Cafes (A3)	£1,703 (£158psf)	10%	£1,873psm (£174psf)
Drinking Establishments (A4)	£1,647 (£153psf)	10%	£1,812psm (£168psf)
Care Homes	£4,656 (£433psf) ²⁴	-	£4,656 (£433psf)
Hotel	£1,400psm (£130psf)	10%	£1,540psm (£143psf)

Source: BCIS and Bilfinger GVA

7.3 Once again the costs reflect compliance with Part L 2010 Building Regulations and include allowances for:

- Developer on costs including preliminaries, site set up costs etc.
- Standard development costs – substructures;
- Standard development costs – superstructures;

²⁴ Costs are based on a total (all-inclusive cost) of £75,000 per bed space.

Project / Professional Fees

- 7.4 Project fees have been included at 8% of the total construction costs. This mirrors the assumption used in the previous assessment²⁵.

Remediation / Ground Conditions

- 7.5 Replicating our approach within the previous assessment it is assumed that most sites will fall under Category A, which comprise small scale and general industrial sites, colliery or mine spoil heaps, miscellaneous factories and works (not heavy industry) and sites with very small to small fuel tanks²⁶. The assessment makes a second assumption that all of the Brownfield sites will fall within the low water risk category.
- 7.6 Based on these assumptions the remediation costs are:
- Commercial uses with limited soft landscaping (covering all uses in Table 46 other than care homes) – between £50,000 and £130,000 per hectare; and
 - Flats / Apartments (covering care homes) – between £75,000 and £205,000 per ha.
- 7.7 The median costs have been adopted and a locational factor of 0.86 applied, as per the rates set out within the HCA guidance. On this basis the costs set out within Table 47 have been applied within our assessment:

Table 47 – Remediation Costs

Description	Median Cost £per ha	Location Factor	Cost £per ha
Commercial Uses ²⁷	£90,000	0.86	£77,400
Care Homes	£140,000	0.86	£120,400

- 7.8 Our assessment has assumed a worst case scenario and applied these costs to the full site area of all Brownfield sites. However, the reality is likely to be very different and not every site will be contaminated and some may only have contamination present in limited areas across the site.

²⁵ No fees have been included for the Care Home as these are covered in the total cost of £75,000 per bed space.

²⁶ Other categories include; Category B, which includes garages, workshops, pithead sites, railway lines, textiles, small scale timber treatment, sewage works, smaller chemical works, sites with small to mid-sized fuel tanks; Category C, which includes metal workings, scrap yards and shipyards, paints and solvents, small gasworks/gas holder sites, smaller power stations, rail depots (maintenance and refuelling) and site with large fuel tanks; and Category D, which includes major gasworks, iron and steel works, large chemical works, refineries and major fuel depots, ship breaking and building, larger power stations and sites with large tank farms.

²⁷ Covers all uses in Table 46 other than Care Homes

Site Preparation

- 7.9 It is also assumed that a proportion of the Brownfield sites will require some site preparation and demolition to facilitate their redevelopment. Assuming complex sites, the HCA guidance states that costs range between £15psm and £75psm of site area.
- 7.10 Replicating the assumptions from the previous assessment we have applied the median cost of £45psm and after adjusting for location factors the overall cost for site preparation is £39psm or £390,000 per ha. Once again our assessment has assumed a worst case scenario and applied these costs to the full site area of all Brownfield sites.

Contingencies

- 7.11 Contingencies are included at 3% for Greenfield sites and 5% for the Brownfield sites. These mirror the assumptions from our previous assessment²⁸.

S106 Contributions

- 7.12 As was the case when appraising the residential sites it is difficult to deal with direct site acceptability matters such as S106 contributions in a study of this nature. Mirroring the approach we applied to the residential appraisals we have excluded any allowances for S106 items. Instead we have taken this into account when analysing the results from the modelling by ensuring a sufficient margin has been applied to the viability results (see later).

Highways and Public Transport Contributions

- 7.13 We have adopted the same approach as we have for S106 items and excluded any costs from our assessment. However, we have sought to reflect such items through the application of a suitable viability cushion.

Costs associated with Other Local Plan Policies

- 7.14 As outlined previously until it is replaced by the Calderdale Local Plan planning decisions will be based upon the Replacement Calderdale Unitary Development Plan (RCUDP) and the NPPF. Relevant policies from the RCUDP which have been considered when calculating the Market Value Benchmarks for the commercial uses include:
- Policy EP 27 Renewable Energy in New Developments, which requires major employment and retail developments (defined as 1,000sq.m gross or more) to incorporate on site renewable energy

²⁸ These costs have not been applied to the Care Home development scenario as contingencies are factored into the overall cost per bedroom (see Table 46).

generation to provide at least 20% of predicted energy requirements up until 2020. We have maintained the allowance from our previous assessment and based the costs on 10% of the base construction costs and applied these costs to 20% of the gross floorspace.

- 7.15 With respect to Care Homes we have applied the same assumption as for residential development and applied a cost of £6,500 per unit (i.e. bed spaces in this instance) for solar panels and applied this to 20% of the total number of bed spaces.

Sales and Marketing Fees

- 7.16 Letting agents fees have been included at 15% of the estimated first years rental value (ERV). This assumes joint agency. A further allowance of 5% has been included for letting legal fees. Investment agent's and legal fees are also included at 1% and 0.25% (respectively) of the schemes net development value. These mirror the assumptions used in the previous assessment.
- 7.17 Marketing costs are included at 0.5% of the schemes net development value.
- 7.18 It should be noted that food retailers generally acquire sites and construct their stores directly. The same is true for restaurant, pub chains and care homes. This negates the need for these cost items for these particular uses. In this context sales and marketing fees have only been applied to the employment uses classes (incorporating B1, B2 and B8 uses) and comparison retail.

Finance Charges / Interest Rate

- 7.19 We have maintained our allowance from the previous assessments and included an interest rate of 6%²⁹.

Gross Profit Margin

- 7.20 Most commercial developers operate on the basis of gross margin on cost. For the purpose of this assessment we have applied a gross margin of 15%, which is inclusive of overhead recovery. This is applied to the total development costs. However, it should be noted that food retailers generally acquire sites and construct their stores directly. The same is true for restaurant, pub chains and care homes. This negates the need for a developers profit within the development appraisal. Whilst there will be contractors margin the rates from BCIS are inclusive of contractor margins.
- 7.21 In this context a developer's margin of 15% has only been applied to the employment uses classes (incorporating B1, B2 and B8 uses), retail warehousing and comparison retail³⁰.

²⁹ Finance costs are not included on the Care Home development scenario as these costs are factored into the overall cost per bedroom (See Table 46).

³⁰ It must also be recognised that end occupiers' / users (within these use classes) may also purchase land and build their own premises. In these circumstances there would be no need to include a developer's profit or sales and marketing fees within the appraisal.

Stamp Duty and Purchasers Costs on Residual Land Value

Stamp Duty

- 7.22 The 2016 Budget introduced a change in calculation method for Stamp Duty Land Tax to a tranche/ratchet method. As of 1 April 2016, non-residential and mixed-use land Stamp Duty Land Tax (which includes residential land as this is classed as any other land or property which is not used as a residence) will be payable on portions of the price paid, as set out in Table 48.

Table 48 – Stamp Duty Thresholds

Banding	SDLT Rate
Up to £150,000	0%
£150,001 to £250,000	2%
Remaining amount over £250,000	5%

Purchasers Costs

- 7.23 An allowance of 1.75% of the gross residual land value has been included within the assessments.

Viability Tolerance

- 7.24 Whilst we have used a residual appraisal to derive the market value benchmarks (step 1 of our approach explained within Section 2) it is recognised that in exercises such as this it is not possible to capture all of the costs associated with bringing a development forward. For example S106 and S278 (highway contributions) are more often than not scheme specific and therefore can't be captured in area wide viability assessments which by their very nature are based on hypothetical schemes.
- 7.25 For this reason the assessment has included what is referred to as a viability tolerance / cushion on the Residual Land Value. No guidance as to what constitutes an appropriate cushion is provided. Instead this is left for the local planning authority to decide in collaboration with their partners and consultees. For the purpose of this assessment we have applied a viability cushion of 10%.

Commercial Values

- 7.26 The values outlined in Table 49 have been incorporated into the baseline commercial assessments and assume a 10 year lease term.

Table 49 – Commercial Value Assumptions

Land Use	Typology	Headline Rent	Yield	Incentives
Offices	East Calderdale (including Brighouse and Elland)	£161psm (£15psf)	7.25%	24 months
	West Calderdale (including Sowerby Bridge and Todmorden)	£161psm (£12psf)	7.25%	24 months
	Halifax	£188psm (£17.50psf)	7.25%	24 months

Land Use	Typology	Headline Rent	Yield	Incentives
Industrial (light Industrial), storage and distribution	Halifax	£59psm (£5.50psf) ³¹	6%	6 months
	Elland / Brighouse (motorway junctions)	£65psm (£6.00psf) ³²	6%	6 months
	Other areas (including Sowerby Bridge and Hebden Bridge)	£54psm (£5.00psf) ³³	7%	6 months
Retail	Town Centre (Halifax) comparison retail	£172psm (£16psf)	7%	12 months
	Town Centre (Brighouse) comparison retail	£140psm (£13psf)	7.5%	12 months
	Town Centre (Elland) comparison retail	£108psm (£10psf)	7.5%	12 months
	Town Centre (Hebden Bridge) comparison retail	£108psm (£10psf)	7.5%	12 months
	Town Centre (Sowerby Bridge) comparison retail	£108psm (£10psf)	7.5%	12 months
	Town centre (Todmorden) comparison retail	£108psm (£10psf)	7.5%	12 months
	Retail Warehouses (borough wide)	£108psm (£10psf)	7.5%	12 months
	Borough wide supermarkets/ superstores/ hypermarkets	£140psm (£13psf)	6%	12 months
	Borough wide convenience retail	£108psm (10psf)	7%	12 months
A3 (Food)	Borough Wide	£215psm (£20psf)	6%	6 months
A3 (Pub)	Borough Wide	£215psm (£20psf)	6%	6 months
Care Home	Borough Wide	£5,000 per bed	6.5%	-
Hotel	Borough Wide	£5,000 per room	6.5%	-

³¹ Rental values in Halifax range between £5.25psf for units of 100,000sq.ft or more, £5.75psf for units of around 50,000sq.ft and £6.00psf for units for 20,000sq.ft or less. Our assessment has applied an average value of £5.50psf.

³² Rental values in the location of motorway junctions (including Elland and Brighouse) range between £5.50psf for units of 100,000sq.ft or more, £5.95psf for units of around 50,000sq.ft and £6.25psf for units for 20,000sq.ft or less. Our assessment has applied an average value of £5.50psf.

³³ There is limited rental evidence in other area of the Borough. For the purpose of this assessment we have applied a rental value of £5.00psf.

8. Baseline Appraisal Results - Commercial

- 8.1 Taking into consideration the assumptions set out in the previous section we have calculated the residual land values (market values) for each of the commercial uses.

Employment (incorporating B1, B2 and B8 uses)

- 8.2 The results of our baseline assessment for employment uses are set out within Table 50 and demonstrate the following:

- The average land value for Greenfield / unconstrained sites in Elland and Brighouse is circa £160,000 per acre. This is slightly higher than the minimum benchmark land value of £150,000 per acre.
- The average land value for Greenfield / unconstrained sites in Halifax is slightly lower at around £115,000 per acre and is below the minimum benchmark land value of £150,000 per acre.
- Brownfield sites are unviable. This is not surprising as our assessment has adopted a cautious approach and assumed that each site is contaminated and requires significant site preparation. The associated costs for mitigation and site preparation are also applied assuming full site coverage when in reality only a small portion of the site may be subject to these abnormal costs.

- 8.3 It should be noted that these values are derived from sites where the predominant uses are industrial (i.e. B1c, B2 and B8 use). Those sites where the predominant use is offices (i.e. B1a or B1c) demonstrate negative land values. However, this is slightly misleading as those sites which are predominantly office use³⁴ are also Brownfield. To see whether office development would be viable on Greenfield / unconstrained sites we re-ran the assessments excluding the costs for remediation and site preparation. Even on this basis office development remains unviable.

- 8.4 It must also be recognised that the above results assume a traditional 'developer led' approach to delivery whereby the developer builds the building and lets the completed space to an end occupier. As outlined previously it is also feasible that these 'end occupiers' may also purchase land and build their own premises. In these circumstances there would be no need to include a developer's profit or sales and marketing fees within the appraisal.

- 8.5 We have rerun the appraisals excluding these costs and summarise the results in Table 51. The results of this exercise demonstrate the following:

- The average land value for Greenfield / unconstrained land for industrial uses (B1c, B2 and B8), is circa £320,000 per acre in Brighouse and Elland and around £275,000 per acre in Halifax. The average value of Brownfield industrial land is circa £140,000 per acre in Brighouse and Elland and

³⁴ Sites LP0059, LP0509, LP1088, LP1287 and LP1292)

£100,000 per acre in Halifax. Brownfield development is unlikely to be viable in the rest of the Borough.

- Office development on Brownfield sites in Brighouse and Elland is unviable but office development on Brownfield sites in Halifax generates a land value of circa £875,000 per acre. Office development on Greenfield / unconstrained sites generates a land value of circa £1,000,000 per acre in Halifax but is unviable in the rest of the Borough (including Elland and Brighouse).

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Table 50 – Preferred Employment Sites – Viability Results (Traditional Delivery Approach)

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
LP0009	3.03	0%	0%	25%	40%	35%	Elland	-	No	NoElland	NoBrownfield
LP0021	4.58	0%	0%	50%	50%	0%	Elland	141,667	Yes	YesElland	YesGreenfield
LP0025	1.66	0%	0%	0%	50%	50%	Elland	173,803	Yes	YesElland	YesGreenfield
LP0032	3.12	0%	0%	100%	0%	0%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP0059	0.29	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	110,547	Yes	YesHalifax	YesGreenfield
LP0216	0.98	0%	0%	0%	0%	100%	Halifax	-	No	NoHalifax	NoBrownfield
LP0264	0.39	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0289	0.45	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP0355	0.38	0%	0%	100%	0%	0%	Elland	156,498	Yes	YesElland	YesGreenfield
LP0409	0.71	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0472	0.78	0%	0%	0%	100%	0%	Halifax	102,187	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	3.09	0%	0%	0%	50%	50%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP0579	0.42	0%	0%	100%	0%	0%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP0585	0.63	0%	0%	100%	0%	0%	Brighouse	151,431	Yes	YesBrighouse	YesGreenfield
LP0922	0.37	0%	0%	100%	0%	0%	Hebden Bridge	-	No	NoHebden Bridge	NoBrownfield
LP0960	5.86	0%	0%	25%	40%	35%	Elland	161,163	Yes	YesElland	YesGreenfield
LP0976	0.43	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1018	6.10	0%	0%	35%	35%	30%	Halifax	112,008	Yes	YesHalifax	YesGreenfield
LP1078	6.00	0%	0%	100%	0%	0%	Brighouse	140,484	Yes	YesBrighouse	YesGreenfield
LP1088	0.80	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP1133	4.35	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1170	3.65	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1203	1.72	0%	0%	35%	35%	30%	Halifax	-	No	NoHalifax	NoBrownfield

Table 50 – Preferred Employment Sites – Viability Results (Part 2)

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
LP1217	2.93	0%	0%	35%	35%	30%	Halifax	114,658	Yes	YesHalifax	YesGreenfield
LP1219	6.80	0%	0%	35%	35%	30%	Halifax	111,753	Yes	YesHalifax	YesGreenfield
LP1220	4.02	25%	25%	0%	0%	50%	Halifax	-	No	NoHalifax	NoGreenfield
LP1223	5.07	0%	0%	25%	40%	35%	Elland	-	No	NoElland	NoBrownfield
LP1231	3.65	0%	0%	0%	50%	50%	Halifax	123,773	Yes	YesHalifax	YesGreenfield
LP1232	25.5	0%	0%	0%	50%	50%	Brighouse	167,387	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1292	0.34	100%	0%	0%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1431	0.87	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1433	0.38	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP1618	4.42	0%	0%	0%	50%	50%	Brighouse	169,516	Yes	YesBrighouse	YesGreenfield

Table 51 – Preferred Employment Sites – Viability Results (Direct Delivery by End Occupiers)

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
LP0009	3.03	0%	0%	25%	40%	35%	Elland	146,847	Yes	YesElland	YesBrownfield
LP0021	4.58	0%	0%	50%	50%	0%	Elland	305,203	Yes	YesElland	YesGreenfield
LP0025	1.66	0%	0%	0%	50%	50%	Elland	333,719	Yes	YesElland	YesGreenfield
LP0032	3.12	0%	0%	100%	0%	0%	Brighouse	127,222	Yes	YesBrighouse	YesBrownfield
LP0059	0.29	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	279,264	Yes	YesHalifax	YesGreenfield
LP0216	0.98	0%	0%	0%	0%	100%	Halifax	133,664	Yes	YesHalifax	YesBrownfield
LP0264	0.39	0%	0%	100%	0%	0%	Halifax	90,327	Yes	YesHalifax	YesBrownfield
LP0289	0.45	0%	0%	100%	0%	0%	Halifax	88,947	Yes	YesHalifax	YesBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	138,061	Yes	YesBrighouse	YesBrownfield
LP0355	0.38	0%	0%	100%	0%	0%	Elland	323,217	Yes	YesElland	YesGreenfield
LP0409	0.71	0%	0%	100%	0%	0%	Halifax	85,966	Yes	YesHalifax	YesBrownfield
LP0472	0.78	0%	0%	0%	100%	0%	Halifax	264,629	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	3.09	0%	0%	0%	50%	50%	Brighouse	152,979	Yes	YesBrighouse	YesBrownfield
LP0579	0.42	0%	0%	100%	0%	0%	Brighouse	140,299	Yes	YesBrighouse	YesBrownfield
LP0585	0.63	0%	0%	100%	0%	0%	Brighouse	315,127	Yes	YesBrighouse	YesGreenfield
LP0922	0.37	0%	0%	100%	0%	0%	Hebden Bridge	-	No	NoHebden Bridge	NoBrownfield
LP0960	5.86	0%	0%	25%	40%	35%	Elland	322,165	Yes	YesElland	YesGreenfield
LP0976	0.43	0%	0%	50%	50%	0%	Halifax	98,155	Yes	YesHalifax	YesBrownfield
LP1018	6.10	0%	0%	35%	35%	30%	Halifax	271,509	Yes	YesHalifax	YesGreenfield
LP1078	6.00	0%	0%	100%	0%	0%	Brighouse	304,021	Yes	YesBrighouse	YesGreenfield
LP1088	0.80	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP1133	4.35	0%	0%	50%	50%	0%	Halifax	79,191	Yes	YesHalifax	YesBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	84,640	Yes	YesHalifax	YesBrownfield
LP1170	3.65	0%	0%	100%	0%	0%	Halifax	78,713	Yes	YesHalifax	YesBrownfield
LP1203	1.72	0%	0%	35%	35%	30%	Halifax	99,990	Yes	YesHalifax	YesBrownfield

Table 51 – Preferred Employment Sites – Viability Results (Direct Delivery by End Occupiers) – Part 2

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
LP1217	2.93	0%	0%	35%	35%	30%	Halifax	274,159	Yes	YesHalifax	YesGreenfield
LP1219	6.80	0%	0%	35%	35%	30%	Halifax	271,254	Yes	YesHalifax	YesGreenfield
LP1220	4.02	25%	25%	0%	0%	50%	Halifax	418,252	Yes	YesHalifax	YesGreenfield
LP1223	5.07	0%	0%	25%	40%	35%	Elland	144,868	Yes	YesElland	YesBrownfield
LP1231	3.65	0%	0%	0%	50%	50%	Halifax	281,826	Yes	YesHalifax	YesGreenfield
LP1232	25.5	0%	0%	0%	50%	50%	Brighouse	327,303	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	869,469	Yes	YesHalifax	YesBrownfield
LP1292	0.34	100%	0%	0%	0%	0%	Halifax	883,642	Yes	YesHalifax	YesBrownfield
LP1431	0.87	0%	0%	100%	0%	0%	Halifax	84,679	Yes	YesHalifax	YesBrownfield
LP1433	0.38	0%	0%	100%	0%	0%	Halifax	90,519	Yes	YesHalifax	YesBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	138,484	Yes	YesElland	YesBrownfield
LP1618	4.42	0%	0%	0%	50%	50%	Brighouse	329,432	Yes	YesBrighouse	YesGreenfield

Comparison Retail

- 8.6 Recognising that most developments, if they were to occur, are likely to take place in the existing urban area we have appraised the viability of comparison retail on the basis of Brownfield sites. On this basis our assessment has demonstrated that town centre comparison retail is only viable in Halifax, generating a land value of circa £175,000 per acre. The results of our assessment are presented in Table 52.

Table 52 – Viability of Town Centre Comparison Retail

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Town Centre (Halifax)	0.82	352,101	429,391	173,765	Yes
Town Centre (Brighouse)	0.09	(200,372)	-	-	No
Town Centre (Elland)	0.04	(88,735)	-	-	No
Town Centre (Hebden Bridge)	0.04	(144,050)	-	-	No
Town Centre (Sowerby Bridge)	0.03	(104,630)	-	-	No
Town Centre (Todmorden)	0.07	(276,659)	-	-	No

- 8.7 A value of circa £175,000 per acre is considered sufficient to incentivise a landowner to sell especially when considering the viability of other land uses on Brownfield sites.

Convenience Retail

- 8.8 As demonstrated in Table 53 all forms of convenience retail are viable with land values ranging from circa £175,000 per acre for small convenience retail / stores up to circa £765,000 per acre for large format convenience stores. These values are based on Greenfield / unconstrained sites. However, most developments if they were to occur are likely to take place on Brownfield (constrained) sites and will more often than not be promoted as enabling development.
- 8.9 Through our assessment we have established that small convenience retail / stores are not viable on Brownfield sites. However, the larger format convenience stores are viable generating land values of circa £570,000 per acre (refer to Table 54).

Table 53 – Greenfield/Unconstrained Convenience Retail

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Convenience Stores	0.09	38,466	427,400	172,959	Yes
Sypermarkets	0.63	1,193,042	1,893,717	766,346	Yes
Superstores	1.00	1,897,280	1,897,280	767,787	Yes
Hypermarket	1.50	2,836,263	1,890,842	765,182	Yes

Table 54 – Brownfield Convenience

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Convenience Stores	0.09	(7,374)	-	-	No
Sypermarkets	0.63	889,687	1,412,202	571,487	Yes
Superstores	1.00	1,415,144	1,415,144	572,678	Yes
Hypermarket	1.50	2,113,060	1,408,707	570,073	Yes

- 8.10 Values of circa £570,000 per acre are considered more than sufficient to incentive a landowner to sell especially in comparison to other the viability of alternative uses on Brownfield sites.

Retail Warehouse

- 8.11 Retail warehousing is viable, generating falls to circa £230,000 per acre for Brownfield (constrained) sites.

Table 55 – Viability of Retail Warehousing

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Retail Warehouse (Greenfield)	0.38	412,260	1,084,895	439,033	Yes
Retail Warehouse (Brownfield)	0.38	215,230	566,395	229,208	Yes

A3 Food and Drink

- 8.12 Our assessment has demonstrated that both forms of development are viable assuming it takes place on Greenfield / unconstrained sites. Restaurants and cafes generate a land value of circa £145,000 per acre and drinking establishments generate a land value of circa £180,000 per acre. However, these forms of development become unviable if it takes place on Brownfield sites.

Table 56 – Viability of A3 Food and Drink

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Restaurants (Greenfield)	0.20	72,588	362,939	146,874	Yes
Pubs (Greenfield)	0.40	177,702	444,254	179,780	Yes
Restaurants (Brownfield)	0.20	(24,634)	-	-	No
Pubs (Brownfield)	0.40	(15,347)	-	-	No

Care Homes

8.13 Care Home development is viable, generating land values of circa £1.7m per acre for Greenfield/unconstrained sites (this equates to circa £13,000 per bed space). The land value falls to circa £1.6m per acre for Brownfield (constrained sites), which equates to £12,000 per bed space.

8.14 The results of our analysis are set out within Table 57.

Table 57 – Viability of Care Homes

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Care Home (Greenfield)	0.20	859,350	4,296,750	1,738,800	Yes
Care Home (Brownfield)	0.20	780,897	3,904,484	1,580,059	Yes

Hotels

8.15 Hotel development is viable, generating land values of circa £850,000 per acre for Greenfield/unconstrained sites and circa £580,000 per acre for Brownfield (constrained) sites.

Table 58 – Viability of Hotels

Land Use	Gross Site Area (HA)	Net Residual Land Value	Value £per ha	Value £ per acre	Viable
Hotel (Greenfield)	0.20	419,916	2,099,578	849,653	Yes
Hotel (Brownfield)	0.20	287,959	1,439,795	582,654	Yes

9. Impact of Local Plan Policies (Commercial)

9.1 The assessment will, therefore, need to consider those policies that are likely to have a cost impact on development over and above what are typically included as standard development costs. We have identified that the following policies should be included considered within this assessment.

- Policy TP10 District Heating
- Policy TP44 High Quality Inclusive Design

Policy TP10 District Heating

9.2 As outlined previously the Council, where technically feasible and in areas with sufficient existing or potential heat density, require developments to propose heating systems which accord to the following hierarchy:

- i. Connection to existing district heating networks;
- ii. Construction of a site wide district heating network served by a new low carbon heat source;
- iii. Collaboration with neighbouring development sites or existing heat loads / sources to develop a viable shared district heating network; and
- iv. In areas where district heating is currently not viable, but there is potential for future district heating networks, all development proposals will need to demonstrate how sites have been designed to allow for connection to a future district heating network.

9.3 This policy is restricted to developments of 1,000sq.m (10,764sq.ft) or more.

9.4 However, the Council accept that a commercially viable opportunity has not yet been identified but they wish to encourage developers to investigate and bring forward heat networks for new developments. Policy TP10 reflects the Councils current position and demonstrates their support for district heating networks. The Council has identified that a possible means of achieving the necessary infrastructure could be through CIL contributions. The viability of CIL is considered later. Within this context and in few of the fact it is unclear which of the preferred sites are suitable for district heating we have not assessed the implications of this policy, on commercial development, within our assessment.

Policy TP44 High Quality Inclusive Design

9.5 Policy TP44 requires, amongst other things, all new non-residential development to meet at least BREEAM level 'very good' with immediate effect, with an aspiration for higher BREEAM standards, subject to review over the plan period to ensure the targets remain relevant. For the purpose of this assessment it is assumed this emerging policy will supersede Policy EP 27 Renewable Energy in New Development set out within the RCUDP.

9.6 Within the baseline appraisals Policy EP27 was taken into account by applying a 10% increase on the construction costs and applying these costs to 20% of the gross floorspace. This assumption was only

applied to schemes of 1,000sq.m (gross) or more whereas emerging policy TP44 seeks to ensure that all buildings (regardless of size) meet BREEAM 'Very Good'. However, BREEAM very good is commensurate with the current standards required by Building Regulation for all commercial schemes. In this context the costs associated with achieving BREEAM Very Good are already accounted for in the basic build costs (refer to Table 46 on page 80).

Impact of Policy TP44 – High Quality Inclusive Design

- 9.7 Taking the above into consideration the reality is TP44 will improve viability as the cost associated with Policy EP27 of the RCUDP will be superseded (and removed from the appraisals) and replaced by TP44 which does not have a cost impact on development.

Impact of Policy TP44 on Employment Uses (incorporating B1, B2 and B8 uses).

- 9.8 The average land value for Greenfield / unconstrained sites in Elland and Brighouse is circa £242,000 per acre, which is an increase of £83,000 per acre (circa 53% increase) on the land values generated through the baseline appraisals. This is well in excess of the minimum benchmark land value of £150,000 per acre.
- 9.9 The average land value for Greenfield / unconstrained sites in Halifax increases to around £195,000 per acre which is an increase of circa 73% on the baseline value of £115,000 per acre. This is also higher than the minimum benchmark land value of £150,000 per acre.
- 9.10 Brownfield sites remain unviable or generate very low land values.
- 9.11 It should be noted that these values are derived from sites where the predominant use is industrial (i.e. B1c, B2 and B8 use). Those sites where the predominant use is offices (i.e. B1a or B1c) demonstrate negative land values. However, this is slightly misleading as those sites which are predominantly office use³⁵ are also Brownfield. To see whether office development would be viable on Greenfield / unconstrained sites we re-ran the assessments excluding the costs for remediation and site preparation. On this basis office development remains unviable in Brighouse and Elland but becomes viable in Halifax generating land values of circa £145,000 per acre.
- 9.12 The results of our assessment are shown in Table 59 and are based on a traditional developer led approach to delivery. Table 60 shows the impact of Policy TP44 assuming an 'end occupier' purchasers the site(s) and build their own premises. In these circumstances there would be no need to include a developer's profit or sales and marketing fees within the appraisal. Under this scenario and assuming that Policy TP44 neutralises the cost impact of Policy EP27 of the RCUDP all but one site generate land values in excess of the minimum benchmark land value (£150,000).

³⁵ Sites LP0059, LP0509, LP1088, LP1287 and LP1292)

Table 59 – Preferred Employment Sites – Viability Results (Traditional Delivery Approach)

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP0009		No	Yes Elland	Yes Brownfield
LP0021	141,667	Yes	Yes Elland	Yes Greenfield
LP0025	173,803	Yes	Yes Elland	Yes Greenfield
LP0032	-	No	Yes Brighouse	Yes Brownfield
LP0059	-	No	No Elland	No Brownfield
LP0105	110,547	Yes	Yes Halifax	Yes Greenfield
LP0216	-	No	Yes Halifax	Yes Brownfield
LP0264	-	No	Yes Halifax	Yes Brownfield
LP0289	-	No	Yes Halifax	Yes Brownfield
LP0332	-	No	Yes Brighouse	Yes Brownfield
LP0355	156,498	Yes	Yes Elland	Yes Greenfield
LP0409	-	No	Yes Halifax	Yes Brownfield
LP0472	102,187	Yes	Yes Halifax	Yes Greenfield
LP0509	-	No	No Elland	No Brownfield
LP0573	-	No	Yes Brighouse	Yes Brownfield
LP0579	-	No	Yes Brighouse	Yes Brownfield
LP0585	151,431	Yes	Yes Brighouse	Yes Greenfield
LP0922	-	No	No Hebden Bridge	No Brownfield
LP0960	161,163	Yes	Yes Elland	Yes Greenfield
LP0976	-	No	Yes Halifax	Yes Brownfield
LP1018	112,008	Yes	Yes Halifax	Yes Greenfield
LP1078	140,484	Yes	Yes Brighouse	Yes Greenfield
LP1088	-	No	No Elland	No Brownfield
LP1133	-	No	Yes Halifax	Yes Brownfield
LP1134	-	No	Yes Halifax	Yes Brownfield
LP1170	-	No	Yes Halifax	Yes Brownfield
LP1203	-	No	Yes Halifax	Yes Brownfield

Policy TP44 and CIL Land Value	Viable	Increase in Land Value	% Increase
43,024	Yes	43,024	100%
225,783	Yes	84,117	59%
255,396	Yes	81,593	47%
22,329	Yes	22,329	100%
-	No	-	0%
199,174	Yes	88,627	80%
30,383	Yes	30,383	100%
-	No	-	0%
-	No	-	0%
28,354	Yes	28,354	100%
243,321	Yes	86,823	55%
-	No	-	0%
187,072	Yes	84,885	83%
-	No	-	0%
49,491	Yes	49,491	100%
30,086	Yes	30,086	100%
235,707	Yes	84,276	56%
-	No	-	0%
243,513	Yes	82,350	51%
-	No	-	0%
194,610	Yes	82,602	74%
224,601	Yes	84,117	60%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%

Table 59 – Preferred Employment Sites – Viability Results (Traditional Delivery Approach) – Part 2

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP1217	114,658	Yes	YesHalifax	YesGreenfield
LP1219	111,753	Yes	YesHalifax	YesGreenfield
LP1220	-	No	YesHalifax	YesGreenfield
LP1223	-	No	YesElland	YesBrownfield
LP1231	123,773	Yes	YesHalifax	YesGreenfield
LP1232	167,387	Yes	YesBrighouse	YesGreenfield
LP1287	-	No	YesHalifax	YesBrownfield
LP1292	-	No	YesHalifax	YesBrownfield
LP1431	-	No	YesHalifax	YesBrownfield
LP1433	-	No	YesHalifax	YesBrownfield
LP1443	-	No	YesElland	YesBrownfield
LP1618	169,516	Yes	YesBrighouse	YesGreenfield

Policy TP44 Land Value	Viable	Increased in Land Value	% Increase
197,260	Yes	82,602	72%
194,355	Yes	82,602	74%
184,091	Yes	184,091	100%
41,045	Yes	41,045	100%
205,366	Yes	81,593	66%
248,980	Yes	81,593	49%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%
28,678	Yes	28,678	100%
251,109	Yes	81,593	48%

Table 60 – Preferred Employment Sites – Viability Results (Direct Delivery by End Occupiers)

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP0009		No	YesElland	YesBrownfield
LP0021	141,667	Yes	YesElland	YesGreenfield
LP0025	173,803	Yes	YesElland	YesGreenfield
LP0032	-	No	YesBrighouse	YesBrownfield
LP0059	-	No	NoElland	NoBrownfield
LP0105	110,547	Yes	YesHalifax	YesGreenfield
LP0216	-	No	YesHalifax	YesBrownfield
LP0264	-	No	YesHalifax	YesBrownfield
LP0289	-	No	YesHalifax	YesBrownfield
LP0332	-	No	YesBrighouse	YesBrownfield
LP0355	156,498	Yes	YesElland	YesGreenfield
LP0409	-	No	YesHalifax	YesBrownfield
LP0472	102,187	Yes	YesHalifax	YesGreenfield
LP0509	-	No	NoElland	NoBrownfield
LP0573	-	No	YesBrighouse	YesBrownfield
LP0579	-	No	YesBrighouse	YesBrownfield
LP0585	151,431	Yes	YesBrighouse	YesGreenfield
LP0922	-	No	NoHebden Bridge	NoBrownfield
LP0960	161,163	Yes	YesElland	YesGreenfield
LP0976	-	No	YesHalifax	YesBrownfield
LP1018	112,008	Yes	YesHalifax	YesGreenfield
LP1078	140,484	Yes	YesBrighouse	YesGreenfield
LP1088	-	No	NoElland	NoBrownfield
LP1133	-	No	YesHalifax	YesBrownfield
LP1134	-	No	YesHalifax	YesBrownfield
LP1170	-	No	YesHalifax	YesBrownfield
LP1203	-	No	YesHalifax	YesBrownfield

Policy TP44 and CIL Land Value	Viable	Increase in Land Value	% Increase
219,746	Yes	219,746	100%
378,348	Yes	236,681	167%
404,670	Yes	230,866	133%
201,685	Yes	201,685	100%
271,207	Yes	271,207	100%
354,063	Yes	243,516	220%
203,659	Yes	203,659	100%
168,464	Yes	168,464	100%
166,666	Yes	166,666	100%
214,078	Yes	214,078	100%
396,362	Yes	239,864	153%
162,098	Yes	162,098	100%
337,774	Yes	235,587	231%
267,521	Yes	267,521	100%
225,208	Yes	225,208	100%
217,175	Yes	217,175	100%
388,272	Yes	236,841	156%
-	No	-	0%
393,774	Yes	232,611	144%
175,839	Yes	175,839	100%
343,337	Yes	231,329	207%
377,166	Yes	236,681	168%
256,044	Yes	256,044	100%
153,654	Yes	153,654	100%
159,102	Yes	159,102	100%
153,175	Yes	153,175	100%
173,113	Yes	173,113	100%

Table 60 – Preferred Employment Sites – Viability Results (Direct Delivery by End Occupiers) – Part 2

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP1217	114,658	Yes	YesHalifax	YesGreenfield
LP1219	111,753	Yes	YesHalifax	YesGreenfield
LP1220	-	No	YesHalifax	YesGreenfield
LP1223	-	No	YesElland	YesBrownfield
LP1231	123,773	Yes	YesHalifax	YesGreenfield
LP1232	167,387	Yes	YesBrighouse	YesGreenfield
LP1287	-	No	YesHalifax	YesBrownfield
LP1292	-	No	YesHalifax	YesBrownfield
LP1431	-	No	YesHalifax	YesBrownfield
LP1433	-	No	YesHalifax	YesBrownfield
LP1443	-	No	YesElland	YesBrownfield
LP1618	169,516	Yes	YesBrighouse	YesGreenfield

Policy TP44 Land Value	Viable	Increased in Land Value	% Increase
345,987	Yes	231,329	202%
343,082	Yes	231,329	207%
631,522	Yes	631,522	100%
217,767	Yes	217,767	100%
352,777	Yes	229,003	185%
398,253	Yes	230,866	138%
1,688,985	Yes	1,688,985	100%
1,703,157	Yes	1,703,157	100%
160,044	Yes	160,044	100%
168,714	Yes	168,714	100%
214,753	Yes	214,753	100%
400,383	Yes	230,866	136%

Impact of Policy TP44 on other Land Uses

91.3 The impact of Policy TP44 in relation to the other land uses is summarised in Tables 61 and 62. The key conclusions from our assessment are highlighted below.

- Comparison retail is unviable in all areas except Halifax. Within Halifax land values for Brownfield /constrained sites (recognising that development of this type is likely to take place in an urban context and, therefore, will invariably take place on Brownfield sites) increases from £175,000 per acre to £571,534 per acre.
- Recognising that large scale convenience retail is also likely to take place on Brownfield sites the land values increase from circa £570,000 per acre for large format convenience retail to circa £750,000 per acre. Smaller convenience formats become viable generating land values of around £125,000 per acre.
- Retail warehousing becomes more viable with Greenfield / unconstrained land values increasing from circa £440,000 per acre to £550,000 per acre. Brownfield land values increase from circa £230,000 per acre to £345,000 per acre.
- The development of pubs and restaurants also becomes more viable on Greenfield / unconstrained sites with increases in land value of around 77% and 59% respectively. The development of restaurants and pubs on Brownfield sites becomes viable (albeit marginal) generating land values of circa £65,000 per acre and £95,000 per acre respectively.
- The development of care homes becomes more viable with land values for Greenfield / unconstrained sites and Brownfield sites increasing by circa 10%.
- The development of hotels on Greenfield and Brownfield sites is also more viable with Greenfield land values increasing to £1.4m per acre (an increase of 66%). Brownfield land values increase to c£1.1m per acre from £580,000 per acre (an increase of 99%).

Table 61 – TP44 – Other Land Uses (Greenfield / Unconstrained Sites)

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 Land Value	Viable	Increase in Land Value	% Increase
Town Centre (Halifax)	433,369	Yes	824,098	Yes	390,729	90%
Town Centre (Brighouse)	-	No	-	No	-	0%
Town Centre (Elland)	-	No	-	No	-	0%
Town Centre (Hebden Bridge)	-	No	-	No	-	0%
Town Centre (Sowerby Bridge)	-	No	-	No	-	0%
Town Centre (Todmorden)	-	No	-	No	-	0%
Convenience Stores	172,959	Yes	329,500	Yes	156,541	91%
Sypermartets	766,346	Yes	937,515	Yes	171,169	22%
Superstores	767,787	Yes	940,326	Yes	172,538	22%
Hypermarket	765,182	Yes	937,721	Yes	172,538	23%
Retail Warehouse	439,033	Yes	552,875	Yes	113,842	26%
Restaurants	146,874	Yes	259,942	Yes	113,068	77%
Pubs	179,780	Yes	285,777	Yes	105,997	59%
Care Home	1,738,800	Yes	1,964,383	Yes	225,582	13%
Hotel	849,653	Yes	1,414,640	Yes	564,987	66%

Table 62 – TP44 – Other Land Uses (Brownfield / Constrained Sites)

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Town Centre (Halifax)	173,765	Yes	571,534	Yes	397,769	229%
Town Centre (Brighouse)	-	No	-	No	-	0%
Town Centre (Elland)	-	No	-	No	-	0%
Town Centre (Hebden Bridge)	-	No	-	No	-	0%
Town Centre (Sowerby Bridge)	-	No	-	No	-	0%
Town Centre (Todmorden)	-	No	-	No	-	0%
Convenience Stores	-	No	126,204	Yes	126,204	100%
Sypermartets	571,487	Yes	745,740	Yes	174,253	30%
Superstores	572,678	Yes	748,325	Yes	175,647	31%
Hypermarket	570,073	Yes	745,720	Yes	175,647	31%
Retail Warehouse	229,208	Yes	346,043	Yes	116,836	51%
Restaurants	-	No	65,261	Yes	65,261	100%
Pubs	-	No	95,936	Yes	95,936	100%
Care Home	1,580,059	Yes	1,805,642	Yes	225,582	14%
Hotel	582,654	Yes	1,157,821	Yes	575,167	99%

10. Impact of Community Infrastructure Levy (CIL)

- 10.1 The Council is considering the feasibility of a Community Infrastructure Levy (CIL) and wishes to put in place appropriate evidence to support the level of charge that could be set having considered the cumulative impact of other policy requirements, as set out within the Calderdale Local Plan Policy Draft.
- 10.2 In this section of the report we set out the context and background to the Community Infrastructure Levy. In particular we review the relevant Planning Act Legislation and Regulations that enable a CIL to be implemented, giving consideration to how CIL may be set, the calculation of the Levy, its enforcement and how CIL can work in conjunction with a S106 regime.
- 10.3 We also identify the key benefits of CIL as the transparency and certainty the Levy provides to landowners, developers and investors in assessing the viability of their individual proposals; the improvements to decision-making through a reduction in the time spent in negotiating contributions; and to the Council in being able to easily calculate the levels of capital finance generated through the Levy.

The Principles and Purpose of CIL

- 10.4 Part II of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011) provides for the imposition of a charge to be known as Community Infrastructure Levy. The Act specifies who may charge CIL, and includes provisions for aspects of the charge including how liability is incurred, how it is to be charged, collected and spent.
- 10.5 CIL came into force on 6th April 2010, under the Community Infrastructure Levy Regulations 2010 (as amended).
- 10.6 The Levy will apply to all new buildings above 100sq.m (1,076sq.ft) and any development that constitutes the formation of a single dwelling even when this is below the size threshold of 100sqm (1,076sq.ft). The revenue from the Levy must be applied to infrastructure needed to support the future development of the area and not to remedy existing deficiencies. The Levy is non-negotiable when a CIL regime is adopted and, other than for particular exemptions, is chargeable on all forms of development. Exemptions include:
- New development below the threshold of 100sq.m (1,076sq.ft)³⁶
 - Self-build homes
 - Residential extensions and annexes;
 - Social housing;

³⁶ This provision will not apply where the chargeable development comprises one or more dwellings

- Changes of use, conversion or subdivision of a building that does not involve an increase in floorspace;
 - The creation of a mezzanine floor within a building;
 - Temporary development permitted for a limited period;
 - Buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
 - Structures which are not buildings, such as pylons and wind turbines;
 - Development by charities for charitable purposes;
 - If it is for a use or geographic area that has a zero or nil charge as specified within the Charging Schedule; and
 - CIL will also not be charged when the calculated amount is £50 or less.
- 10.7 Where planning permission is granted for a development that involves the redevelopment or demolition of a building in lawful use³⁷, the level of CIL payable will be calculated based on the net increase in floorspace. This means that the existing floorspace contained in the building to be redeveloped or demolished will be deducted from the total floorspace of the new development, when calculating the CIL liability. This means that most developments on previously developed Brownfield sites will generally have a lower CIL liability than developments that take place on Greenfield sites.
- 10.8 The Council will have the ability to claw back any CIL relief where a development no longer qualifies for that relief within a period of seven years from the commencement of the development. For example, should a charity develop a building for charitable purposes and subsequently sell the building to the open market within seven years then the Council will be able to claw back the CIL that would have been charged on the building had it been used for private use.
- 10.9 The Regulations also allow charging authorities to permit discretionary relief from CIL in certain circumstances (e.g. where a reduced or nil payment may be accepted). The cases for relief are likely to be rare, but could include the following:
- Development by charities for investment activities from which the profits will be applied for charitable purposes;
 - Where the Council considers there are exceptional circumstances to justify relief. In these situations the development site must also have a planning obligation (Section 106 Agreement) relating to the planning permission and the combined cost of the Section 106 agreement and CIL charge would have an unacceptable impact on the economic viability of the development. In such cases the developer would be expected to demonstrate this via an 'open book' approach with an independent valuer; and

³⁷ The definition of lawful use is 'a building which has been in use for a continuous period of at least six months within the 3 years prior ending on the day planning permission first permits the chargeable development.'

- Relief can also only be granted if it does not constitute notifiable State aid (as defined in European law).
- 10.10 A key benefit of CIL is its ability to fund strategic infrastructure - a provision not easily achieved through the existing S106 and S38/ S278 regimes.
- 10.11 Section 216 of the Planning Act 2008 (as amended by CIL Regulation 63) provides a wide definition of the types of infrastructure that can be funded by CIL, including roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces. DCLG has confirmed that this list is not absolute and that the definition has been left open in order to avoid having to update the Regulations on a regular basis. The only restriction is that the infrastructure has to support new growth and not remedy existing deficiencies. Clause 115 of the Localism Act 2011 also clarifies that CIL can be spent on the on-going costs of providing infrastructure, including maintenance and operational activities, as well as the initial upfront capital costs.
- 10.12 The Regulations provide for the reform of the current system of developer contributions towards infrastructure, principally through S106 Agreements, so that the two regimes operate alongside each other. As at April 2015, the Council became restricted in its use of S106 planning obligations. A planning obligation (under Section 106 of the Town and Country Planning Act 1990) cannot now be sought for infrastructure intended to be funded by the levy, and no more than five S106 obligations can be pooled by the Council to provide the same item of infrastructure. Any mechanism that attempted to fund significant strategic infrastructure through more than five obligations would have to be through CIL. This effectively eliminates the potential for the Council to use S106 planning tariffs.
- 10.13 However, the Council will still require a S106 Agreement to provide for affordable housing for example. The Regulations also state that Section 106 will remain, for site acceptability matters such as those which are needed to make the development work in physical terms, such as access, flood protection and wildlife measures³⁸. However, contributions sought by this mechanism must be a) necessary to make development acceptable in planning terms, b) directly related to the development and c) fairly and reasonably related in scale and kind to the development.
- 10.14 These restrictions also apply to S278 Agreements but the pooling restriction does not apply.
- 10.15 The Council will need to outline those items of infrastructure which can or will have to be funded through CIL (via their Regulation 123 List) and which items will continue to be funded through S106/S278 Agreements or planning conditions.
- 10.16 The use of CIL is intended to help the Council deliver the growth aspirations set out within the Local Plan. As well as raising revenue for infrastructure, CIL also aims to provide greater transparency and certainty for landowners, developers and investors on the level of contributions that are required, and

³⁸ Where possible a planning condition should be pursued rather than a S106 Agreement to secure site mitigation matters.

reduce delays in the granting of planning permission by removing negotiations over the amounts sought. CIL will also provide the Council with a source of revenue that can be used more flexibly than contributions under S106 Agreements to bring forward infrastructure.

- 10.17 It should be recognised that CIL is intended for use alongside other funding streams. The Government proposed that “while CIL will make a significant contribution to infrastructure provision, core public funding will continue to bear the main burden, and the Council will need to utilise CIL alongside other funding streams to deliver infrastructure plans locally.”

Setting up a CIL

- 10.18 For a CIL to be implemented the following are required:

- In the absence of an up to date Local Plan CIL can still be introduced provided it is based on up to date, relevant evidence³⁹. Indeed there is nothing in the Regulations that requires a local or relevant plan to be in place prior to adopting CIL. However, the National Planning Policy Framework (NPPF) states at para 175 states that where practical charging schedules should be worked up and tested alongside the Local Plan. The key element of this commission is concerned with testing the potential impact of a range of possible CIL charges, alongside other policy requirements, on the viability of development across the Borough. This will reveal the appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of CIL and other policy requirements on the economic viability of development across the area. The overriding factor in setting a CIL charge is the impact of the charge on the economic viability of development.
- An up to date infrastructure needs assessment that establishes the requirements, timing and costs of transport and community infrastructure.
- The Regulations require that a Draft Regulation 123⁴⁰ List forms part of the available / relevant evidence in the rate setting process and this will need to be included as part of the evidence at the Examination stage.

- 10.19 The Charging Schedule will not formally be part of the Development / Local Plan, but its treatment will be the same as that for Development Plan Documents.

- The Charging Schedule will require the same level of testing as development plan documents, including a requirement to consult publicly and a Public Examination to hear representations; and
- Clause 212A of the Localism Act advocates that an Examiner must recommend a Draft Charging Schedule for approval if the drafting requirements have been complied with. If the requirements have not been followed but the issues of non-compliance can be remedied the Examiner can also

³⁹ Relevant evidence means evidence which is readily available and which, in the opinion of the Council, has informed the preparation of the Charging Schedule.

⁴⁰ The Regulation 123 infrastructure list identifies the projects, or types of infrastructure, which the Council intends to fund or part fund with levy receipts. One of purposes of Regulation 123 is to ensure that authorities cannot seek contributions for infrastructure funding through S106/S278 funding when the levy is already expected to fund that same infrastructure.

recommend that the schedule be approved subject to further refinement / modifications. In the event such issues are not able to be remedied the Examiner must recommend that the Draft Charging Schedule be rejected.

- 10.20 The Charging Schedule must identify the chargeable land uses and the appropriate rates. Charges will be expressed as a cost per square metre of floor space and will be linked to an index of inflation.
- 10.21 To ensure consistency and simplicity the Regulations define the units of development that may be charged, the exemptions, and other similar matters. There is some degree of flexibility so that Charging Schedules can be tailored to local circumstances. These include a facility to set differential rates. The Regulations provide scope to differentiate rates on a geographical basis and by reference to the proposed use, size of development, or the proposed number of units or dwellings. However, the Guidance is clear in that any differentials are only permitted on the grounds of economic viability.
- 10.22 The Guidance also makes it clear that when drawing up a Charging Schedule the Council will need to ensure that CIL is not set at such a level that it risks the delivery of its Local Plan, because development is rendered unviable by the charge proposed.

Setting CIL Rates and the Appropriate Balance

- 10.23 Regulation 14 requires the Council (charging authority) to 'strike an 'appropriate balance' between:
- a) The desirability of funding from CIL the cost of infrastructure required to support the development of its area; and
 - b) The potential effects of the imposition of CIL on the economic viability of development across its area.
- 10.24 The guidance provides further advice when considering this issue, as set out below.

'By providing additional infrastructure to support development of an area, CIL is expected to have a positive economic effect on development across an area in the medium to long term. In deciding the rate(s) of CIL for inclusion in its Charging Schedule, a key consideration for authorities is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing CIL upon development across their area. The CIL Regulations place this balance of considerations at the centre of the charge-setting process. In view of the wide variation in local charging circumstances, it is for charging authorities to decide on the appropriate balance for their area and how much potential development they are willing to put at risk through the imposition of CIL. The amount will vary. For example, some charging authorities may place a high premium on funding infrastructure if they see this as important to future economic growth in their area, or if they consider that they have flexibility to identify alternative development sites, or that some sites can be redesigned to make them viable. These charging authorities may be comfortable in putting a higher percentage of potential development at risk, as they expect an overall benefit.....In their background evidence on

economic viability to the CIL Examination, charging authorities should explain briefly why they consider that their proposed CIL rate (or rates) will not put the overall development across their area at serious risk’.

- 10.25 In this context the ‘appropriate balance’ is essentially the level of CIL which maximises the quantum of development in the area. If CIL is above this appropriate level, there will be less development than there could otherwise be; this is because CIL will make too many potential developments unviable. Conversely, if CIL is below the appropriate level, development will also be less than it could be, because it will be constrained by insufficient infrastructure.

- 10.26 This is a matter of judgment rather than a rigorous calculation and charging authorities are allowed considerable discretion in this matter. For example, the guidance states:

‘It is for charging authorities to decide what CIL rate, in their view, sets an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development... ‘The legislation only requires a charging authority to use appropriate available evidence to ‘inform the Draft Charging Schedule’. A charging authority’s proposed CIL rate (or rates) should appear reasonable given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence... there is room for some pragmatism’

Calculation, Payment and Enforcement

Calculation

- 10.27 The amount of CIL due will be calculated with reference to the Charging Schedule when a planning permission is granted. The planning permission will determine the number of chargeable units and the Charging Schedule will determine the rate per square metre (CIL is calculated on the net increase in Gross Internal Area)⁴¹, and the CIL calculated by multiplying these two factors. An inflation index will then be applied. Landowners and developers would be advised of the amount of liability when planning permission is granted.

Payment

- 10.28 CIL payment is not due until the commencement of development, as defined in the Town and Country Planning Act 1990. Developers will be required to notify the charging authority of their intention to commence development and to provide details of the entity that will pay CIL in advance of commencement. If no details are provided, landowners will be liable in default. The payment of CIL will depend on when planning permission is granted, as illustrated in the scenarios below.

- If the development is issued with a planning decision notice prior to the CIL implementation date the scheme will not be liable to pay CIL. If the planning decision notice is issued after the

⁴¹ Gross internal floor area includes everything within the external walls of the buildings and includes things like lifts, stairwells and internal circulation areas. It does not include things like external balconies or the thickness of external walls.

- implementation date the scheme will be liable to pay CIL. The relevant date is the date of the issuing of the planning permission notice, not when planning applications were submitted.
- If the scheme has a resolution to grant planning permission (e.g. subject to a S106 Agreement or call-in) before the CIL implementation date, but the formal issue of planning permission is made after the CIL implementation date, the scheme will be liable to pay CIL. This is because any resolution to grant planning permission by the Council does not formally grant planning permission, as a decision notice cannot be issued until, for example, a S106 Agreement has been signed, where required.
 - If the scheme has outline planning permission before the CIL implementation date, but the approval of reserved matters / phases is made after publication of the CIL implementation date, the approval of reserved matters / phases does not trigger a liability to pay CIL.
 - If the scheme has planning permission before the CIL implementation date, but the approval of pre-commencement conditions is made after the CIL implementation date, the development is not liable for CIL.
 - If the scheme is refused planning permission before the CIL implementation date, but an approval of planning permission on appeal is made after the CIL implementation date the development will be liable to pay CIL.
 - If the scheme has a planning permission before the CIL implementation date, but an approval of a S73 application to vary or remove conditions is made after the CIL implementation date, the approval does trigger a liability to pay CIL because it results in a new planning permission. However, the CIL (Amendment) Regulations 2012 confirm that although a new CIL liability is triggered, the new additional chargeable amount is equal only to the net increase in the chargeable amount arising from the original planning permission.
- 10.29 Unless the Council set their own flexible payment deadlines via a phased payment instalments policy the charge will need to be paid 60 days after commencement, or, if the contribution is more than £10,000, it will need to be paid in equal instalments up to 240 days after commencement, depending on the amount.
- 10.30 The Regulations permit that where full and outline permissions, and hybrid permissions combining the two, are phased development, each phase will be treated as a separate chargeable development. The Regulations also permit the charge to be re-calculated if the provision of affordable housing is varied after development has commenced.

Payments in Kind

- 10.31 The Regulations provide charging authorities with the option to accept a combination of land payments and / or provision of infrastructure, as 'benefit in kind' provided they have elected to do this.⁴²

⁴² Should the Council wish to accept benefit in kind they would need to publish a policy to this effect on their website – particularly to ensure clarity and transparency about what infrastructure the Council may be willing to consider as payment in kind.

- 10.32 This will remain solely at the discretion of the Council and should only be accepted where the Council considers it will bring cost savings and or timing or other benefits compared to the procurement of infrastructure through the use of CIL funds.

Enforcement

- 10.33 Enforcement measures are based on existing legislation. The CIL liability must be registered as a Local Land Charge, to ensure that subsequent purchasers of developed land and property are aware of the existence of an outstanding liability.
- 10.34 To ensure that those paying CIL promptly do not suffer because of late payment by others, charging authorities have powers to add interest and surcharges to CIL⁴³. Other planning enforcement and Stop Notice powers may also be used.

Viability of CIL

- 10.35 Based on the findings of previous viability work (GVA Local Plan and CIL Viability Assessment – October 2015) the Council published its Preliminary Draft Charging Schedule for Consultation in September 2015. The Councils proposed charges contained within the PDCS are summarised in Table 63.

Table 63 – Proposed CIL Charges

Area	Use	Proposed Charge
Zone 1	Residential – Houses	£85psm
Zone 2	Residential – Houses	£25psm
Zone 3	Residential – Houses	£25psm
Zone 4	Residential – Houses	£85psm
Zone 5	Residential – Houses	£5psm
Zone 6	Residential - Houses	£85psm
Zone 7	Residential – Houses	£5psm
Zone 8	Residential – Houses	£40psm
Zone 9	Residential – Houses	£5pm
All	Retail Convenience>500sq.m	£45psm
All	Retail Warehouse	£100psm
All	Hotels	£60psm
All	Residential Institutions / Care Homes (Use Class C2)	£60psm
All	All Other Chargeable Uses	£5psm

- 10.36 A distinction was made between houses and flats / apartments to reflect the challenging viability considerations associated with these types of development. It is proposed that flats / apartments would be charged at £5psm (categorised under all other chargeable uses).

⁴³ Up to 20% of the applicable CIL charge (up to a maximum of £2,500) can be levied as a surcharge

- 10.37 We have modelled the impact of these suggested charges in association with the emerging Local Plan policies. The results of this exercise have demonstrated the following.

Residential

- The value of Greenfield / unconstrained sites in Zone 1 assuming a CIL charge of £85psm (in addition to the impacts of Policies TP32 and TP34) range between £315,000per acre and £488,000 per acre. The average value is £403,778 per acre which is significantly higher than the minimum benchmark land value (£187,500 per acre). If the CIL charged is maintained at £85psm there is scope to increase the affordable housing provision to 50% and still generate an average land value of circa £300,000 per acre. The average value of Brownfield sites is £138,000per acre (this excludes site 0917 which is below the size threshold for affordable housing).
- The average value of Greenfield / unconstrained sites in Zone 2 is £160,000 per acre, which is below the minimum land value benchmark (£187,500). The average land value for Brownfield sites circa £95,000 per acre. If the CIL charge is to be kept at the rate set out within the PDCS then the requirements for affordable housing will need to be lowered. At 15% affordable and CIL at £25psm the average land value for Greenfield sites increase to £200,000per acre. If affordable housing is to be kept at 25% then a land value of around £175,000 per acre is generated assuming a nominal CIL charge of £5psm. Policy TP34 is not seeking any affordable housing on Brownfield sites in Zone 2 therefore the only way to improve the land value for Brownfield sites will be to lower the CIL charge. Even if CIL is set at zero the average land value for Brownfield sites would only increase to £117,000 per acre.
- The average land value of Greenfield / unconstrained sites in Zone 3 having taken into account Policies TP32, TP34 and CIL at £25psm is £127,000 per acre. This is considerably below the minimum benchmark threshold. If CIL is maintained at £25psm the affordable housing would need to be reduced to circa 5%, which would generate an average land value of £200,000 per acre. Even if CIL is excluded the average land value for Greenfield / unconstrained sites is only £145,000 per acre. As outlined previously it is affordable housing which is having the biggest impact on viability. If affordable housing is at 10% and CIL is at 20psm the average value of Greenfield sites is £188,000 which is marginally higher than the minimum benchmark land value. A land value of £200,000 per acre is generated if affordable housing is included at 10% and CIL is charged at a nominal rate of £5psm. The average land value for Brownfield sites with CIL at £25psm is around £45,000 per acre. Even if CIL is excluded Brownfield sites only have an average value of £75,000 per acre. Policy TP 34 does not seek any provision of affordable housing in Zone 3.
- Within Zone 4 an average land value of £370,000 per acre is generated with CIL included at £85psm. This is significantly higher than the minimum benchmark land value of £187,500. There are no Brownfield sites in Zone 4.
- The average value of Greenfield sites in Zone 5 having layered on the costs of CIL (at £5psm) is around £190,000 per acre, which is marginally higher than the minimum benchmark land value. The average value of Brownfield sites is £120,563 per acre.

- The value of Greenfield / unconstrained sites in Zone 6 assuming a CIL charge of £85psm (in addition to the impacts of policies TP32 and TP34) range between £118,000per acre and £313,000 per acre. The average value is £286,000 per acre which is significantly higher than the minimum benchmark land value (£187,500 per acre). If the CIL charged is maintained at £85psm there is scope to increase the affordable housing provision to 45% and still generate an average land value of circa £200,000 per acre. Layering on CIL at £85psm makes the two Brownfield sites (sites 0030 and 1036) unviable (in addition to policies TP32 and TP34). If affordable housing is excluded the Brownfield sites have an average value of £237,000 per acre assuming CIL at £85psm and the cumulative impact of TP32.
- The average land value for Greenfield / unconstrained sites in Zone 7 after taking into consideration the impacts of Policies TP32 and TP34 as well as layering on CIL at £5psm is £145,000 per acre. This is below the minimum benchmark land value of £187,500 per acre. However, even if CIL is excluded the average value of Greenfield / unconstrained sites is only £150,000 per acre. On this basis it is Policy TP34 (affordable housing) that is having the biggest impact on viability. If CIL is maintained at £5psm affordable housing would need to be lowered to 20% and this would generate a land value of circa £197,000 per acre, which is higher than the minimum benchmark land value of £187,500 per acre. Brownfield sites are unviable when CIL is layered on top of Policies TP32 and TP34. If affordable housing is excluded Brownfield sites have an average land value of £85,000 per acre assuming CIL is layered on top of Policy TP32 at £5psm.
- When CIL is included at £40psm the average land value for Greenfield / unconstrained sites is £232,000 per acre, which is above the minimum land value benchmark of £187,500 per acre. The strategic sites (sites 1451 and 1463) have land values of £96,969 and £68,950 respectively which are below the minimum benchmark land value of £125,000 per acre. Even if affordable housing is excluded and CIL is at £40psm the land values are £144,000 per acre for site 1451 and £102,000 per acre for site 1463. Policy TP34 does not seek affordable housing on Brownfield sites, therefore, Brownfield sites have an average land value of £250,000 per acre after layering on a CIL charge at £40psm.
- CIL at £5psm further compounds the viability challenges in Zone 9.

Table 64 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0784	603,057	Yes	YesGreenfield	YesGreenfieldHousing	320,288	Yes	282,769	-47%	Yes
0915	364,013	Yes	YesBrownfield	YesBrownfieldHousing	103,162	Yes	260,851	-72%	No
0917	666,574	Yes	YesBrownfield	YesBrownfieldHousing	560,167	Yes	106,407	-16%	Yes
0922	486,057	Yes	YesBrownfield	YesBrownfieldHousing	173,762	Yes	312,295	-64%	No
1501	824,250	Yes	YesGreenfield	YesGreenfieldMixed	443,534	Yes	380,716	-46%	Yes
1503	867,670	Yes	YesGreenfield	YesGreenfieldMixed	488,523	Yes	379,146	-44%	Yes
1509	813,558	Yes	YesGreenfield	YesGreenfieldMixed	451,839	Yes	361,719	-44%	Yes
1556	619,176	Yes	YesGreenfield	YesGreenfieldHousing	314,705	Yes	304,471	-49%	Yes

Table 65 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0053	139,327	Yes	NoBrownfield	NoBrownfieldMixed	97,195	Yes	42,132	-30%	No
0327	154,424	Yes	YesBrownfield	YesBrownfieldHousing	119,639	Yes	34,785	-23%	No
0635	304,757	Yes	YesGreenfield	YesGreenfieldMixed	142,920	Yes	161,836	-53%	No
0640	321,435	Yes	YesGreenfield	YesGreenfieldMixed	165,548	Yes	155,887	-48%	No
0649	135,416	Yes	YesBrownfield	YesBrownfieldMixed	94,018	Yes	41,399	-31%	No
0651	303,134	Yes	YesGreenfield	YesGreenfieldHousing	174,171	Yes	128,963	-43%	No
0658	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	No
0659	339,627	Yes	YesGreenfield	YesGreenfieldHousing	197,566	Yes	142,061	-42%	Yes
0914	245,997	Yes	YesGreenfield	YesGreenfieldHousing	128,208	Yes	117,789	-48%	No
1534	98,051	Yes	NoBrownfield	NoBrownfieldHousing	69,245	Yes	28,806	-29%	No
1544	329,183	Yes	YesGreenfield	YesGreenfieldMixed	157,115	Yes	172,068	-52%	No

Table 66 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 3

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0003	251,006	Yes	YesGreenfield	YesGreenfieldHousing	134,729	Yes	116,277	-46%	No
0011	233,511	Yes	YesGreenfield	YesGreenfieldHousing	132,256	Yes	101,255	-43%	No
0044	322,527	Yes	YesGreenfield	YesGreenfieldHousing	182,780	Yes	139,747	-43%	No
0046	292,457	Yes	YesGreenfield	YesGreenfieldHousing	275,067	Yes	17,390	-6%	Yes
0073	314,950	Yes	YesGreenfield	YesGreenfieldMixed	289,693	Yes	25,257	-8%	Yes
0093	76,446	Yes	YesBrownfield	YesBrownfieldHousing	57,967	Yes	18,479	-24%	No
0196	273,206	Yes	YesGreenfield	YesGreenfieldHousing	144,994	Yes	128,212	-47%	No
0216	243,317	Yes	YesGreenfield	YesGreenfieldHousing	133,393	Yes	109,924	-45%	No
0287	93,090	Yes	YesGreenfield	YesGreenfieldHousing	87,575	Yes	5,515	-6%	No
0418	277,151	Yes	YesGreenfield	YesGreenfieldHousing	137,024	Yes	140,127	-51%	No
0435	284,066	Yes	YesGreenfield	YesGreenfieldMixed	148,445	Yes	135,621	-48%	No
0438	249,087	Yes	YesGreenfield	YesGreenfieldHousing	133,699	Yes	115,388	-46%	No
0441	121,372	Yes	YesBrownfield	YesBrownfieldHousing	101,022	Yes	20,350	-17%	No
0531	253,913	Yes	YesGreenfield	YesGreenfieldHousing	143,658	Yes	110,255	-43%	No
0773	254,611	Yes	YesGreenfield	YesGreenfieldHousing	144,946	Yes	109,665	-43%	No
0781	254,396	Yes	YesGreenfield	YesGreenfieldHousing	143,013	Yes	111,384	-44%	No
0931	277,366	Yes	YesGreenfield	YesGreenfieldHousing	144,238	Yes	133,128	-48%	No
0968	253,453	Yes	YesGreenfield	YesGreenfieldHousing	145,018	Yes	108,435	-43%	No
1004	78,715	Yes	YesBrownfield	YesBrownfieldHousing	59,923	Yes	18,791	-24%	No
1014	256,130	Yes	YesGreenfield	YesGreenfieldHousing	143,988	Yes	112,143	-44%	No
1015	273,672	Yes	YesGreenfield	YesGreenfieldHousing	140,329	Yes	133,343	-49%	No
1016	253,489	Yes	YesGreenfield	YesGreenfieldHousing	142,757	Yes	110,731	-44%	No
1017	304,118	Yes	YesGreenfield	YesGreenfieldHousing	171,826	Yes	132,292	-44%	No
1019	105,533	Yes	YesBrownfield	YesBrownfieldHousing	89,937	Yes	15,597	-15%	No
1021	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	No
1379	278,450	Yes	YesGreenfield	YesGreenfieldHousing	148,531	Yes	129,919	-47%	No
1391	183,054	Yes	YesGreenfield	YesGreenfieldApartments	98,255	Yes	84,799	-46%	No
1398	254,023	Yes	YesGreenfield	YesGreenfieldHousing	142,901	Yes	111,123	-44%	No
1412	138,753	Yes	YesGreenfield	YesGreenfieldHousing	130,503	Yes	8,250	-6%	No
1415	95,382	Yes	YesBrownfield	YesBrownfieldMixed	70,559	Yes	24,822	-26%	No
1429	57,761	Yes	YesBrownfield	YesBrownfieldHousing	44,682	Yes	13,079	-23%	No
1547	60,501	Yes	YesBrownfield	YesBrownfieldHousing	47,347	Yes	13,153	-22%	No

Table 67 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0049	714,007	Yes	YesGreenfield	YesGreenfieldHousing	394,693	Yes	319,314	-45%	Yes
0613	789,922	Yes	YesGreenfield	YesGreenfieldHousing	445,124	Yes	344,797	-44%	Yes
1224	470,825	Yes	YesGreenfield	YesGreenfieldHousing	252,399	Yes	218,426	-46%	Yes
1602	702,879	Yes	YesGreenfield	YesGreenfieldHousing	395,261	Yes	307,618	-44%	Yes

Table 68 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0026	286,861	Yes	YesGreenfield	YesGreenfieldHousing	193,707	Yes	93,154	-32%	Yes
0037	278,042	Yes	YesGreenfield	YesGreenfieldHousing	176,893	Yes	101,149	-36%	No
0041	330,327	Yes	YesGreenfield	YesGreenfieldHousing	313,235	Yes	17,091	-5%	Yes
0065	312,751	Yes	YesGreenfield	YesGreenfieldHousing	201,292	Yes	111,459	-36%	Yes
0075	308,121	Yes	YesGreenfield	YesGreenfieldMixed	287,820	Yes	20,301	-7%	Yes
0146	260,841	Yes	YesGreenfield	YesGreenfieldHousing	169,484	Yes	91,357	-35%	No
0177	268,865	Yes	YesGreenfield	YesGreenfieldHousing	179,054	Yes	89,810	-33%	No
0220	285,178	Yes	YesGreenfield	YesGreenfieldHousing	189,589	Yes	95,589	-34%	Yes
0506	172,125	Yes	YesBrownfield	NoBrownfieldMixed	146,901	Yes	25,225	-15%	No
0951	333,336	Yes	YesGreenfield	YesGreenfieldHousing	223,979	Yes	109,357	-33%	Yes
0952	285,514	Yes	YesGreenfield	YesGreenfieldHousing	190,160	Yes	95,354	-33%	Yes
0959	287,122	Yes	YesGreenfield	YesGreenfieldHousing	190,611	Yes	96,512	-34%	Yes
0964	179,953	Yes	YesGreenfield	YesGreenfieldHousing	170,662	Yes	9,291	-5%	No
0978	285,199	Yes	YesGreenfield	YesGreenfieldHousing	189,584	Yes	95,615	-34%	Yes
0982	286,638	Yes	YesGreenfield	YesGreenfieldHousing	193,074	Yes	93,564	-33%	Yes
1030	329,815	Yes	YesGreenfield	YesGreenfieldHousing	212,302	Yes	117,513	-36%	Yes
1082	11,897	Yes	YesBrownfield	YesBrownfieldHousing	2,126	Yes	9,771	-82%	No
1088	117,282	Yes	YesBrownfield	YesBrownfieldMixed	94,224	Yes	23,058	-20%	No

Table 68 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 5 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
1407	297,776	Yes	YesGreenfield	YesGreenfieldHousing	191,611	Yes	106,165	-36%	Yes
1470	286,445	Yes	YesGreenfield	YesGreenfieldHousing	192,239	Yes	94,206	-33%	Yes
1567	319,629	Yes	YesGreenfield	YesGreenfieldHousing	213,090	Yes	106,540	-33%	Yes
1616	288,050	Yes	YesGreenfield	YesGreenfieldHousing	193,298	Yes	94,752	-33%	Yes

Table 69 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0030	312,806	Yes	YesBrownfield	YesBrownfieldMixed	62,902	Yes	249,904	-80%	No
0221	583,480	Yes	YesGreenfield	YesGreenfieldHousing	309,971	Yes	273,509	-47%	Yes
0589	491,420	Yes	YesGreenfield	YesGreenfieldMixed	225,824	Yes	265,596	-54%	Yes
0759	328,487	Yes	YesGreenfield	YesGreenfieldHousing	275,930	Yes	52,558	-16%	Yes
0766	528,985	Yes	YesGreenfield	YesGreenfieldHousing	281,004	Yes	247,981	-47%	Yes
0779	689,645	Yes	YesGreenfield	YesGreenfieldHousing	376,383	Yes	313,262	-45%	Yes
0782	529,257	Yes	YesGreenfield	YesGreenfieldHousing	278,538	Yes	250,719	-47%	Yes
0948	530,230	Yes	YesGreenfield	YesGreenfieldHousing	279,260	Yes	250,970	-47%	Yes
0949	530,817	Yes	YesGreenfield	YesGreenfieldHousing	280,595	Yes	250,222	-47%	Yes
1034	638,207	Yes	YesGreenfield	YesGreenfieldHousing	340,483	Yes	297,724	-47%	Yes
1035	605,745	Yes	YesGreenfield	YesGreenfieldHousing	311,719	Yes	294,027	-49%	Yes
1036	334,318	Yes	YesBrownfield	YesBrownfieldHousing	81,373	Yes	252,945	-76%	No
1037	546,517	Yes	YesGreenfield	YesGreenfieldHousing	270,512	Yes	276,006	-51%	Yes
1041	225,719	Yes	YesGreenfield	YesGreenfieldHousing	118,817	Yes	106,902	-47%	No
1044	535,211	Yes	YesGreenfield	YesGreenfieldHousing	283,387	Yes	251,824	-47%	Yes
1046	610,187	Yes	YesGreenfield	YesGreenfieldHousing	307,108	Yes	303,080	-50%	Yes
1047	688,892	Yes	YesGreenfield	YesGreenfieldHousing	358,191	Yes	330,701	-48%	Yes
1100	504,238	Yes	YesGreenfield	YesGreenfieldMixed	262,932	Yes	241,306	-48%	Yes

Table 69 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 6 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
1101	609,522	Yes	YesGreenfield	YesGreenfieldHousing	311,323	Yes	298,198	-49%	Yes
1103	453,165	Yes	YesGreenfield	YesGreenfieldHousing	237,719	Yes	215,446	-48%	Yes
1523	634,986	Yes	YesGreenfield	YesGreenfieldHousing	339,789	Yes	295,197	-46%	Yes
1541	477,773	Yes	YesGreenfield	YesGreenfieldHousing	251,712	Yes	226,061	-47%	Yes
1543	523,397	Yes	YesGreenfield	YesGreenfieldHousing	277,038	Yes	246,358	-47%	Yes
1583	529,160	Yes	YesGreenfield	YesGreenfieldHousing	280,136	Yes	249,024	-47%	Yes
1617	641,620	Yes	YesGreenfield	YesGreenfieldHousing	333,375	Yes	308,245	-48%	Yes

Table 70 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0112	149,438	Yes	NoBrownfield	NoBrownfieldHousing	-	No	149,438	0%	No
0264	73,170	Yes	NoBrownfield	NoBrownfieldHousing	-	No	73,170	0%	No
0289	96,852	Yes	NoBrownfield	NoBrownfieldHousing	-	No	96,852	0%	No
0397	290,408	Yes	YesGreenfield	YesGreenfieldMixed	120,730	Yes	169,677	-58%	No
0400	314,403	Yes	YesGreenfield	YesGreenfieldHousing	298,155	Yes	16,248	-5%	Yes
0478	181,400	Yes	YesBrownfield	YesBrownfieldHousing	-	No	181,400	0%	No
0814	95,496	Yes	NoBrownfield	NoBrownfieldMixed	-	No	95,496	0%	No
0815	127,145	Yes	NoBrownfield	NoBrownfieldMixed	-	No	127,145	0%	No
1128	319,946	Yes	YesGreenfield	YesGreenfieldHousing	156,776	Yes	163,170	-51%	No
1194	316,549	Yes	YesGreenfield	YesGreenfieldHousing	144,943	Yes	171,606	-54%	No
1196	322,963	Yes	YesGreenfield	YesGreenfieldHousing	152,333	Yes	170,629	-53%	No
1197	318,902	Yes	YesGreenfield	YesGreenfieldHousing	151,709	Yes	167,193	-52%	No
1292	80,568	Yes	YesBrownfield	YesBrownfieldHousing	65,396	Yes	15,172	-19%	No
1425	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No

Table 70 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 8

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0006	522,546	Yes	YesGreenfield	YesGreenfieldHousing	313,715	Yes	208,831	-40%	Yes
0174	406,850	Yes	YesGreenfield	YesGreenfieldHousing	244,898	Yes	161,952	-40%	Yes
0334	349,230	Yes	YesBrownfield	YesBrownfieldHousing	293,674	Yes	55,556	-16%	Yes
0338	502,472	Yes	YesGreenfield	YesGreenfieldHousing	304,814	Yes	197,658	-39%	Yes
0353	574,599	Yes	YesGreenfield	YesGreenfieldHousing	514,300	Yes	60,299	-10%	Yes
0538	506,102	Yes	YesGreenfield	YesGreenfieldHousing	307,016	Yes	199,086	-39%	Yes
0565	517,333	Yes	YesGreenfield	YesGreenfieldHousing	298,497	Yes	218,836	-42%	Yes
0568	279,222	Yes	YesGreenfield	YesGreenfieldHousing	168,672	Yes	110,550	-40%	No
0579	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	No
0846	370,807	Yes	YesBrownfield	YesBrownfieldHousing	310,198	Yes	60,608	-16%	Yes
0856	434,803	Yes	YesGreenfield	YesGreenfieldHousing	260,573	Yes	174,230	-40%	Yes
0862	493,582	Yes	YesGreenfield	YesGreenfieldHousing	287,602	Yes	205,980	-42%	Yes
0893	244,924	Yes	YesGreenfield	YesGreenfieldHousing	148,297	Yes	96,627	-39%	No
0945	319,915	Yes	YesBrownfield	YesBrownfieldHousing	267,570	Yes	52,345	-16%	Yes
1032	315,965	Yes	YesGreenfield	YesGreenfieldHousing	179,185	Yes	136,780	-43%	No
1033	351,588	Yes	YesGreenfield	YesGreenfieldHousing	212,935	Yes	138,652	-39%	Yes
1053	398,530	Yes	YesGreenfield	YesGreenfieldHousing	240,099	Yes	158,431	-40%	Yes
1054	355,587	Yes	YesGreenfield	YesGreenfieldHousing	207,673	Yes	147,913	-42%	Yes
1075	192,862	Yes	YesBrownfield	YesBrownfieldMixed	138,471	Yes	54,392	-28%	No
1077	378,444	Yes	YesGreenfield	YesGreenfieldHousing	228,077	Yes	150,367	-40%	Yes
1078	149,970	Yes	YesGreenfield	YesGreenfieldHousing	90,444	Yes	59,525	-40%	No
1093	292,950	Yes	YesBrownfield	YesBrownfieldHousing	239,944	Yes	53,006	-18%	Yes
1095	420,868	Yes	YesGreenfield	YesGreenfieldHousing	255,090	Yes	165,779	-39%	Yes
1116	397,959	Yes	YesGreenfield	YesGreenfieldHousing	235,701	Yes	162,259	-41%	Yes
1322	195,982	Yes	YesGreenfield	YesGreenfieldApartments	-	No	195,982	0%	No

Table 70 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1451	240,547	Yes	YesGreenfield	YesGreenfieldHousing
1453	367,328	Yes	YesGreenfield	YesGreenfieldHousing
1463	171,218	Yes	YesGreenfield	YesGreenfieldHousing
1469	396,406	Yes	YesGreenfield	YesGreenfieldMixed
1472	383,010	Yes	YesGreenfield	YesGreenfieldHousing

Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
96,969	Yes	143,578	-60%	No
222,338	Yes	144,991	-39%	Yes
68,950	Yes	102,268	-60%	No
209,936	Yes	186,470	-47%	Yes
230,011	Yes	152,999	-40%	Yes

Table 71 – Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 9

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	145,375	Yes	YesGreenfield	YesGreenfieldMixed
0152	137,229	Yes	YesGreenfield	YesGreenfieldHousing
0164	179,268	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	121,387	Yes	YesGreenfield	YesGreenfieldHousing
0248	157,030	Yes	YesGreenfield	YesGreenfieldMixed
0261	109,088	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	34,087	Yes	YesGreenfield	YesGreenfieldHousing
0452	145,503	Yes	YesGreenfield	YesGreenfieldHousing
0454	102,475	Yes	YesGreenfield	YesGreenfieldHousing
0523	109,256	Yes	YesGreenfield	YesGreenfieldHousing
0683	132,447	Yes	YesGreenfield	YesGreenfieldHousing
0950	33,375	Yes	YesGreenfield	YesGreenfieldHousing
0983	65,227	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldHousing

TP32, TP34 and CIL Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
50,604	Yes	94,771	-65%	No
116,711	Yes	20,518	-15%	No
132,227	Yes	47,041	-26%	No
-	No	-	0%	No
103,238	Yes	18,149	-15%	No
135,844	Yes	21,186	-13%	No
46,905	Yes	62,183	-57%	No
-	No	-	0%	No
-	No	-	0%	No
7,188	Yes	26,898	-79%	No
60,168	Yes	85,335	-59%	No
22,464	Yes	80,011	-78%	No
46,677	Yes	62,579	-57%	No
56,494	Yes	75,953	-57%	No
13,816	Yes	19,559	-59%	No
16,517	Yes	48,710	-75%	No
-	No	-	0%	No

Table 71– Cumulative Impact of Policies TP32 and TP34 and PDCS CIL Rates – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	Policy TP34 Land Value	Viable	Reduction in Land Value (£)	% Reduction	Minimum Land Value Benchmark Exceeded
0987	101,694	Yes	YesGreenfield	YesGreenfieldHousing	26,947	Yes	74,747	-74%	No
0988	109,022	Yes	YesGreenfield	YesGreenfieldHousing	46,778	Yes	62,244	-57%	No
0990	103,856	Yes	YesGreenfield	YesGreenfieldHousing	22,767	Yes	81,089	-78%	No
1009	130,893	Yes	YesGreenfield	YesGreenfieldHousing	54,185	Yes	76,708	-59%	No
1137	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No
1183	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No
1215	153,972	Yes	YesGreenfield	YesGreenfieldMixed	133,198	Yes	20,774	-13%	No
1216	74,373	Yes	YesGreenfield	YesGreenfieldHousing	31,297	Yes	43,076	-58%	No
1228	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No
1229	100,122	Yes	YesGreenfield	YesGreenfieldHousing	41,830	Yes	58,292	-58%	No
1283	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No
1368	-	No	NoBrownfield	NoBrownfieldMixed	-	No	-	0%	No
1409	104,403	Yes	YesGreenfield	YesGreenfieldHousing	43,453	Yes	60,951	-58%	No
1431	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	No
1432	-	No	NoBrownfield	NoBrownfieldMixed	-	No	-	0%	No
1486	102,665	Yes	YesGreenfield	YesGreenfieldHousing	27,088	Yes	75,576	-74%	No
1487	157,167	Yes	YesGreenfield	YesGreenfieldMixed	135,962	Yes	21,205	-13%	No
1488	157,617	Yes	YesGreenfield	YesGreenfieldMixed	136,352	Yes	21,265	-13%	No
1489	155,544	Yes	YesGreenfield	YesGreenfieldMixed	134,558	Yes	20,986	-13%	No
1570	132,543	Yes	YesGreenfield	YesGreenfieldHousing	56,126	Yes	76,417	-58%	No
1590	110,679	Yes	YesGreenfield	YesGreenfieldHousing	35,505	Yes	75,175	-68%	No
1599	-	No	NoBrownfield	NoBrownfieldMixed	-	No	-	0%	No
1603	123,067	Yes	YesGreenfield	YesGreenfieldHousing	44,924	Yes	78,143	-63%	No
1607	107,657	Yes	YesGreenfield	YesGreenfieldHousing	45,976	Yes	61,681	-57%	No
1609	564,953	Yes	YesBrownfield	YesBrownfieldApartments	468,812	Yes	96,141	-17%	Yes

Employment (incorporating B1, B2 and B8 uses)

- 10.37 The PDCS is proposing a charge of £5psm⁴⁴. For the purpose of assessing the viability of CIL we have assumed a traditional developer led approach to delivery. Whilst delivery is greatly enhanced if end occupiers purchase sites and deliver their own premises it would be unrealistic to base policy decisions on this basis as the reality is most of the employment sites will be delivered / brought forward by developers.
- 10.38 When applying a CIL charge to employment uses the average land value for Greenfield / unconstrained sites in Elland and Brighouse is circa £235,000 per acre, which is an increase of £76,000per acre (circa 48% increase) on the land values generated through the baseline appraisals. This is well in excess of the minimum benchmark land value of £150,000 per acre. At this point it should be remembered that the introduction of CIL is more than offset by the cost savings made under the emerging Policy TP44⁴⁵
- 9.9 The average land value for Greenfield / unconstrained sites in Halifax increases to around £185,000 per acre which is an increase of circa 66% on the baseline value of £115,000 per acre. This is also higher than the minimum benchmark land value of £150,000 per acre.
- 9.10 Brownfield sites remain unviable or generate very low land values. .
- 9.11 Once more it should be noted that these values are derived from sites where the predominant uses are industrial (i.e. B1c, B2 and B8 use). Those sites where the predominant use is offices (i.e. B1a or B1c) demonstrate negative land values for brownfield and Greenfield / unconstrained sites in Brighouse and Elland. Brownfield sites for office use in Halifax generate negative land values whereas Greenfield/unconstrained sites generate land value of circa £110,000 per acre.
- 9.12 The results of our assessment are shown in Table 72
- 9.13 CIL is considered viable at £5psm on Greenfield / unconstrained sites and could be higher based on the current evidence. However, the Council has an aspiration for higher BREEAM standards over and above the immediate requirement for all developments to meet at least BREEAM Very Good. This viability headroom will enable the Council to explore the feasibility of higher standards with greater confidence. On balance it is considered that a charge of £5pms strikes an appropriate balance between the desirability of funding the cost of infrastructure, the likely impact on achieving other local plan policies and the potential effects of the imposition of the charge on the economic viability of development across its areas.

⁴⁴ Employment uses would fall under all other chargeable uses)

⁴⁵ Policy TP44 will improve viability as the cost associated with Policy EP27 of the RCUDP will be superseded (and removed from the appraisals) and replaced by TP44 which does not have a cost impact on development.

Table 72 - Cumulative Impact of Policies TP44 and CIL on Preferred Employment Sites

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP0009		No	YesElland	YesBrownfield
LP0021	141,667	Yes	YesElland	YesGreenfield
LP0025	173,803	Yes	YesElland	YesGreenfield
LP0032	-	No	YesBrighouse	YesBrownfield
LP0059	-	No	NoElland	NoBrownfield
LP0105	110,547	Yes	YesHalifax	YesGreenfield
LP0216	-	No	YesHalifax	YesBrownfield
LP0264	-	No	YesHalifax	YesBrownfield
LP0289	-	No	YesHalifax	YesBrownfield
LP0332	-	No	YesBrighouse	YesBrownfield
LP0355	156,498	Yes	YesElland	YesGreenfield
LP0409	-	No	YesHalifax	YesBrownfield
LP0472	102,187	Yes	YesHalifax	YesGreenfield
LP0509	-	No	NoElland	NoBrownfield
LP0573	-	No	YesBrighouse	YesBrownfield
LP0579	-	No	YesBrighouse	YesBrownfield
LP0585	151,431	Yes	YesBrighouse	YesGreenfield
LP0922	-	No	NoHebden Bridge	NoBrownfield
LP0960	161,163	Yes	YesElland	YesGreenfield
LP0976	-	No	YesHalifax	YesBrownfield
LP1018	112,008	Yes	YesHalifax	YesGreenfield
LP1078	140,484	Yes	YesBrighouse	YesGreenfield
LP1088	-	No	NoElland	NoBrownfield
LP1133	-	No	YesHalifax	YesBrownfield
LP1134	-	No	YesHalifax	YesBrownfield
LP1170	-	No	YesHalifax	YesBrownfield
LP1203	-	No	YesHalifax	YesBrownfield

Policy TP44 and CIL Land Value	Viable	Increase in Land Value	% Increase
35,984	Yes	35,984	100%
218,743	Yes	77,077	54%
248,356	Yes	74,553	43%
14,978	Yes	14,978	100%
-	No	-	0%
191,757	Yes	81,209	73%
22,966	Yes	22,966	100%
-	No	-	0%
-	No	-	0%
20,936	Yes	20,936	100%
236,054	Yes	79,556	51%
-	No	-	0%
180,032	Yes	77,845	76%
-	No	-	0%
42,451	Yes	42,451	100%
22,668	Yes	22,668	100%
228,667	Yes	77,236	51%
-	No	-	0%
236,473	Yes	75,310	47%
-	No	-	0%
187,570	Yes	75,562	67%
217,561	Yes	77,077	55%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%

Table 72 - Cumulative Impact of Policies TP44 and CIL on Preferred Employment Sites

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
LP1217	114,658	Yes	YesHalifax	YesGreenfield
LP1219	111,753	Yes	YesHalifax	YesGreenfield
LP1220	-	No	YesHalifax	YesGreenfield
LP1223	-	No	YesElland	YesBrownfield
LP1231	123,773	Yes	YesHalifax	YesGreenfield
LP1232	167,387	Yes	YesBrighouse	YesGreenfield
LP1287	-	No	YesHalifax	YesBrownfield
LP1292	-	No	YesHalifax	YesBrownfield
LP1431	-	No	YesHalifax	YesBrownfield
LP1433	-	No	YesHalifax	YesBrownfield
LP1443	-	No	YesElland	YesBrownfield
LP1618	169,516	Yes	YesBrighouse	YesGreenfield

Policy TP44 Land Value	Viable	Increased in Land Value	% Increase
190,220	Yes	75,562	66%
187,315	Yes	75,562	68%
172,526	Yes	172,526	100%
34,005	Yes	34,005	100%
198,326	Yes	74,553	60%
241,940	Yes	74,553	45%
-	No	-	0%
-	No	-	0%
-	No	-	0%
-	No	-	0%
21,261	Yes	21,261	100%
244,069	Yes	74,553	44%

Other Land Uses – Comparison Retail

- 9.13 The PDCS is proposing a charge of £5psm⁴⁶. Imposition of CIL will simply compound the viability challenges associated with retail development in all but Halifax. Whilst a CIL charge of £5psm still generates a land value of circa £555,000 per acre (based on Brownfield sites) it must be remembered that, whilst we have adopted a cautious approach to Brownfield sites in terms of the cost of remediation and site preparation there are likely to be costs associated with town centre development that we have not been able to capture in this assessment. One example is possible acquisition costs.
- 9.14 On this basis it is considered that a charge of £5pms strikes an appropriate balance between the desirability of funding the cost of infrastructure and the potential effects of the imposition of the charge on the economic viability of development across its areas. Any viability headroom will enable the Council to explore the feasibility of higher BREEAM standards (in accordance with Policy TP44) with greater confidence.

Table 73 – Impact of Policy TP44 and CIL on Comparison Retail

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Town Centre (Halifax)	173,765	Yes	555,504	Yes	381,739	220%
Town Centre (Brighouse)	-	No	-	No	-	0%
Town Centre (Elland)	-	No	-	No	-	0%
Town Centre (Hebden Bridge)	-	No	-	No	-	0%
Town Centre (Sowerby Bridge)	-	No	-	No	-	0%
Town Centre (Todmorden)	-	No	-	No	-	0%

Other Land Uses – Convenience Retail

- 9.15 The PDCS is proposing a charge of £5psm for convenience retail <500sq.m⁴⁷ and a charge of 45psm for scheme with a gross area greater than 550sq.m. When assessing the viability of CIL we have based this on Brownfield sites recognising most of the schemes are likely to take place within the urban area and therefore will be Brownfield in nature. On this basis a CIL charge of £5pm for small format convenience retail generates a land value of circa £120,000 per acre. In comparison larger format stores generate land values of circa £685,000 per acre even with a CIL charge of £45psm.
- 9.16 Whilst this is a significant land value for Brownfield sites in comparison to other uses and it was again provides the Council with scope to seek higher BREEAM standards than the current immediate requirement for all developments to meet BREEAM Very Good.

⁴⁶ Employment uses would fall under all other chargeable uses)

⁴⁷ Employment uses would fall under all other chargeable uses)

Table 73 – Impact of Policy TP44 and CIL on Convenience Retail

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Convenience Stores	-	No	118,587	Yes	118,587	100%
Sypermarkets	571,487	Yes	683,273	Yes	111,786	20%
Superstores	572,678	Yes	685,358	Yes	112,680	20%
Hypermarket	570,073	Yes	682,753	Yes	112,680	20%

Other Land Uses – Retail Warehousing

- 9.17 The PDCS is proposing a charge of £100psm. At this rate land values for Greenfield / Unconstrained sites reduce by around -10% but are still considered sufficient (at circa £440,000 per acre) to incentivise a land owner to release land for development. The value of Brownfield land falls to circa £185,000 per acre, a reduction of circa 20% on the values established through the baseline appraisals. The only other viable commercial land uses on Brownfield sites are large format foodstores, hotels and care homes. Whilst these values are higher there is limited market potential associated with these higher value uses and as such we believe a value of £185,000 may be sufficient for the land to be released for development.

Table 74 – Impact of Policy TP44 and CIL on Retail Warehouses

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Retail Warehouse (Greenfield)	439,033	Yes	394,078	Yes	(44,956)	-10%
Retail Warehouse (Brownfield)	229,208	Yes	184,923	Yes	(44,285)	-19%

Restaurants and Pubs

- 9.18 The PDCS is proposing a charge of £5psm⁴⁸. At this rate land values for Greenfield / Unconstrained sites increase to around £255,000 per acre for restaurants and circa £280,000 per acre for pubs. The development of pubs and restaurants on Brownfield sites becomes viable generating land values of circa £65,000 per acre and £90,000 per acre respectively. On this basis a CIL of £5psm is a viable charge for restaurants and public houses.

⁴⁸ These uses would fall under all other chargeable uses

Table 75 – Impact of Policy TP44 and CIL on Restaurants and Pubs

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Restaurants (Greenfield)	146,874	Yes	256,947	Yes	110,073	75%
Pubs (Greenfield)	179,780	Yes	282,934	Yes	103,154	57%
Restaurants (Brownfield)	-	No	62,267	Yes	62,267	100%
Pubs (Brownfield)	-	No	92,942	Yes	92,942	100%

Care Home

- 9.19 The PDCS is proposing a charge of £60psm for care homes. At this rate land values for Greenfield / unconstrained sites increase to around £1.9m per acre. The value of Brownfield sites increases to circa £1.7m per acre. In this context a CIL of £60psm is a viable charge for Care Home developments.

Table 75 – Impact of Policy TP44 and CIL on Care Homes

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Care Home (Greenfield)	1,738,800	Yes	1,857,706	Yes	118,906	7%
Care Home (Brownfield)	1,580,059	Yes	1,698,965	Yes	118,906	8%

Hotel

- 9.20 The PDCS also proposes a rate of £60psm for hotels. At this rate development is still viable on both Greenfield and Brownfield sites generating land values of circa £1.2m per acre and £975,000 per acre respectively. Based on the evidence within Table 76 a CIL of £60psm is a viable charge for hotels.

Table 76 – Impact of Policy TP44 and CIL on Hotels

Land Use	Baseline Land Value £per acre	Viable	Policy TP44 and CIL Land Value	Viable	Change in Land Value	% Increase
Hotel (Greenfield)	849,653	Yes	1,232,772	Yes	383,119	45%
Hotel (Brownfield)	582,654	Yes	975,952	Yes	393,299	68%

11. Conclusions and Recommendations

- 11.1 The Viability Study is intended to establish an understanding of the approach, evaluation and implications of applying certain Local Plan standards, as well as establishing a Community Infrastructure Levy to fund necessary infrastructure in support of future growth across the Borough.

- 11.2 The NPPF promotes sustainable development, ensuring that the appropriate balance is struck between economic, social and environmental dimensions of growth, and that appropriate necessary infrastructure is delivered. The NPPF also emphasises that plans must be deliverable and the economic viability of development is critical for this. In particular the guidance states at para 173

Pursuing sustainable development requires careful attention to viability and costs in plan making and decision taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, design standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

- 11.3 Paragraph 174 further states that.....

Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put the implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.

Definition of viability

- 11.4 The Harman Report provides the definition of viability in the context of testing local plans, and also establishes the link between viability and the concept of deliverability. The documents states that:

An individual development can be said to be viable, if after taking account of all costs, including central and local government policy and regulatory costs and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.

At Local Plan level, viability is very closely linked to the concept of deliverability. In the case of housing, a Local Plan can be said to be deliverable if sufficient sites are viable – as defined previously – to deliver the plan's planned growth over the plan period.

- 11.5 The Harman Report identifies that the primary role of the Local Plan viability assessment is to provide evidence that the requirements of the NPPF have been met. As such it should consider the cumulative impact of national and local policies upon the economic viability of development.
- 11.6 The report recognises that Local Plan viability assessment is not conducted to give a precise answer as to the viability of every development likely to take place during the plan period, nor is it there to provide a definitive 'yes or no' to the likelihood of development across the whole plan area or plan period. Instead it seeks to provide a high level assurance that the policies within the plan have been considered for their cumulative impacts, and that these are not likely to compromise the economic viability of development needed to deliver the plan.

The Community Infrastructure Levy

- 11.7 The NPPF states that.....where practical, Community Infrastructure Levy charges should be worked up and tested alongside the Local Plan. The Harman Report recognises the parallels between viability testing of local plans and preparation of Community Infrastructure Levy charging schedules. In light of this, and the recognition that the CIL is a potential further cost that affects the economic viability of development, it is prudent to test CIL charges alongside the other cumulative policy requirements of the plan.

Conclusions and Recommendations – Residential

- 11.8 We have summarised the results from our residential assessments within Table 77.
- 11.9 The most notable conclusion from our assessment is the viability challenges evident within Zone 9. Whilst the Council's policy on affordable housing seeks to exclude affordable housing on Brownfield sites within this Zone it may also be appropriate to exclude affordable housing from Greenfield / unconstrained sites also. Based on the results from our assessment we suggest the Council consider amending its policy to exclude affordable housing altogether within Zone 9.
- 11.10 Rather than being specific around excluding affordable housing on Brownfield sites within other areas we suggest it may be more appropriate to include a general viability clause, covering all areas and all categories of land (i.e. Greenfield and Brownfield), which would permit variations to the suggested levels of affordable housing provision if justified by a detail viability assessment. We think this is appropriate in view of the fact that the average land values for Greenfield / unconstrained sites falls below the minimum benchmark land value in some areas.

- 11.11 It is also suggested that the Council be clearer on their position with respect to the Strategic Sites. A simple reference could be made to the fact that the requirement for 25% affordable housing in Zone 8 would not apply to the Strategic Sites and a suitable requirement, if appropriate, would be negotiated taking into consideration the wider costs associated with bringing these sites forward.
- 11.12 Whilst it is considered that the imposition of Policy TP32 is within acceptable limits we suggest that a viability clause also be included in the policy which would permit variations to the suggested policy position if justified by a detailed viability assessment.
- 11.13 In terms of CIL the proposed charges as set out within the PDCS are viable in Zones 1, 4, 5, 6 and 8. However, CIL is not viable at the proposed rates within Zones 2, 3, 7 and 9. In these areas changes to the level of affordable housing of proposed CIL rates (or both) will need to be considered. A range of scenarios are explored in Table 7.
- 11.14 The Council may also want to consider a separate CIL charge for the Strategic sites. The Regulations permit charging authorities to treat major sites as a separate geographical zone in recognition of the fact that such sites can result in substantial infrastructure requirements in their own right. Based on the findings of our assessment we would recommend a nominal charge of £5psm.
- 11.15 The Council may also wish to consider a separate CIL charge for Brownfield sites in recognition of the fact the majority of Brownfield sites are unable to sustain the proposed charges set out within the PDCS. The Regulations state that when setting differential rates the focus should be on strategic site (see above) and sites on which the relevant local plan relies (such as brownfield) thereby implying a different rate can also be applied to brownfield sites.

Table 76 – Residential Viability Matrix

Zone	Type Site	Policy TP10	Policy TP10	Policy TP31	Policy TP32	Policy TP34	Policy TP44	Local Plan Cumulative	CIL Rate cumulative with LP	Notes
Zone 1	Greenfield	n/a ⁴⁹	n/a ⁵⁰	n/a	Yes	Yes	n/a ⁵¹	Yes	£85psm	If the CIL charge is maintained at £85psm there is scope to increase affordable housing provision to 50% and still generate an average land value of circa £300,000 per acre.
	Brownfield				Yes	Yes		Yes	£85psm	
Zone 2	Greenfield				Yes	Marginal		Marginal	£25psm	If the CIL rate is to be kept at the rate set out in the PDCS then the requirements for affordable housing will need to be lowered. At 15% affordable and CIL at £25psm the average land value for Greenfield / unconstrained sites is £200,000 per acre. If affordable housing is to be kept at 25% then a land value of circa £175,000 per acre is generated assuming a nominal CIL charge of £5psm. Policy TP34 is not seeking affordable housing on Brownfield sites, therefore, the only way to improve the land value for Brownfield sites will be to lower the CIL charge. If CIL is set at zero the average land value for Brownfield sites is £117,000 per acre.
	Brownfield				Yes	Yes		Yes	£25psm	
Zone 3	Greenfield				Yes	No		No	£25psm	If CIL is to be maintained at £25psm the level of affordable housing would need to be reduced to circa 5%, which would generate an average land value of circa £200,000 per acre. If affordable housing is at 10% and CIL is at 20psm the average land value is £188,000 per acre, which is fractionally higher than the minimum benchmark land value of £187,500 per acre. A land value of £200,000 per acre is generated if affordable housing is included at 10% and CIL is at a rate of £5psm. Policy TP 34 does not seek affordable housing on Brownfield sites in Zone 3 but with CIL at £25psm an average land value of £45,000 per acre is generated. Even if CIL is excluded the average land value for Brownfield sites is only £75,000 per acre.
	Brownfield				No	No		No	£25psm	
Zone 4	Greenfield				Yes	Yes		Yes	£85psm	
	Brownfield				n/a	n/a		n/a	n/a	
Zone 5	Greenfield				Yes	Yes		Yes	£5psm	
	Brownfield				Yes	Yes		Marginal	£5psm	
Zone 6	Greenfield				Yes	Yes		Yes	£85psm	If CIL is maintained at £85psm there is scope to increase the affordable housing provision to 45% and still generate an average land value of circa £200,000 per acre. Layering on CIL at £85psm makes Brownfield sites unviable.
	Brownfield				Yes	Yes		Yes	£85psm	
Zone 7	Greenfield				Yes	No		No	£5psm	If CIL is maintained at £5psm affordable housing provision would need to be lowered to 20% and this would generate a land value of circa £197,000 per acre. Brownfield sites are unviable when CIL is layered on at £5psm.
	Brownfield				Yes	No		No	£5psm	
Zone 8	Greenfield				Yes	Yes		Yes	£40psm	The strategic sites are unable to sustain a CIL charge of £40psm. Policy nTP34 does not seek affordable housing on Brownfield sites, therefore, Brownfield sites have an average value of circa £250,000 per acre after layering on CIL at £40psm.
	Brownfield				Yes	Yes		Yes	£40psm	
Zone 9	Greenfield				No	No		No	£5psm	CIL, even at a nominal charge of £5psm, simply compounds the viability challenges in Zone 9.
	Brownfield				No	No		No	£5psm	

⁴⁹ It is unclear which of the preferred sites are suitable for district heating so the impact of this policy has not been considered within this assessment. In addition the Council intends to fund district heating through CIL, the viability of which has been established through this assessment.

⁵⁰ The list of preferred sites provided by the Council (See Appendix 1) already provided an indication of site capacity. Therefore this policy has not been tested.

⁵¹ The baseline appraisals already include an allowance for renewable energy under Policy EP27 of the RCUDP. It is assumed that Policy TP44 will supersede policy EP27. On this basis we have not tested the impact of Policy TP44 as this would be double counting.

Conclusions and Recommendations – Commercial Appraisals

- 11.16 For the purpose of this assessment we have assumed that Policy TP44 will supersede / replace Policy EP27 (Renewable Energy in New Development) set out within the RCUDP. Within the baseline appraisals Policy Ep27 was taken into account by applying a 10% increase on the construction costs and applying these to 20% of the gross floorspace. This assumption was only applied to schemes of 1,000sq.m (gross) or more whereas emerging Policy TP44 seeks to ensure that all buildings *regardless of size) meet BREEAM Very Good.
- 11.17 However, BREEAM Very Good is commensurate with the current standards required by Building Regulations for all commercial schemes. In this context the costs associated with achieving BREEAM Very Good are already accounted for in the basic build costs.
- 11.18 Taking this into consideration the assessment has proven that Policy TP44 will actually improve the viability of commercial uses as the cost associated with Policy EP27 of the RCUDP will be removed from the appraisal and replaced by Policy TP44 which does not have a cost impact non development.
- 11.19 In addition; even after layering on the CIL rates for commercial uses (set out within the PDCS) this is more than offset by the cost savings made through emerging Policy TP44. On this basis most of the commercial uses (with the exception of retail warehousing) have viability headroom after taking into consideration the impact of CIL. However, the Council has an aspiration for higher BREEAM standards over and above the immediate requirements for all developments to meet at least BREEAM Very Good. This viability headroom will enable the Council to explore the feasibility of higher standards with developers with greater confidence.
- 11.20 n balance it is considered that the charges set out within the PDCS strike an appropriate balance between the desirability of funding the cost of infrastructure, the likely impact of achieving other local plan policies and the potential effects of the imposition of the charge on the economic viability of development across its area.



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Appendix I
List of
Preferred
Housing Sites

Preferred Local Plan allocations for Housing

Local Plan Ref	Property Name / Number	Road/Street Locality	Locality	Town	Postcode	Housing Zone	Value Area	Gross Area (ha)	Net Area (ha)	Gross to Net (%)	Average Density (net)	Capacity	Draft Plan Proposed Use	Potential Type of Housing	Greenfield/Brownfield
0003	Land at Victoria Terrace	Victoria Terrace	Luddenden Foot	Halifax	HX2 6AY	Zone 3	Medium	0.761	0.65	85%	30	23 New Housing Site		Greenfield	
0006	Land at 164 Burnley Road	Huddersfield Road and Toothill Lane	Rastrick	Brighouse	HX6 3RT	Zone 5	Medium	0.822	1.64	100%	36	16 New Housing Site		Greenfield	
0011	Tenterfields	Burnley Road	Luddenden Foot	Halifax	HX2 8	Zone 3	Medium	2.476	2.25	91%	27	68 New Housing Site		Greenfield	
0026	The Gate Farm	Saddeworth Road	Greetland	Elland	HX4 8NW	Zone 5	Cold	2.234	2.23	100%	30	67 New Housing Site		Greenfield	
0030	Hough Mills	Bradford Road	Northwarum	Halifax	HX3 7BN	Zone 6	Hot	0.339	0.34	100%	41	14 New Housing Site		Greenfield	
0037	Long Heys Farm	Long Heys	Greetland	Elland	HX4 8BJ	Zone 5	Cold	0.951	0.84	88%	32	30 New Housing Site		Greenfield	
0041	Land to the south of Stainland Road	Stainland Road	Stainland	Halifax	HX4 9EH	Zone 5	Cold	0.389	0.43	100%	35	11 New Housing Site		Greenfield	
0044	Cemetery Lane	Lower Bentley Royd		Sowerby Bridge	HX6 1DN	Zone 3	Medium	2.944	2.94	100%	38	112 New Housing Site		Greenfield	
0046	Goosegate Farm	Heathy Lane	Holmfild	Halifax	HX2 9UN	Zone 3	Medium	0.291	0.24	83%	34	10 New Housing Site		Greenfield	
0049	Land adjacent to Stainland Road	Stainland Road	Barkisland	Sowerby Bridge	HX4 0AJ	Zone 4	Very Hot	0.655	0.65	99%	32	21 New Housing Site		Greenfield	
0053	Land off Key Syke Lane	Kinlhurst		Todmorden	OL14 6AW	Zone 2	Medium	0.452	0.49	100%	45	22 New Housing Site		Greenfield	
0055	Land north-west Nab End Lane	Nab End Lane	West Vale	Elland		Zone 5	Cold	1.006	1.01	100%	36	36 New Housing Site		Greenfield	
0073	Land at Wood Nook Lane	Dam Head		Sowerby Bridge	HX6 2JJ	Zone 3	Medium	0.261	0.26	100%	50	13 New Housing Site		Greenfield	
0075	Land at Lailhe Croft Farm	Bowling Green Road	Stainland	Elland	HX4 9PF	Zone 5	Cold	0.323	0.32	99%	40	13 New Housing Site		Greenfield	
0093	Rolls Head Service Reservoir	Vicar Park Road	Norton Tower	Halifax		Zone 3	Medium	0.895	0.89	99%	36	32 New Housing Site		Brownfield	
0103	Land at Horley Green Road	Horley Green Road	Clarmount	Halifax		Zone 9	Cold	0.979	0.97	99%	45	44 New Housing Site		Greenfield	
0112	Works and associated land	Siddal Top Lane	Siddal	Halifax		Zone 7	Hot	1.510	1.51	100%	36	54 New Housing Site		Brownfield	
0146	Land to the west of West View	Church Lane	Stainland	Elland		Zone 5	Cold	1.041	0.86	83%	30	31 New Housing Site		Greenfield	
0152	Land adjacent to 81 Hunter Hill Road	Hunter Hill Road	Mixenden	Halifax		Zone 9	Cold	0.352	0.35	99%	40	14 New Housing Site		Greenfield	
0164	Site of High Level Works	Pellon Lane	Pellon	Halifax		Zone 9	Cold	0.383	0.38	99%	89	34 New Housing Site		Brownfield	
0174	End of Wilton Street	Wilton Street		Brighouse	HD6 2QY	Zone 6	Medium	2.819	2.63	93%	28	79 New Housing Site		Greenfield	
0177	Land adjacent Ellistones Place	Saddeworth Road	Greetland	Elland	HX4 8LG	Zone 5	Cold	9.877	9.3	94%	28	279 New Housing Site		Greenfield	
0196	Land Off John Naylor Lane	John Naylor Lane	Warley	Halifax	HX2 6BU	Zone 3	Medium	1.371	1.37	100%	36	49 New Housing Site		Greenfield	
0216	MSI Brearley Works	Brearley Lane	Luddenden Foot	Halifax	HX2 6JB	Zone 3	Medium	0.685	0.68	99%	29	20 Mixed Use Site		Greenfield	
0220	Land off Lower Edge Road	Lower Edge Road		Elland	HX5 9PL	Zone 5	Cold	8.612	8.61	100%	30	258 New Housing Site		Greenfield	
0221	Land off		Northwarum	Halifax	HX3	Zone 6	Hot	1.822	1.67	92%	41	60 New Housing Site		Greenfield	
0234	Swinton Hays Lane	Hays Lane	Mixenden	Halifax		Zone 9	Cold	3.320	2.51	76%	23	75 New Housing Site		Brownfield	
0238	Land at rear of St Bernadettes Catholic Chur	Clough Lane	Mixenden	Halifax		Zone 9	Cold	0.341	0.3	88%	35	12 New Housing Site		Greenfield	
0248	Land off Beechwood Road	Beechwood Road	Illingworth	Halifax	HX2 9BU	Zone 9	Cold	0.293	0.29	99%	41	12 New Housing Site		Greenfield	
0261	Land at Turner Avenue South	Turner Avenue South	Ovenden	Halifax		Zone 9	Cold	2.711	2.71	100%	30	81 New Housing Site		Greenfield	
0264	Car Park Between Car Park Between	Well Lane / King Street		Halifax		Zone 7	Hot	0.386	0.38	99%	30	21 Mixed Use Site		Brownfield	
0287	Land rear of 287 Willowfield Road	Willowfield Road		Halifax		Zone 3	Medium	0.733	0.73	100%	11	8 New Housing Site		Greenfield	
0289	Land off King Cross Street	King Cross Street		Halifax	HX1 2SH	Zone 7	Hot	0.454	0.45	99%	31	14 Mixed Use Site		Brownfield	
0327	Land off Halifax Road	Halifax Road		Todmorden	OL14 5AT	Zone 2	Medium	0.328	0.33	101%	30	10 Mixed Use Site		Brownfield	
0334	Lightside Works	Halifax Road		Brighouse	HX3 8BS	Zone 8	Medium	3.505	3.5	100%	30	133 New Housing Site		Brownfield	
0338	Land adjacent Whinney Hill Park	Whinney Hill		Brighouse		Zone 8	Medium	0.599	0.59	98%	35	21 New Housing Site		Greenfield	
0353	Land to the rear 109 Fairfax Crescent	Fairfax Crescent	Southwarum	Halifax		Zone 8	Medium	0.327	0.32	98%	40	13 New Housing Site		Greenfield	
0397	Land adjacent to Daisy Bank	Savile Park	Savile Park	Halifax	HX1	Zone 7	Hot	0.587	0.58	99%	44	26 New Housing Site		Greenfield	
0400	Land off Birdcage lane	Birdcage lane	Savile Park	Halifax		Zone 7	Hot	0.311	0.31	100%	32	10 New Housing Site		Greenfield	
0406	Land off Mile Cross Road	Mile Cross Road		Halifax		Zone 9	Cold	0.332	0.32	100%	41	13 New Housing Site		Brownfield	
0407	Land off Mile Cross Road	Mile Cross Road		Halifax		Zone 9	Cold	0.472	0.47	100%	47	22 New Housing Site		Brownfield	
0417	Land at Windle Royd Lane/Stocks Lane	Windle Royd Lane/Stocks Lane	Warley	Halifax		Zone 9	Cold	3.953	1.32	33%	12	48 New Housing Site		Greenfield	
0418	Warley Cricket Club	Cliff Hill Lane		Halifax	HX2 7SD	Zone 3	Medium	0.839	0.84	100%	36	30 New Housing Site		Greenfield	
0435	Land off Hough End Lane	Hough End Lane	Sowerby	Sowerby Bridge	HX6 3BJ	Zone 3	Medium	1.907	1.9	100%	45	86 New Housing Site		Greenfield	
0438	Land off Dean Lane	Dean Lane	Sowerby	Sowerby Bridge		Zone 3	Medium	0.765	0.64	82%	30	23 New Housing Site		Greenfield	
0441	Kershaw House Inn	Luddenden Lane	Luddenden	Halifax		Zone 3	Medium	0.385	0.38	99%	39	15 New Housing Site		Brownfield	
0452	Land at Ovenden Green		Ovenden	Halifax		Zone 9	Cold	2.453	2.45	100%	40	98 New Housing Site		Greenfield	
0454	Land off Wheatley Road	Wheatley Road	Lee Mount	Halifax		Zone 9	Cold	1.076	1.08	100%	36	39 New Housing Site		Greenfield	
0478	Harwell Ford garage	Stircoat Road		Halifax		Zone 7	Hot	0.275	0.27	98%	45	11 New Housing Site		Greenfield	
0506	Land adjacent South Lane	South Lane		Elland		Zone 5	Cold	0.428	0.42	98%	49	21 New Housing Site		Brownfield	
0523	Land at Furness Avenue	Furness Avenue	Ovenden	Halifax		Zone 9	Cold	3.365	3.36	100%	30	101 New Housing Site		Greenfield	
0531	Land off Whitehill Road	Keighley Road	Illingworth	Halifax		Zone 3	Medium	7.196	7.2	100%	30	216 New Housing Site		Greenfield	
0538	Land off Brookfoot Lane	Brookfoot Lane		Brighouse		Zone 8	Medium	0.595	0.59	99%	35	21 New Housing Site		Greenfield	
0565	Land at Bowling Alley/Scholey Avenue	Bowling Alley/Scholey Avenue	Rastrick	Brighouse		Zone 8	Medium	0.527	0.52	99%	44	19 New Housing Site		Greenfield	
0568	Land south of Clough Lane	Rear of New Hey Road	Rastrick	Brighouse	HD6	Zone 8	Medium	4.366	2.39	55%	19	84 New Housing Site		Greenfield	
0579	126- 128 Bradford Road	Bradford Road		Brighouse		Zone 8	Medium	0.422	0.42	99%	142	60 Mixed Use Site		Brownfield	
0689	Land Adjacent to & Rear of 8 Back Clough		Northwarum	Halifax	HX3 7HH	Zone 6	Hot	0.373	0.37	99%	40	15 New Housing Site		Greenfield	
0613	Land Adjoining Subbings	Rochdale Road	Ripponden	Sowerby Bridge	HX6 4PA	Zone 4	Very Hot	0.508	0.51	100%	35	18 New Housing Site		Greenfield	
0635	Land off Fir Street	Fir Street		Todmorden		Zone 2	Medium	0.927	0.92	99%	44	41 New Housing Site		Greenfield	
0640	Land off The Hollins	Standfield Hall Road		Todmorden	OL14	Zone 2	Medium	1.322	1.25	95%	42	56 New Housing Site		Greenfield	
0649	Former Adamroyd Mill	Victoria Road		Todmorden		Zone 2	Medium	0.565	0.56	99%	44	25 New Housing Site		Brownfield	
0651	Land off Stoney Royd Lane	Stoney Royd Lane		Todmorden		Zone 2	Medium	2.342	1.7	73%	26	61 New Housing Site		Greenfield	
0658	Cinderhill Mills	Halifax Road		Todmorden	OL145TH	Zone 2	Medium	0.466	0.46	99%	51	24 New Housing Site		Brownfield	
0659	Land rear off 302 Halifax Road	Halifax Road		Todmorden		Zone 2	Medium	0.575	0.47	82%	30	17 New Housing Site		Greenfield	
0683	Land at Bank Top/Common Lane	Bank Top/Common Lane		Halifax	HX3 9PD	Zone 9	Cold	1.662	1.66	100%	36	60 New Housing Site		Greenfield	
0759	Land off Belle Vue Rise	Belle Vue Rise	Sheff	Halifax		Zone 6	Hot	0.540	0.27	50%	19	10 New Housing Site		Greenfield	
0766	Land Off Hill Lane	Hill Lane	Northwarum	Halifax	HX3 7SN	Zone 6	Hot	5.814	5.81	100%	30	174 New Housing Site		Greenfield	
0773	Land Adjacent Green Lane	Green Lane	Illingworth	Halifax	HX2 9HZ	Zone 3	Medium	3.533	3.02	100%	30	108 New Housing Site		Greenfield	
0775	Stranage Lane	Sheff	Sheff	Halifax		Zone 6	Hot	0.283	0.28	99%	39	11 New Housing Site		Greenfield	
0781	Land off Raw Lane/Abbey Park Road	Raw Lane/Abbey Park Road	Illingworth	Halifax		Zone 3	Medium	2.107	2.1	100%	30	63 New Housing Site		Greenfield	
0784	Land off Cockhill Lane	Cockhill Lane	Sheff	Halifax		Zone 6	Hot	5.844	5.84	100%	30	175 New Housing Site		Greenfield	
0784	Acres Lane Grazing Site	Acres Lane	Heptonstall	Hebden Bridge		Zone 1	Very Hot	1.553	1.32	85%	27	42 New Housing Site		Greenfield	
0814	Land at Richmond Street	Stannary Place		Halifax		Zone 7	Hot	3.614	0.67	19%	45	30 New Housing Site		Brownfield	
0815	Works Depot	Stannary Place		Halifax		Zone 7	Hot	1.431	1.43	100%	45	64 New Housing Site		Brownfield	
0846	The Bramble Inn	Field Lane	Rastrick	Brighouse	HD6 3	Zone 8	Medium	0.304	0.3	99%	39	12 New Housing Site		Brownfield	
0856	Land off West Lane	West Lane	Southwarum	Halifax		Zone 8	Medium	4.068	4.07	100%	30	122 New Housing Site		Greenfield	
0862	The Gatehouse	Huddersfield Road		Brighouse		Zone 8	Medium	1.339	1.33	100%	36	48 New Housing Site		Greenfield	
0893	Boothroyd Farm	Boothroyd Lane	Rastrick	Brighouse	HD6 3JW	Zone 8	Medium	13.067	10.52	81%	17	221 Mixed Use Site		Greenfield	
0914	Land Opposite 46-48 Callis Mill	Hollins Road	Walsden	Todmorden	OL14 8BJ	Zone 2	Medium	2.016	1.03	51%	23	46 New Housing Site		Greenfield	
0915	Land off Halifax Road	Halifax Road	Charlestown	Hebden Bridge	HX7 6PL	Zone 1	Very Hot	0.580	0.43	74%	24	14 New Housing Site		Brownfield	
0917	Land off Halifax Road	Halifax Road	Charlestown	Hebden Bridge	HX7 6PH	Zone 1	Very Hot	0.268	0.28	100%	37	10 New Housing Site		Brownfield	
0922	Former Hebden Bridge Fire Station	Valley Road		Halifax	HX7 7BY	Zone 1	Very Hot	0.374	0.37	99%	34	11 Mixed Use Site		Greenfield	
0931	Land at Greave House Field	Lightcliffe Road	Luddenden	Halifax		Zone 3	Medium	1.215	1.21	100%	36	44 New Housing Site		Greenfield	
0945	Pond Quarry	Lightcliffe Road		Brighouse	HD6 2JJ	Zone 8	Medium	1.818	1.81	100%	36	65 New Housing Site		Brownfield	
0948	Land at Rose Cottage Farm	Green Lane	Sheff	Halifax	HX3 7TR	Zone 6	Hot	5.401	5.4	100%	30	162 New Housing Site		Greenfield	
0949	Carr House Farm	Sheff	Sheff	Halifax	HX3 7RJ	Zone 6	Hot	4.198	4.2	100%	30	126 New Housing Site		Greenfield	
0950	Beacon Lodge Quarry	Long Lane		Halifax		Zone 8	Medium	5.949	1.8	30%	8	54 Mixed Use Site		Greenfield	
0951	Land off Stainland Road	Holywell Green		Elland	HX4 9	Zone 5	Cold	0.591	0.59	100%	36	21 New Housing Site		Greenfield	
0952	Land at New Gate Farm	Saddeworth Road	Greetland	Elland		Zone 5	Cold	10.632	10.63	100%	30	319 New Housing Site		Greenfield	
0959	Land off Blackley Road	Blackley Road		Elland		Zone 5	Cold	3.457	3.45	100%	30	104 New Housing Site		Greenfield	
0964	Land off Rochdale Road	Rochdale Road	West Vale	Elland		Zone 5	Cold	0.738	0.64	87%	19	14 New Housing Site		Greenfield	
0968	Land at West End Golf Club	Paddock Lane	Highroad Wall	Halifax		Zone 3	Medium	2.714	2.71	100%	30	81 New Housing Site		Greenfield	
0978	Land off Lower Edge Road/Shaw Lane	Lower Edge Road/Shaw Lane		Elland	HD6 3JN	Zone 5	Cold	8.278	8.27	100%	30	248 New Housing Site		Greenfield	
0982	Land off Stainland Road and Burnwood Way	Stainland Road and Burnwood Way	Holywell Green	Elland	HX4	Zone 5	Cold	2.037	2.03	100%	30	61 New Housing Site		Greenfield	
0983	Land at Ovenden Wood Road	Mallings Road	Ovenden	Halifax		Zone 9	Cold	1.352	1.1	81%	23	31 New Housing Site		Greenfield	
0984	Land off Ovenden Wood Road	Ovenden Wood Road	Ovenden	Halifax		Zone 9	Cold	0.86	0.86	100%	42	68 New Housing Site		Brownfield	
0987	White House	Walt Royd	Wheatley	Halifax	HX2 8TY	Zone 9	Cold	1.164	1.16	100%	36	42 New Housing Site		Greenfield	
0988	The Whitehouse	12 Walt Royd	Wheatley	Halifax	HX2 8TY	Zone 9	Cold								



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Appendix II
List of
Preferred
Employment
Sites

Preferred Local Plan allocations for Employment and Mixed Use

Local Plan Site Ref		B Use suggested	Local Plan Preferred site allocation as at 22.03.17	Town	Site Area (ha)	Characteristics	Type	Split						Floorspace (Sq.m)					Floorspace (sq.ft)				
								B1a	B1b	B1c	B2	B8		B1a	B1b	B1c	B2	B8	B1a	B1b	B1c	B2	B8
1	LP0009	B1c, B2, B8	New Employment	Elland	3.03	Business Park	Brownfield			25%	40%	35%	ok	-	-	2,654	4,246	3,715	-	-	28,566	45,706	39,993
2	LP0021	B1c, B2	New Employment	Elland	4.58	Business Park	Greenfield			50%	50%		ok	-	-	8,015	8,015	-	-	-	86,276	86,276	-
3	LP0025	B2 or B8	New Employment	Elland	1.66	Business Park	Greenfield				50%	50%	ok	-	-	-	2,902	2,902	-	-	-	31,238	31,238
4	LP0032	B1c, B2	New Employment	Brighouse	3.12	Business Park	Brownfield			100%			ok	-	-	10,921	-	-	-	-	117,553	-	-
5	LP0059	B1	New Employment	Elland	0.29	Urban Area	Brownfield	100%					ok	5,187	-	-	-	-	55,836	-	-	-	-
6	LP0105	B1c or B2	New Employment	Halifax	0.30	Business Park	Greenfield				100%		ok	-	-	-	1,038	-	-	-	-	11,177	-
7	LP0216	inc B1 or B2 or B8, and C	New Mixed use	Halifax	0.98	Urban Area	Brownfield					100%	ok	-	-	-	-	3,443	-	-	-	-	37,058
8	LP0264	inc, A,B1,C,D1	New Mixed Use	Halifax	0.39	Urban Area	Brownfield			100%			ok	-	-	1,363	-	-	-	-	14,672	-	-
9	LP0289	inc A,B1,C	New Mixed Use	Halifax	0.45	Urban Area	Brownfield			100%			ok	-	-	1,591	-	-	-	-	17,122	-	-
10	LP0332	B1c or b2	New Employment	Brighouse	0.52	Business Park	Brownfield			100%			ok	-	-	1,836	-	-	-	-	19,764	-	-
11	LP0355	B1c, B2, B8	New Employment	Elland	0.38	Business Park	Greenfield			100%			ok	-	-	1,334	-	-	-	-	14,364	-	-
12	LP0409	B1c	New Employment	Halifax	0.71	Urban Area	Brownfield			100%			ok	-	-	2,473	-	-	-	-	26,617	-	-
13	LP0472	B1c, B2, B8	New Employment	Halifax	0.78	Business Park	Greenfield				100%		ok	-	-	-	2,720	-	-	-	-	29,284	-
14	LP0509	A, B1, B2, D	New Mixed Use	Elland	0.37	Town Centre	Brownfield	100%					ok	6,625	-	-	-	-	71,313	-	-	-	-
15	LP0573	inc A, B1,C, D	New Mixed Use	Brighouse	3.09	Town Centre	Brownfield				50%	50%	ok	-	-	-	5,400	5,400	-	-	-	58,124	58,124
16	LP0579	inc B1, C, D	New Mixed Use	Brighouse	0.42	Urban Area	Brownfield			100%			ok	-	-	1,479	-	-	-	-	15,916	-	-
17	LP0585	B1c	New Employment	Brighouse	0.63	Business Park	Greenfield			100%			ok	-	-	2,204	-	-	-	-	23,728	-	-
19	LP0922	A, B1a,C,D	New Mixed Use	Hebden Bridge	0.37	Town Centre	Brownfield			100%			ok	-	-	1,307	-	-	-	-	14,074	-	-
21	LP0960	B1c,B2,B8	New Employment	Elland	5.86	Business Park	Greenfield			25%	40%	35%	ok	-	-	5,128	8,204	7,179	-	-	55,196	88,313	77,274
22	LP0976	B1c, B2	New Employment	Halifax	0.43	Urban Area	Brownfield			50%	50%		ok	-	-	753	753	-	-	-	8,100	8,100	-
23	LP1018	Mixed B use	New Employment	Halifax	6.10	Business Park	Greenfield			35%	35%	30%	ok	-	-	7,468	7,468	6,401	-	-	80,383	80,383	68,899
26	LP1078	B, C	New Mixed Use	Brighouse	6.00	Business Park	Greenfield			100%			ok	-	-	21,000	-	-	-	-	226,050	-	-
27	LP1088	incl. A, B1, C,D	New Mixed Use	Elland	0.80	Urban Area	Brownfield	100%					ok	14,433	-	-	-	-	155,363	-	-	-	-
28	LP1133	B1, B2	New Employment	Halifax	4.35	Urban Area	Brownfield			50%	50%		ok	-	-	7,609	7,609	-	-	-	81,900	81,900	-
29	LP1134	B1a, B1c	New Employment	Halifax	1.41	Urban Area	Brownfield			50%	50%		ok	-	-	2,469	2,469	-	-	-	26,580	26,580	-
30	LP1170	A1, A2, B1, C1, C2, C3, D1, D2	New Mixed Use	Halifax	3.65	Urban Area	Brownfield			100%			ok	-	-	12,788	-	-	-	-	137,654	-	-
31	LP1203	B1, B2,B8	New Employment	Halifax	1.72	Urban Area	Brownfield			35%	35%	30%	ok	-	-	2,111	2,111	1,810	-	-	22,726	22,726	19,479
32	LP1217	B1, B2,B8	New Employment	Halifax	2.93	Business Park	Greenfield			35%	35%	30%	ok	-	-	3,589	3,589	3,076	-	-	38,631	38,631	33,113
33	LP1219	B1, B2,B8	New Employment	Halifax	6.80	Business Park	Greenfield			35%	35%	30%	ok	-	-	8,334	8,334	7,143	-	-	89,706	89,706	76,891
34	LP1220	B1a/b and B8	New Employment	Halifax	4.02	Business Park	Greenfield	25%	25%			50%	ok	8,043	8,043	-	-	7,038	86,579	86,579	-	-	75,757
35	LP1223	B	New Employment	Elland	5.07	Business Park	Brownfield			25%	40%	35%	ok	-	-	4,435	7,096	6,209	-	-	47,737	76,379	66,832
36	LP1231	B2, B8	New Employment	Halifax	3.65	Business Park	Greenfield				50%	50%	ok	-	-	-	6,396	6,396	-	-	-	68,847	68,847
37	LP1232	B	New Employment	Brighouse	25.48	Business Park	Greenfield				50%	50%	ok	-	-	-	44,598	44,598	-	-	-	480,065	480,065
38	LP1287	A, B1a, D	New Mixed Use	Halifax	0.92	Town Centre	Brownfield	100%					ok	16,497	-	-	-	-	177,574	-	-	-	-
39	LP1292	A, B1a, C	New Mixed Use	Halifax	0.34	Town Centre	Brownfield	100%					ok	6,197	-	-	-	-	66,708	-	-	-	-
40	LP1431	A, B1, B2, C, D	New Mixed Use	Halifax	0.87	Urban Area	Brownfield			100%			ok	-	-	3,037	-	-	-	-	32,688	-	-
41	LP1433	B1c	New Employment	Halifax	0.38	Urban Area	Brownfield			100%			ok	-	-	1,336	-	-	-	-	14,386	-	-
42	LP1443	B1a, B1c	New Employment	Elland	0.50	Urban Area	Brownfield			100%			ok	-	-	1,756	-	-	-	-	18,907	-	-
43	LP1618	B	New Employment	Brighouse	4.42	Business Park	Greenfield				50%	50%	ok	-	-	-	7,732	7,732	-	-	-	83,224	83,224



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Appendix III
HBF Briefing
Paper

Residential Development Margin

Competitive Return to a Willing Developer

Executive Summary

The level of return required by a willing developer needs to have regard to the scale and complexity of the project in question, its cash efficiency, the scale of investment required and the embedded sales risk. Returns need to be set at a level which supports existing business models, stimulates new entrants into the housing market and which do not act as a barrier to entry to smaller less efficient companies. With no new entrants of scale into the housing market over the last 10 years, and SME's in perpetual decline, the evidence would suggest that current returns are not adequate for the risks involved.

In all cases developer margin is essentially split into three components with Net Operating Margin, overheads and finance needing to be considered in order to derive a gross hurdle rate. This is more easily explained as follows:

Figure 1 – Understanding Gross Margins



Source: Savills

Establishing the correct Site Level Net Margin for incorporation into residual land value calculations used during development viability discussions is key to ensuring the continuation of a robust and sustainable residential development industry.

Our analysis indicates that Operating Margin targets for housebuilders across the economic cycle are 14-19% on Gross Development Value (GDV). Overheads vary significantly (6% - 12%) depending on the scale and type of developer. For the purpose of our analysis we have used an average of 8% on GDV and, after adjusting for site specific finance the resultant suggests a Site Level Net Margin target of 20 – 25% of GDV. It should be noted that this does not take account of any exceptional items or planning costs associated with the promotion of strategic sites. Similarly it does not take in to account the cost of securing and promoting unsuccessful sites, which developers have to cover centrally. This figure could subsequently be higher for certain types and scale of development.

Residential Development Margin

Competitive Return to a Willing Developer



Also, in most cases, Return on Capital Employed (ROCE) is considered to be an equally important indicator, particularly on large capital intensive schemes. A target ROCE needs to be achieved alongside the Site Level Net Margin of 20-25% on GDV. This means that the minimum KPIs used within viability testing (the hurdle rates) should be a Site Level Net Margin of 20% - 25% on GDV, blended across all tenures, subject to also achieving a minimum site level hurdle rate of 25% Return on Capital Employed (ROCE).

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Introduction

The Savills Community Infrastructure Levy (CIL) team has a national mandate from the Home Builders Federation (HBF) to prepare CIL representations, attend Examination Hearings and offer CIL consultancy advice across the country. Savills is the only consultancy firm to have a team of this scale solely focused on CIL advice; making the CIL team a market leader.

The CIL team has been involved with all stages of the CIL process (both pre- and post-implementation) offering advice to landowners, housebuilders, developers and local authorities. Since its inception, the CIL team has submitted over 250 separate representations and formed over 100 local housebuilder and developer consortiums.

We are therefore well placed to observe trends in the emerging viability work and subsequent CIL examinations.

Purpose

The purpose of this Briefing Note is to present evidence of what represents a competitive return to a willing developer, taking account of the Government's policy priority to stimulate new entrants into the housing market, support the SME sector and to build one million homes during the course of this Parliament.

Please note that this report is based on research and publically available data compiled in the period January - June 2016.



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Director

Residential Research



Lizzie Cullum

Associate Director

Residential Capital Markets – Funding & Development

Residential Development Margin

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Definitions

The following definitions will be referred to throughout the report:

Description	Calculation	Target Percentages
Gross Development Value (GDV)	= Total Development Receipts (Turnover)	n/a
Operating Profit (£)	= Turnover less All Development Costs (Excl. Cost of Debt) - Overheads	n/a
Operating Margin	= Operating Profit (as a % of GDV)	15% to 20%
Gross Profit (£)	= Operating Profit + Overheads	n/a
Gross Margin	= Gross Profit (as a % of GDV)	23% to 28%
Site Level Net Margin (% of GDV)	= Minimum profit margin, or hurdle rate, required to allow the development to commence ¹	20% to 25%
Return on Capital Employed (ROCE)	= Site Level Net Margin divided by annualised cumulative funds employed (including overheads)	Min. 25%
Overhead (%)	The level of overhead required by a home builder (of any size) to undertake residential development (NB: In addition to normal overheads many housing developers include the cost of directly employing design managers, buyers and surveyors within their cost of overheads).	6% to 12%

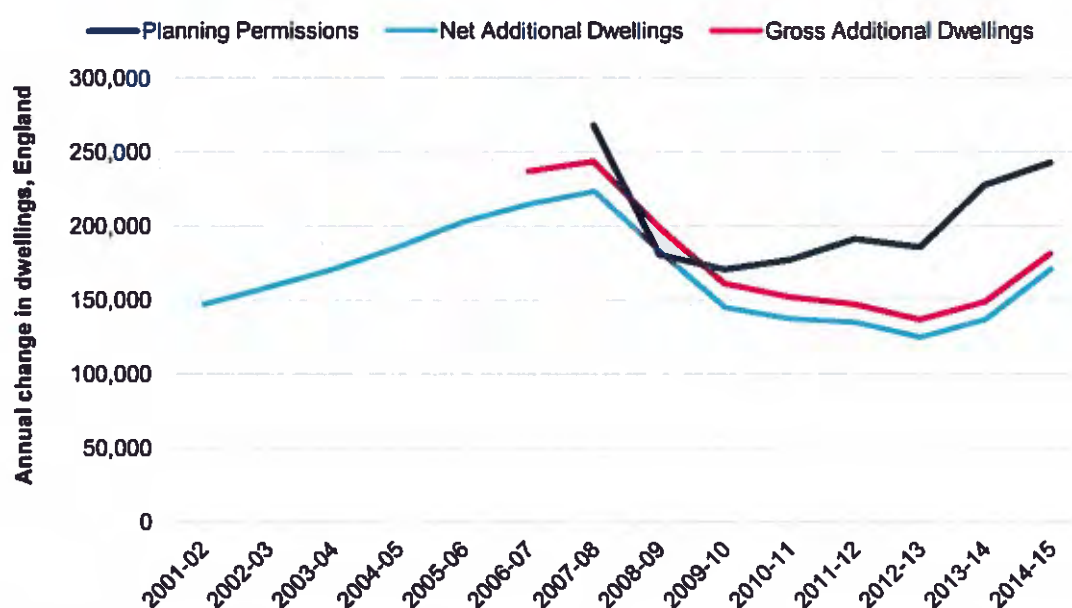
¹ It should be noted that this figure excludes finance costs. For the purpose of CIL and viability testing, industry practice is to use ARGUS Developer or similar modelling tools that include a developer margin separately to the finance rate. For the purpose of our analysis, we therefore make recommendations in relation to the net site margins as finance will be charged in addition.

Development Margin

Policy Background

- 1.1 The NPPF states that to ensure viability developments should provide competitive returns to a willing land owner and willing developer².
- 1.2 A competitive return to a developer is one that provides a sufficient return for the developer to continue a successful and resilient business through the economic cycle; taking account of the risk profile of the business and its development programme, within the current policy environment.
- 1.3 A key policy priority of the Government is to build one million additional homes during the course of this Parliament. This is an ambitious target that will require further investment and expansion of output across all developers currently in the market, compared with the 180,000 gross additional homes that were delivered in 2014-15 (Figure 2). Expansion of output by Small and Medium-sized Enterprises (SMEs), including new entrants, is an essential part of the route to building one million homes. The steep decline in output from SMEs since the 2008-09 downturn is still holding back housebuilding, as shown in Figure 4.

Figure 2 – Housebuilding and planning permissions in England



Source: DCLG, Glenigan (Please note that the total planning permissions figure includes those applications submitted by non-housebuilders (i.e. land promoters, Local Authority).

² NPPF, Communities and Local Government. Para 173. March 2012

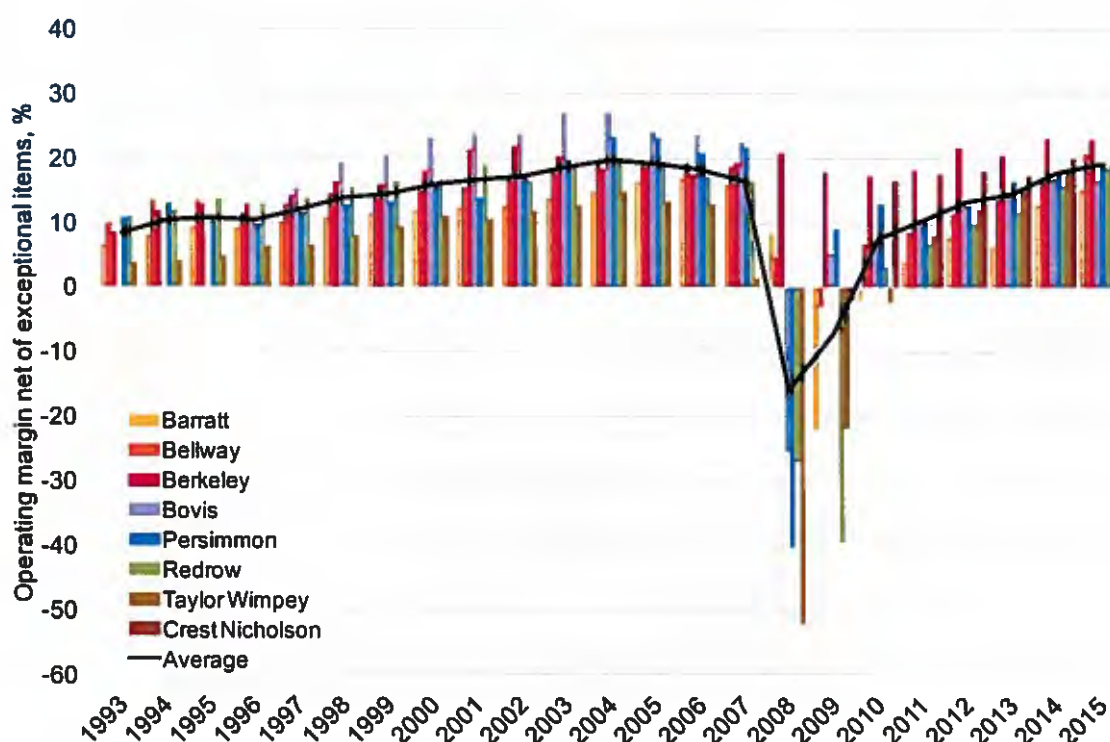
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- 1.4 Expansion will require additional financial investment. A necessary condition of the financial investment required across both new entrants and existing developers is that developer margins and the return on capital employed are seen by those in the capital markets as being sufficiently robust and sustainable to justify that investment. In the case of quoted national housebuilders their finance is secured at a corporate level via capital markets. This enables them to secure competitive rates, as the majority of their business is undertaken by way of equity rather than debt. In contrast, SMEs secure finance on a project-by-project basis from third parties lenders at much higher rates (8-14%).
- 1.5 The most readily available market evidence of a competitive return is the return achieved for the shareholders of the quoted Plc housebuilders, noting that the Top 14 House Builders accounted for 59% of new home starts in Great Britain in 2015³. The Operating Margins (based on Earnings or Profit before Interest and Tax) of the Plc housebuilders are shown in Figure 3 below.

Figure 3 – Operating Margins of major housebuilders 1993 – 2015



Source: Thomson Reuters

- 1.6 It should be noted that the analysis above refers to blended margins across the business, including:
 - All types, size and risk profile of site;

³ NHBC registrations as published in Housing Market Report, January 2016

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Competitive Return to a Willing Developer

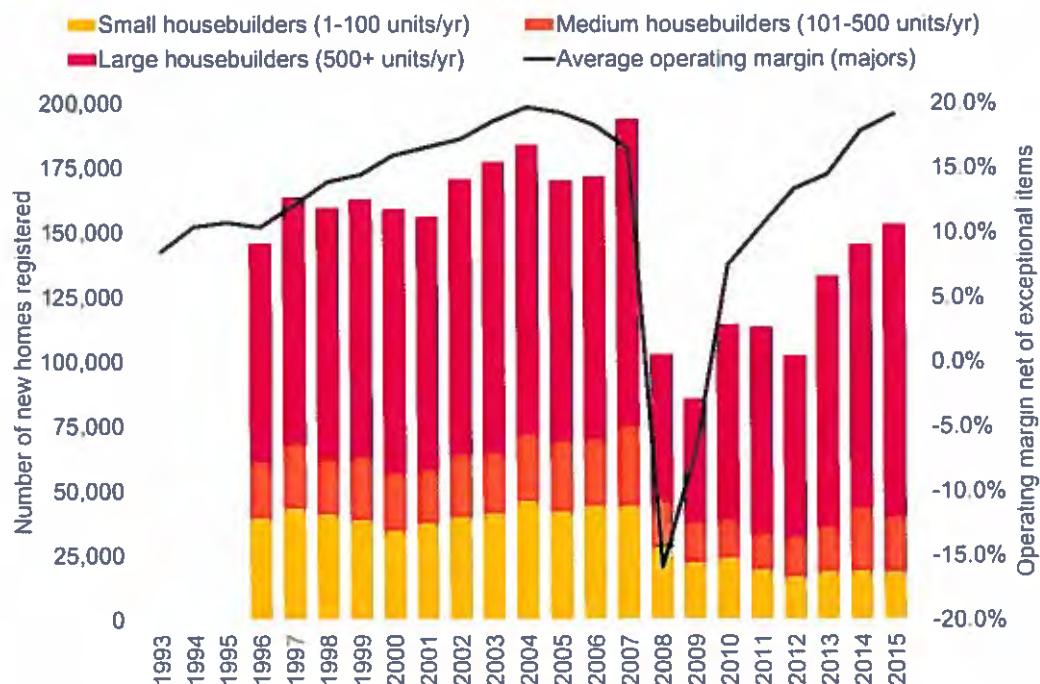


- All tenures of housing, including market sale, market rent and affordable;
- The costs of securing and promoting unsuccessful sites; and
- Overheads.

1.7 A number of viability consultants argue that a different developer margin should be applied to private and affordable housing. However, it is increasingly common for developers to purchase land prior to securing an offer from Registered Providers who are subject to more market risk from the current affordable housing regime than in previous systems of funding. It should also be highlighted that even when a Registered Provider has been secured on a site, the developer is open to risk from planning, ground conditions, delays and abnormalities. Developers will therefore review a site as a whole, adopting a blended development margin to reflect the risk of the project in its totality.

1.8 Since the economic downturn, the average level of Operating Margin achieved has been building back to 15% to 20% which was achieved during the 2000 to 2007 period, when sector output was approaching and then exceeding 200,000 additional homes per annum (Figure 4 and Figure 2). Only if margins are maintained at these percentages will the required levels of investment in housebuilding be made, enabling significant investment in new entrants and reinvestment amongst existing developers. The margin needs to be sufficiently high to protect, or at least cushion, investors from such downturn risks as evidenced during the 2008-2009 downturn.

Figure 4 – Registrations by size of housebuilder compared to margin levels



Source: Thomson Reuters and NHBC (NB: These reported figures are after the cost of Overheads has been deducted)

Residential Development Margin

Competitive Return to a Willing Developer



- 1.9 With the number of new entrants and SMEs in serious decline (as highlighted in Figure 4), this analysis highlights that existing and historic margins have been insufficient to stimulate a broader range of operators into the market. In order for the Government's targets to increase housing supply and SME operators to be realised, the level of competitive returns secured needs to be reflective of the risk and lending requirements of this key part of the sector.

Providers of Finance & Capital

- 1.10 Shareholders in the quoted housebuilders are principally institutional investors - pension funds, insurance companies and private equity funds. They have a wide range of companies and sectors to choose from, including retail, house building, mining, transport, energy and telecommunications, all with different risk and return profiles. If shareholders' hurdle rates are not achieved then they will invest in other sectors, reducing the development capacity of the house building sector.
- 1.11 In the case of SMEs the profile of their finance providers is different. Given the varying covenant strength of these companies (compared to national housebuilders) the requirements of lenders for development funding are much stricter. SMEs will therefore be required to demonstrate sufficient site level margins to cover the additional risk implied by their respective covenant strength. Acknowledgment of the additional overheads and finance costs incurred by SMEs needs, therefore, to be recognised.

Market Trends

- 1.12 The key measures are Site Level Net Margin and ROCE associated with a cashflow that is deliverable from a funder's perspective. For a development to be viable, all of these measures need to meet acceptable target levels.

Gross vs. Net Margins

- 1.13 As illustrated in Figure 1, it is important to distinguish between site level margins and the Operating Margin reported in house builder accounts. This is discussed in the Harman Report, which suggests that:

"Overheads for house-building typically lie in the range of 5% - 10% of gross development value, with only the very largest developers operating near the lower end of the scale"⁴ (emphasis added)

⁴ Viability Testing Local Plans, Chaired by Sir John Harman, June 2012

Residential Development Margin

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- 1.14 JP Morgan's analysis⁵ of Plc housebuilder performance for the financial years 2012 and 2013 indicates that the average overheads of the quoted housebuilders (the difference between Gross Margin and Earnings Before Interest and Tax) were 6.4% and 6.0% of revenue respectively, averaging 6.2%. However, it should be highlighted that SMEs are subject to higher overheads, within the range of 5-10% of GDV. This suggests that an average of 8% for overheads is more appropriate, which when applied to a target Operating Margin range of 15% to 20% of revenue derives, at a corporate level, a Gross Margin of 23% to 28% of GDV.
- 1.15 In viability testing, if delivery is not to be constrained, operating margins should be set at a level which facilitates developers of all shapes and sizes; as opposed to a level which relies upon the efficiencies of scale achieved solely by the larger developers.
- 1.16 Both Operating Margin and Gross Margin are quoted before deduction of the cost of paying interest on debt, which at a corporate level has averaged 3-5% of GDV in recent years. Therefore the hurdle rate for Site Level Net Margin for larger housebuilders is 20-25% of GDV. For SMEs the hurdle rate will be higher (in the region of 25-30%) to reflect their higher project finance costs.
- 1.17 This is the basis of the developer margin hurdle rate that is applicable to site level development appraisals calculating the Residual Land Value (RLV), in which the cost of debt is included separately⁶.
- 1.18 Around this average, there will be a range of site specific development risks and therefore a range of site level hurdle rates for developer margin. For example:
- Smaller, lower density, less constrained sites are inherently less capital intensive and represent a lower delivery risk than costlier larger sites and higher density sites. It therefore follows that smaller, lower density site's hurdle rate will be below the corporate average. Although it should be noted that sales risk and delivery risk are inherently different. For example, a small site with low delivery risk can still represent a higher risk to the developer if in a high value location above the Help to Buy thresholds. In this case the site will require a higher hurdle rate to reflect the increased sales risk.
 - In contrast, larger complex sites requiring up-front infrastructure delivery and protracted timescales will be above the corporate level average. This is particularly relevant for brownfield sites where the extent of abnormal costs (ground conditions and remediation) is largely unknown at the outset. Furthermore, on large sites there is significantly more sales risk, as there is greater uncertainty about the strength of market conditions over the life of the development, which is likely to include a market downturn. Such uncertainty both in terms of cost and timings increases the risk profile and therefore the hurdle rate required.

⁵ UK Housebuilding, Europe Equity Research, J.P. Morgan, September 2013

⁶ Refer to footnote 1

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- The variance in sales rate also needs to be considered, with the relative strength of the market reflected in the risk profile of a site. It therefore follows that larger sites in weaker or over-supplied markets reflect a greater risk and subsequently require a higher hurdle rate than similar sites in stronger markets. Similarly, larger projects pose a greater sales risk as they are likely to be developed across a property cycle introducing more uncertainty.

- 1.19 The above is particularly relevant for large Greenfield sites and regeneration areas, where large up-front costs hamper the developer's ability to achieve the required ROCE, such that a higher margin is necessary to reflect the additional risk. In these instances, ROCE becomes the primary hurdle rate as highlighted by the Harman Report:

*"Developments of large flatted blocks on previously used land in urban areas with high cash requirements will demand significantly higher levels of profit to achieve an acceptable ROCE than developments of a more standard, less cash intensive nature on virgin ground. Likewise, projects with significant up-front infrastructure may also require higher levels of profit to generate an acceptable ROCE."*⁷

- 1.20 The requirements for those investing in the sector will subsequently be a minimum hurdle rate of 25%. Although it is worth highlighting that our analysis is based on typical hurdle rates on sites across the Country. It does not therefore reflect the additional cost and risk associated with delivering sites in London. In this instance, different investment requirements may be sought, reflecting significantly higher minimum hurdle rates.

Appeal Precedent

- 1.21 For the reasons outlined above, development margin is a key point in viability discussions and will vary depending on a number of factors. This point has been acknowledged by a number of Inspectors at appeals, including the following:

Land at The Manor, Shinfield, Reading⁸

*"The appellants supported their calculations by providing letters and emails from six national housebuilders who set out their net profit margin targets for residential developments. The figures ranged from a minimum of 17% to 28%, with the usual target being in the range 20-25%. Those that differentiated between market and affordable housing in their correspondence did not set different profit margins. Due to the level and nature of the supporting evidence, I give it great weight. I conclude that the national housebuilders' figures are to be preferred and that a figure of 20% of GDV, which is at the lower end of the range, is reasonable."*⁹

⁷ Ibid. p46

⁸ Ref: APP/X0360/A/12/2179141 – dated 8th January 2013

⁹ Paragraph 44

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Land at Lowfield Road, Rotherham¹⁰

"The Council's approach, set out in the DVs report, is that a profit of around 17.5% is reasonable for a scheme of this nature, which equates (on a 'blended basis') to 16.47% on revenue. The DV has provided evidence to support this view, based on a range of sites – identified only in general terms.

The return to a developer is inevitably going to vary considerably between one development and another, and will properly reflect the risk of a specific project. Reference has been made to a number of appeal decisions where varying levels of developer profit have been accepted. However these other decisions are of limited value, as much will depend on the individual circumstances of the particular site and development.

There are various 'rules of thumb' which are quoted when discussing developer profit, and these generally vary between 15% and 25%. However, in general, it is reasonable to assume that on more marginal sites, profit expectations would be higher. In this case, the developer has been very clear about the slow sales and the reasons why the site has not been mothballed, as it otherwise might have been. This background tends to support a figure in the upper part of the 'normal' range.

In this case, recognising the approach of this appellant to the use of in-house professional expertise, the appellant's proposed level of developer profit shown in the viability appraisal (22% - i.e. 15% profit and 7% overheads) is reasonable."¹¹

Land between Lydney Bypass and Highfield Road¹²

"The Council considered that due to the improving market a profit level of 17.5% would be reasonable. The Appellant on the other hand considered that 20% would be the minimum on which finance could be obtained. The amount required by a developer to undertake the development is a reflection of the anticipated risk. In this case the evidence indicates that the market is not an easy one within this part of the country. Although the Council considered that work had started on the site with the installation of the pumping station, I am not convinced that this would greatly reduce the risk element of the project. Whilst the greenfield site has an attractive position with enviable views it is not within a prime location on the edge of one of the major towns such as Gloucester or Cheltenham. Furthermore the scheme would be carried out over a relatively long time period and this would add to uncertainty in terms of future economic conditions.

Taking all of the above circumstances into account I consider that it is reasonable to adopt the Appellant's figure of 20% of gross development value as the input for Developer's profit in this case."¹³

¹⁰ Ref: APP/R4408/Q/14/2216976 – dated 9th September 2014

¹¹ Paragraphs 31 - 34

¹² Ref: APP/P1615/Q/14/2215840 – dated 18th June 2014

¹³ Paragraphs 24 - 25

Residential Development Margin

Competitive Return to a Willing Developer



Summary

The evidence in this paper indicates that the minimum margin used within viability testing for development sites should be a Site Level Net Margin¹⁴ of 20-25% on GDV, blended across all tenures, subject to achieving a minimum site ROCE of 25%, subject to consideration of the risk profile of the scheme. Those sites with a higher risk profile (i.e. longer term projects with significant upfront infrastructure costs and abnormals) will be at the upper end of this range, shorter term projects with less capital intensive infrastructure are likely to fall at the lower end.

The reference to ROCE is particularly important on large, capital intensive schemes. This needs to be achieved in addition to the Site Level Net Margin of 20-25% on GDV. Typically, the assessment of viability is undertaken using ARGUS Developer or a bespoke residual land value model. These include a developer margin and normally report on IRR not ROCE. In these cases the relevant hurdle rate for site specific appraisals is an Internal Rate of Return of at least 25%.

A number of viability consultants argue that a different developer margin should be applied to private and affordable housing. If this is the case, then the blended margin across all tenures should equate to the hurdle rate referred to above.

It is increasingly common for developers to purchase land prior to securing an offer from Registered Providers who themselves are subject to more market risk from the current affordable housing regime than in previous systems of funding. There is, therefore, a heightened risk associated with the affordable housing in addition to increased holding and finance costs. We would also highlight that the potential for the introduction of Starter Homes results in an additional level of risk for developers (these units being retained by the housebuilder as opposed to being sold to a Registered Provider). Receipts from Starter Homes are received later on in a project's cashflow and, to reflect this increased risk, developers will subsequently require a higher return on these units compared to 'traditional' affordable housing.

¹⁴ Please note that this excludes finance, which will be included separately in viability appraisals.

