



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 (LPCVA). This was completed in November 2015 and is available on the Councils 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 Councils 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 Councils 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 draft housing and employment allocations with the Calderdale Local Plan Initial Draft (July 2017). 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

¹ Incorporating B1, B2 and B8 uses)

provide a guide to viability in line with the purpose for which the assessment is required / being undertaken.

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 draft allocations (housing and employment) and other 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 draft housing allocations;
- 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 draft employment allocations 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 plan's 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 Council's policy / planning obligations. However, Para 173 of the NPPF indicates that the Council's policy /obligations should be at a level which provides the developer (as well as landowner) with a competitive return. This implies it is the Council's policies and or obligations which should be subject to change if the minimum land value has not been met but the Council's 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 Paragraph 015 of the viability guidance within Planning Practice Guidance (PPG)³ states that 'a competitive return for the

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.

land owner is the price at which a 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. The guidance within both documents is considered in further detail below.

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.

³ Reference ID: 10-015-20140306

- 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 RIC 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 value⁴ 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.

⁴ 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.

- 2.29 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.
- 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.

The Planning Inspectorates view on determining minimum land values for viability assessments

- 2.32 The Planning Inspectorate has recently considered the correct approach to determining benchmark / minimum land values for viability assessments and indicated a change in direction. The market value approach was rejected in favour of the Existing Use Value plus premium valuation method. The appeal (Ref: APP/V5570/W/16/3151698) by part Parkhurst Road Limited (the appellant) against the decision of Islington Borough Council (the Council) to refuse planning permission for a residential development is the latest in a number of planning appeals to consider the correct approach to determining minimum land values when assessing the impact of planning obligations on the viability of development.
- 2.33 The decision of the Inspector appears to demonstrate a change in direction from other recent decisions and indicates that Market Value (MV) – representing the value of the property on the open market - or Alternative Use Value (AUV) – the value where there is a viable alternative use for the land – valuations will not, in most circumstances, be appropriate methods to determine the minimum land value benchmark. Instead the Existing Use Value plus premium valuation method is the approach to be adopted, which takes as its starting point the value of the property / site with its existing use plus an uplift to reflect the need to incentivise a sale.
- 2.34 The decision of the Inspector to apply the EUV plus premium approach is significant in that it casts doubts on the appropriateness of using the market value approach to valuation and comparable evidence when determining the minimum land value benchmark. However, the Inspector also explicitly acknowledged that there is a need to pay a premium to incentivise landowners to sell their land.

Minimum Benchmark Land Values

- 2.35 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.
- 2.36 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.
- 2.37 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.
- 2.38 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**).

Benchmark Land Values

- 2.39 We have assumed the following minimum land value benchmarks within step 3 of our assessment.

Minimum Land Value Benchmarks for Housing (excluding Strategic Sites)

- 2.40 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.

- 2.41 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

- 2.42 As outlined in the next section the preferred housing sites also include two urban extensions also known as Garden Suburbs (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)

- 2.43 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.

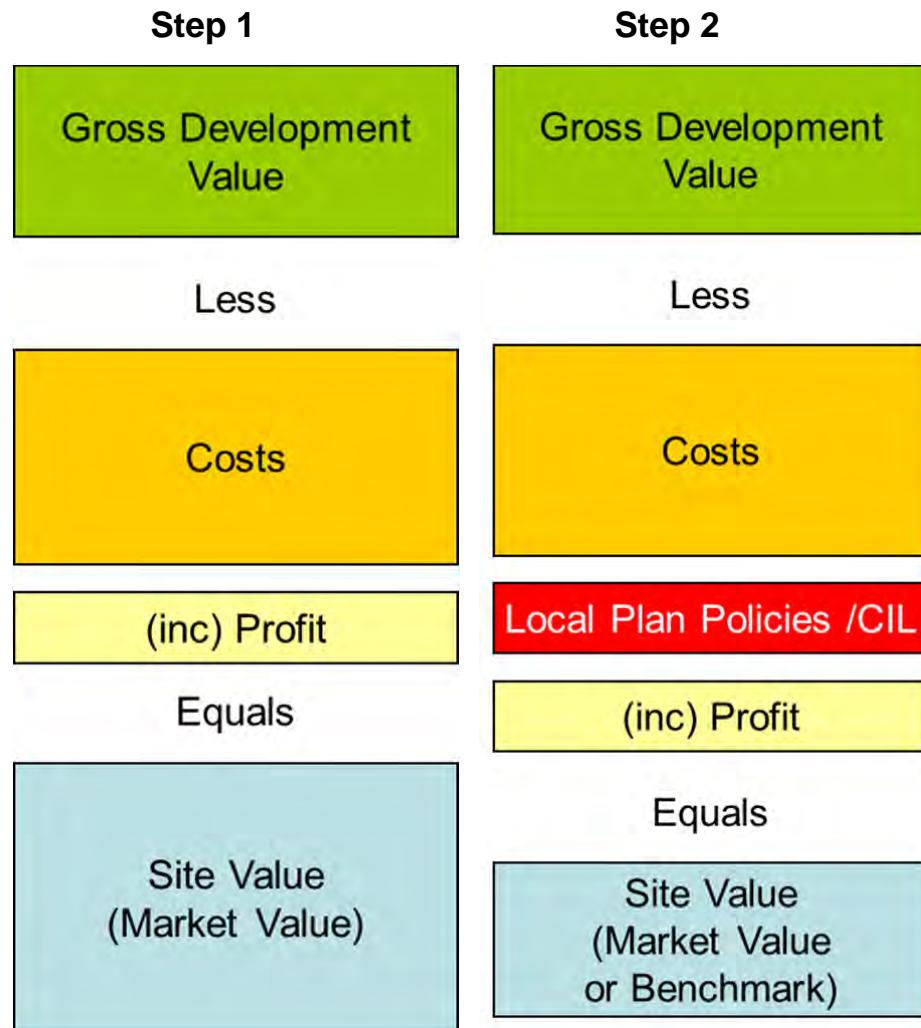
Minimum Land Value Benchmarks for Convenience Retail

- 2.44 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 are 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

- 2.45 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.
- 2.46 Figure 1 summarises our overall approach

Figure 1 – Overall Approach / Methodology



- Gross Development Value (GDV) includes all sales income generated by the development
- Costs include construction costs, professional fees, planning, finance / interest charges etc.
- Local Plan Policies / CIL relates to the cost of the emerging policies
- Profit is expressed by reference a percentage of the GDV (residential) or a percentage of the total costs (commercial).

Step 3



Does the adjusted market value exceed the minimum benchmark land value?

3. Preferred Site Allocations and Development Typologies

- 3.1 Para 009⁵ of the viability guidance within the National Planning Policy Guidance (PPG) 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 Council's 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)⁶.
 - 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 employment⁷ sites. All other typologies remain as per those tested in the previous assessment unless stated otherwise.

Draft Housing Allocations

- 3.4 The Council has assessed in excess of 1,600 potential sites and has identified one hundred and eighty two (182) draft housing allocations (sites) within the Calderdale Local Plan Initial Draft July 2017. The draft housing allocations contain a mix of sites ranging from small brownfield sites within the urban areas to Greenfield settlement extensions on the edges of major settlements. In addition the Initial Draft Local Plan also identifies twelve mixed use 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.

Garden Suburbs

⁵ Reference ID: 10-009-20140306

⁶ Site areas were derived by reference to the plot densities set out in the 'Yorkshire and the Humber Translating Jobs into Land' Final Report (2010).

⁷ incorporating B1, B2 and B8 uses

- 3.5 The Garden Suburb urban expansion sites are located at Thornhills Lane and Woodhouse. WSP|Parsons Brinckerhoff, working with Spawforths, was appointed to carry out a masterplanning exercise and strategic vision for the two Garden Suburbs. The final report (Strategic Vision for South East Calderdale) was 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 south-western edge of the site is formed by the A641 Huddersfield Road and the north-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.

Draft Employment Allocations

- 3.9 The Council has provided a list of their draft preferred employment and mixed use allocations within the Calderdale Local Plan Initial Draft (July 2017). In total the Council has identified 35 sites which are suitable for employment (B1, B2 and B8) related uses. A list of these sites is included at Appendix 2.
- 3.10 The sites are mainly located in Halifax (19 sites), Elland (9 sites), Brighouse (6 sites) and a single site in Mytholmroyd.
- 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) (Lichfields) 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 stores⁸, supermarkets, superstores and hypermarkets⁹. 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.

⁸ 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).

⁹ 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).

Table 1 – Convenience Retail Uses

Description	Gross Size sq.m (sq.ft)	Site Area Acres (Ha)
Convenience Stores - Borough wide ¹⁰	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)
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 ¹¹	Gross Size sq.m (sq.ft)	Site Area (Ha) ¹²
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 ¹³ (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

¹⁰ 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.

¹¹ 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

¹² Sites areas have been calculated assuming a plot ratio of 80%

¹³ There is no mid-term requirement for comparison floorspace so this is based on the long term requirement (2031)

facilities in the Borough over the plan period, including cinemas, theatres, health and fitness clubs, ten-pin bowling and bingo halls.

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) ¹⁴	325 (3,498)	0.49 (0.20)
Drinking Establishment's – Pub (A4) ¹⁵	650 (7,000)	0.99 (0.4)

Other Land Uses

- 3.23 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) ¹⁶	0.49 (0.2)
Hotel (50 bed)	1,733sq.m (18,654sq.m) ¹⁷	0.49 (0.2)

¹⁴ Based on typical fast food restaurant format such as McDonalds.

¹⁵ 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).

¹⁶ 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.

Uses Excluded from the Assessment

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

Sui Generis Uses

- 3.25 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.

- 3.26 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.

¹⁷ Based on a gross area of 35sq.m (373sq.ft) per bedroom

Other Non-Commercial Land Uses

3.27 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.

3.28 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 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 Viability Guidance within 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 Council's 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 The 2015 Strategic Housing Market Assessment (SHMA) shows that the demographic and economic profile of the Borough is likely to change over plan period with the housing market needing to react to these changes. The modelling from the SHMA shows a considerable increase in the number of one person households, with notable growth also expected in family households with dependent children, including lone parents. It also identifies that the greatest need for new accommodation is for small mews/terraces or semi-detached properties with 2 or 3 bedrooms but there is also a need for flats and larger family accommodation. The SHMA identified that the following levels of demand with respect to each property type.

Table 5- Estimated Size of Property Required – SHMA 2015

Type of Property	Proportions Required
Studio or small 1 bedroom apartment	17%
Two bedroom flat or small mews house	29%
Two or three bedroom family house, either mews or semi detached	27%
Three or four bedroom family semi-detached home or small four bedroom detached house	12%
Larger four + bedroom family detached house	15%

- 4.8 Based on the above we have included the following development mix within our assessment. We have sought to align these as best we can to the needs identified within the SHMA 2015.

Table 6 – Housing Mix (private sale)

Development Type	Estate Housing	Apartments	Mixed
1 bed – 2 person flat	-	40%	17%
2 bed – 3 person flat	-	60%	29%
2 bed – 3 person house	50%	-	27%
3 bed – 4 person house	22%	-	12%
4 + bed – 6 person house	28%	-	15%
Totals	100%	100%	100%

- 4.9 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 6).

Dwelling Sizes (Gross)

- 4.10 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 7. The apartment typologies are subject to gross to net ratios of 85% with the net (sellable) areas shown in brackets.

Table 7 – 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

- 4.11 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 works¹⁸ 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.

Table 8 – 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

- 4.12 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

- 4.13 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

- 4.14 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).

¹⁸ 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.

4.15 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 tanks¹⁹. The assessment makes a second assumption that all of the Brownfield sites will fall within the low water risk category.

4.16 Based on these assumptions the remediation costs are:

- 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.

4.17 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 9 have been incorporated into our assessment:

Table 9 – 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

4.18 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

4.19 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.

4.20 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.

¹⁹ 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.

Contingencies

- 4.21 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

- 4.22 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)²⁰
- 4.23 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.
- 4.24 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.
- 4.25 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

- 4.26 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

²⁰ Developer Contributions towards Meeting Open Space, Sport and Recreation Facilities (2008) and Developer Contributions towards meeting Education Needs (2009).

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

4.27 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.

4.28 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 H15 – Lifetime Homes

4.29 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.

4.30 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.

4.31 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.

- 4.32 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 10 have been incorporated into the assessment for lifetime homes standards.

Table 10 - 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

- 4.33 For the purpose of this assessment we have referred to the Housing Standards Review Consultation – Impact Assessment (August 2013) to identify the extra over cost per dwelling of the onsite energy requirement. These costs are set out below,

Table 11 – Onsite Renewable Energy Costs

Housing Typology	£ Cost per dwelling
2 bed apartments	£3,120
2 bed house	£2,800
3 bed house	£3,608
4 bed house	£4,600

Source: Housing Standards Review – Impact Assessment (August 2013)

- 4.34 for the purpose of our assessment we have applied an extra over cost of £3,120 per unit for all of the apartments typologies.
- 4.35 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

- 4.36 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

- 4.37 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

- 4.38 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.
- 4.39 We have maintained our allowance from the previous assessments and included an interest rate of 6%.

Gross Profit Margin

- 4.40 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 [September 2016] 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.
- 4.41 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

- 4.42 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 12.

Table 12 – 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

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

Viability Tolerance

- 4.44 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.
- 4.45 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 extensions²¹ where a viability cushion of 25% has been applied.

Residential Sales Values

- 4.46 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).
- 4.47 For the purpose of this assessment we have undertaken an analysis of sold house prices achieved²². 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 13.

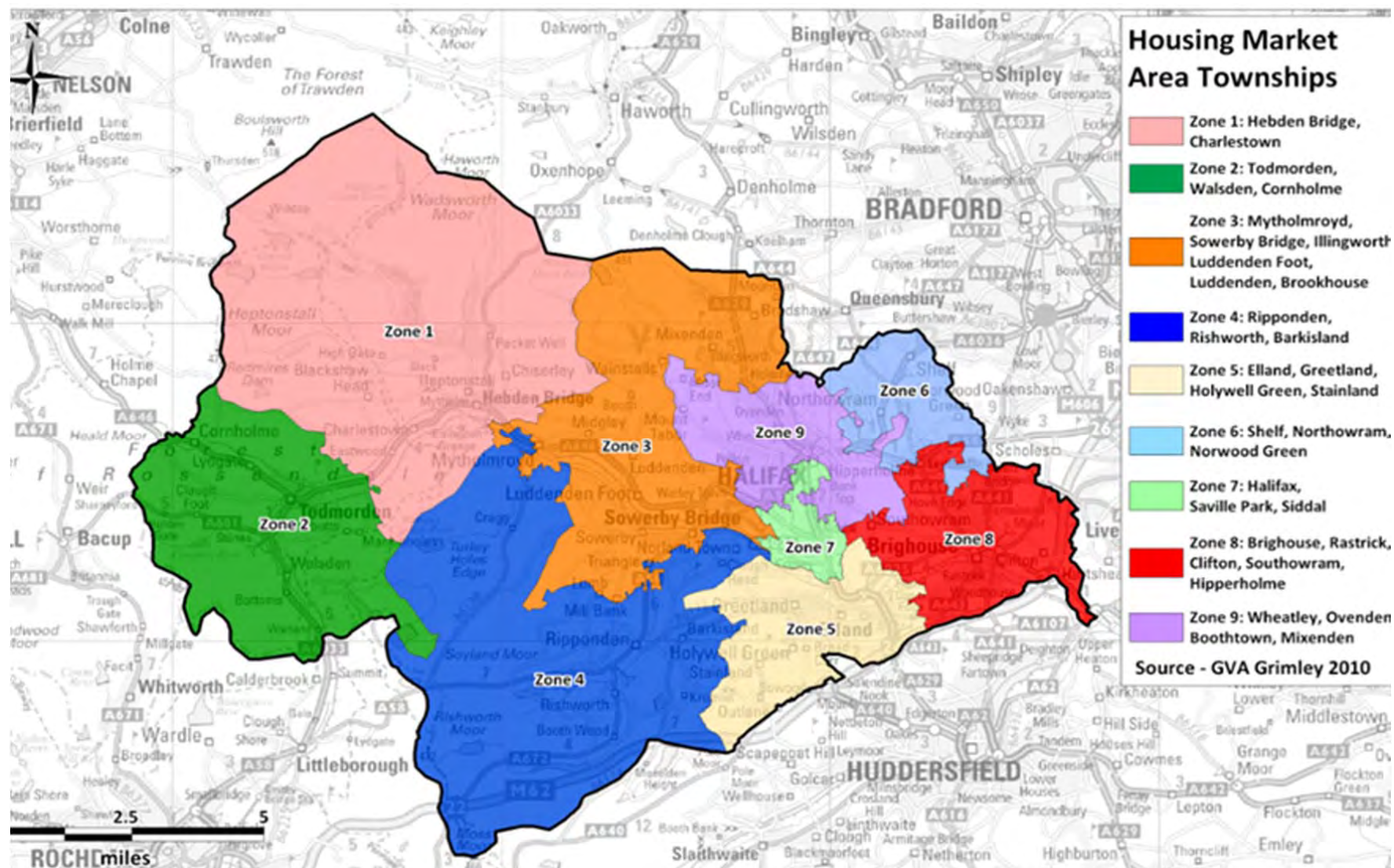
²¹ Thornhills Lane (LP1463) and Woodhouse (LP1451)

²² This exercise analysed circa 2,000 sales / transactions (achieved between Q3 2016 and Q3 2017)

Table 13 – Market Values (Private / Market Values)

	1 bed – 2 person flat	2 bed – 3 person flat	2 bed – 3 person house	3 bed – 4 person house	4+ bed 6 person house
Zone 1	£96,000	£139,500	£139,000	£226,000	£299,500
Zone 2	£71,000	£103,250	£113,000	£126,500	£288,000
Zone 3	£71,000	£103,250	£113,000	£144,675	£226,000
Zone 4	£96,000	£139,500	£139,000	£217,000	£299,500
Zone 5	£84,500	£103,250	£113,000	£158,250	£226,000
Zone 6	£82,350	£100,500	£124,350	£167,250	£310,000
Zone 7	£82,350	£100,500	£113,000	£144,675	£243,000
Zone 8	£68,500	£89,500	£120,500	£158,250	£282,500
Zone 9	£84,650	£103,250	£113,000	£135,650	£169,500

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 14 to 22 and demonstrate the following:

- Land values in Zone 1 range between £165,000 and £720,000 per acre. The average value of Brownfield land is around £370,000 per acre with values ranging from £165,000 to £530,000 per acre. Greenfield/unconstrained sites range in value from £420,000 per acre to £720,000 per acre with an average land value of c£615,000 per acre.
- Brownfield land ranges in value from circa £95,000 per acre to £115,000 per acre. The average value of Brownfield Land in Zone 2 is approximately £105,000 per acre. This excludes sites 0658 and 1534 which are unviable. The value of Greenfield / unconstrained sites range between £145,000 per acre and £345,000 per acre; the average value being circa £280,000 per acre.
- Brownfield land in Zone 3 ranges in value from circa £8,500 per acre to £35,000 per acre. The average value of Brownfield land is c£25,000 per acre. Five brownfield sites (refs 0216, 0441, 1021, 1068 and 1069) are unviable. Greenfield / unconstrained sites have an average value of c£215,000 per acre. Values range from £112,000 per acre to £280,000 per acre.
- Land values for unconstrained / Greenfield sites in Zone 4 range between £240,000 per acre and £695,000 per acre with an average value of £510,000 per acre. There are no Brownfield sites in Zone 4.
- The value of Brownfield land in Zone 5 ranges between £10,000 per acre and £70,000 per acre with an average value of c£40,000 per acre. The value of Greenfield/unconstrained land ranges between £165,000 per acre and £275,000 per acre. The average land value for Greenfield /Unconstrained sites is £250,000 per acre
- The value of Greenfield / unconstrained land in Zone 6 ranges between £220,000 per acre and £675,000 per acre. The average value for Greenfield / unconstrained sites is c£515,000 per acre. There is only one Brownfield site (ref: 0030) which has a land value of £270,000 per acre.
- Brownfield land in Zone 7 ranges in value from c£45,000 per acre to circa £110,000 per acre, with an average value of around £70,000 per acre²³. Two Brownfield sites are unviable (refs 1170 and 1425). Unconstrained / Greenfield land in Zone 7 ranges in value from £250,000 per acre to £285,000 per acre with an average value of c£275,000 per acre.
- Greenfield land in Zone 8 ranges in value from £10,000²⁴ per acre to £500,000 per acre. The average Greenfield value in Zone 8 is circa £310,000 per acre. However, this zone includes two strategic sites (ref 1451 and 1463) which have land values of £220,000 and £150,000 per acre respectively. When these values are excluded the average value of Greenfield / unconstrained sites increases to around £325,000 per acre. Brownfield land ranges in value from £70,000 per acre to £305,000 per acre. The average value of Brownfield land in Zone 8 is around £185,000 per acre. One Brownfield site is unviable (ref 0579).

²³ This excludes site 1170 which has a value of £11,181 as arguably development is unviable at this land value.

²⁴ This low value is associated with site 1322 which is modelled on the basis of an apartment scheme

- With the exception of one site (ref0164) all Brownfield sites in Zone 9 are unviable. Site 0164 as a value of c£105,000 per acre. The average value of Greenfield / unconstrained sites in Zone 9 is £85,000 per acre with values ranging between £40,000 per acre and £135,000 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 Greenfield sites, in all but Zone 9 are considerably higher than the minimum benchmark land value of £187,500 per acre.
- 5.3 The strategic sites (ref 1451 and 1463) have land values of £220,000 and £150,000 per acre respectively, which are higher than the minimum benchmark land value (£125,000 per acre) for the strategic sites.
- 5.4 From the 52 Brownfield sites 23 (44%) are not viable. Just over half (thirteen) of the unviable Brownfield sites are located within Zone 9, meaning c95%% 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 and 6 and exceed the minimum benchmark land values for Greenfield / unconstrained sites. The land value in Zone 8 (c£185,000) is also very close to the average land value for Greenfield sites (i..e £187,500 per acre). There are twelve brownfield sites in these zones accounting for almost a quarter of the Brownfield sites. Only one site (ref 0579) within Zone 8 is unviable, which is based on apartments.
- 5.6 The average Brownfield land values in Zones 2, 3, 5 and 7 are comparatively low ranging between £25,000per acre and £105,000 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 14 – 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	1.55	Zone 1	2,083,330	1,344,084	543,921	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0915	0.58	Zone 1	234,352	403,889	163,445	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0917	0.28	Zone 1	367,106	1,311,094	530,571	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0922	0.37	Zone 1	375,412	1,014,628	410,598	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1501	0.65	Zone 1	1,128,552	1,736,234	702,616	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1503	0.44	Zone 1	781,570	1,774,583	718,135	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1509	0.61	Zone 1	1,051,445	1,723,681	697,536	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1556	0.63	Zone 1	653,741	1,037,685	419,928	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 15 – 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	0.49	Zone 2	114,972	234,637	94,952	Yes	n/a	YesBrownfield	YesBrownfieldMixed
0327	0.33	Zone 2	92,474	280,224	113,400	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0635	0.93	Zone 2	666,015	716,145	289,808	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0640	1.32	Zone 2	980,635	742,905	300,637	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0649	0.57	Zone 2	139,924	245,481	99,341	Yes	n/a	YesBrownfield	YesBrownfieldMixed
0651	2.33	Zone 2	1,999,424	858,122	347,263	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0658	0.47	Zone 2	(107,524)	-	-	No	n/a	NoBrownfield	NoBrownfieldApartments
0659	0.58	Zone 2	432,139	745,067	301,512	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0914	2.02	Zone 2	722,037	357,444	144,650	Yes	No	YesGreenfield	YesGreenfieldMixed
1534	0.71	Zone 2	(42,696)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
1544	0.43	Zone 2	307,042	707,661	286,375	Yes	Yes	YesGreenfield	YesGreenfieldMixed

Table 16 – Zone 3 [Mytholmroyd, Sowerby Bridge, Illingworth, Luddenden Foot, Luddenden and Brookhouse] Viability Results (Part 1)

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	0.76	Zone 3	381,613	502,123	203,198	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0011	2.26	Zone 3	1,139,548	504,225	204,049	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0044	2.94	Zone 3	2,050,070	697,303	282,183	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0046	0.29	Zone 3	115,593	398,596	161,303	Yes	No	YesGreenfield	YesGreenfieldMixed
0073	0.26	Zone 3	150,212	577,738	233,798	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0196	1.17	Zone 3	682,851	583,633	236,184	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0216	0.68	Zone 3	(7,106)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
0287	0.84	Zone 3	136,004	161,910	65,521	Yes	No	YesGreenfield	YesGreenfieldHousing
418	0.84	Zone 3	494,561	588,763	238,260	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0435	1.91	Zone 3	1,101,614	576,761	233,403	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0438	0.63	Zone 3	381,613	605,736	245,128	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0441	0.39	Zone 3	(9,692)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
0531	7.20	Zone 3	3,816,483	530,067	214,507	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0773	3.63	Zone 3	1,995,438	549,708	222,455	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0781	2.11	Zone 3	1,157,758	548,700	222,047	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0931	1.21	Zone 3	714,867	590,800	239,084	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0968	2.71	Zone 3	1,485,546	548,172	221,833	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1004	0.78	Zone 3	70,181	89,976	36,411	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1014	1.99	Zone 3	1,103,127	554,335	224,327	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1015	1.09	Zone 3	634,826	580,870	235,066	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1016	3.45	Zone 3	1,886,176	546,718	221,245	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1017	13.22	Zone 3	8,660,461	655,103	265,106	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1019	1.51	Zone 3	33,417	22,130	8,956	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1021	0.45	Zone 3	(88,103)	-	-	No	n/a	NoBrownfield	NoBrownfieldApartments
1379	1.13	Zone 3	666,842	590,944	239,142	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1391	0.40	Zone 3	184,184	463,293	187,484	Yes	No	YesGreenfield	YesGreenfieldMixed
1398	4.10	Zone 3	2,250,385	548,423	221,935	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1412	0.61	Zone 3	169,545	276,802	112,016	Yes	No	YesGreenfield	YesGreenfieldHousing
1415	0.25	Zone 3	138,711	547,313	221,486	Yes	Yes	YesGreenfield	YesGreenfieldMixed

Table 16 – Zone 3 [Mytholmroyd, Sowerby Bridge, Illingworth, Luddenden Foot, Luddenden and Brookhouse] 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
1429	2.08	Zone 3	127,483	61,335	24,821	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1547	2.25	Zone 3	152,657	67,794	27,435	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1068	0.28	Zone 3	(22,487)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
1069	0.48	Zone 3	(19,158)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
1626	2.47	Zone 3	1,339,862	542,454	219,519	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1620	1.09	Zone 3	538,776	494,290	200,028	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 17– 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	0.65	Zone 4	1,022,618	1,573,259	636,664	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0613	0.51	Zone 4	878,030	1,721,628	696,705	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1224	1.84	Zone 4	1,933,264	1,050,687	425,190	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1602	0.76	Zone 4	1,167,207	1,537,854	622,336	Yes	Yes	YesGreenfield	YesGreenfieldHousing
938	0.53	Zone 4	588,853	1,111,044	449,615	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1023	1.40	Zone 4	827,675	591,196	239,244	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 18 – 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	2.23	Zone 5	1,359,640	609,704	246,734	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0037	0.95	Zone 5	552,340	581,411	235,284	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0041	0.43	Zone 5	281,420	654,949	265,043	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0065	1.01	Zone 5	656,136	649,640	262,895	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 18 – 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
0075	0.32	Zone 5	184,764	577,387	233,656	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0146	0.86	Zone 5	570,402	663,258	268,406	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0177	9.87	Zone 5	5,628,562	570,270	230,776	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0220	8.61	Zone 5	5,205,697	604,611	244,673	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0951	0.59	Zone 5	389,788	660,658	267,354	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0952	10.63	Zone 5	6,434,019	605,270	244,939	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0959	3.46	Zone 5	2,104,688	608,291	246,162	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0964	0.64	Zone 5	263,359	411,498	166,524	Yes	No	YesGreenfield	YesGreenfieldHousing
0978	8.28	Zone 5	5,004,333	604,388	244,583	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0982	2.04	Zone 5	1,238,822	607,266	245,747	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1030	0.54	Zone 5	353,666	654,936	265,038	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1088	0.80	Zone 5	19,953	24,941	10,093	Yes	n/a	YesBrownfield	YesBrownfieldMixed
1283	0.52	Zone 5	90,495	174,029	70,426	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1407	0.77	Zone 5	480,095	622,159	251,774	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1470	4.23	Zone 5	2,567,826	607,338	245,776	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1567	20.53	Zone 5	13,904,632	677,375	274,119	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1616	2.19	Zone 5	1,339,504	611,068	247,286	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1625	1.01	Zone 5	548,530	543,099	219,780	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1628	0.25	Zone 5	23,668	94,672	38,312	Yes	n/a	YesBrownfield	YesBrownfieldHousing

Table 19 – 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	0.34	Zone 6	179,036	528,130	213,723	Yes	n/a	YesBrownfield	YesBrownfieldMixed
0221	1.82	Zone 6	2,433,803	1,337,255	541,158	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0589	0.37	Zone 6	365,251	987,165	399,484	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0759	0.54	Zone 6	393,633	728,375	294,757	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 19 – 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
0766	5.81	Zone 6	7,038,080	1,211,373	490,216	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0779	0.28	Zone 6	431,946	1,542,666	624,283	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0782	5.84	Zone 6	7,078,468	1,212,066	490,497	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0948	5.40	Zone 6	6,553,419	1,213,596	491,116	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0949	4.20	Zone 6	5,099,437	1,214,152	491,341	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1034	1.97	Zone 6	2,878,076	1,460,718	591,120	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1035	0.95	Zone 6	1,313,153	1,382,266	559,373	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1036	2.50	Zone 6	3,039,629	1,215,852	492,029	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1037	0.99	Zone 6	1,236,526	1,249,016	505,449	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1041	1.55	Zone 6	774,226	499,637	202,192	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1044	2.42	Zone 6	2,958,852	1,222,666	494,786	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1046	1.19	Zone 6	1,652,511	1,388,665	561,962	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1047	0.33	Zone 6	508,573	1,541,131	623,662	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1100	0.34	Zone 6	341,601	1,004,709	406,584	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1101	1.22	Zone 6	1,690,697	1,385,817	560,810	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1103	2.31	Zone 6	2,797,299	1,210,952	490,046	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1523	1.42	Zone 6	2,070,308	1,453,499	588,199	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1541	2.91	Zone 6	3,201,183	1,100,063	445,171	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1543	11.14	Zone 6	13,338,669	1,197,688	484,678	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1583	9.11	Zone 6	11,036,531	1,210,893	490,022	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1617	1.52	Zone 6	1,041,530	685,364	277,352	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 20 – 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
1170	3.23	Zone 7	(62,674)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
0112	1.51	Zone 7	413,786	274,012	110,887	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0264	0.39	Zone 7	42,918	110,047	44,534	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0289	0.45	Zone 7	52,396	116,435	47,119	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0397	0.34	Zone 7	209,903	617,361	249,833	Yes	Yes	YesGreenfield	YesGreenfieldMixed
0400	0.31	Zone 7	201,171	648,939	262,611	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0478	0.28	Zone 7	75,369	269,174	108,929	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0814	0.67	Zone 7	85,044	126,931	51,366	Yes	n/a	YesBrownfield	YesBrownfieldMixed
0815	1.43	Zone 7	292,097	204,264	82,661	Yes	n/a	YesBrownfield	YesBrownfieldMixed
1128	1.06	Zone 7	735,252	693,634	280,698	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1194	1.18	Zone 7	811,541	687,151	278,075	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1196	0.81	Zone 7	567,283	700,350	283,416	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1197	1.12	Zone 7	773,396	690,532	279,443	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1292	0.34	Zone 7	28,792	84,684	34,270	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1425	1.78	Zone 7	(578,283)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing

Table 21 – Zone 8 [Brighouse, Rastrick, Clifton, Southowram and Hipperholme] 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
0006	0.44	Zone 8	317,567	720,014	291,374	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0174	2.82	Zone 8	1,240,086	439,747	177,956	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0334	3.50	Zone 8	2,631,006	751,716	304,203	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0338	0.60	Zone 8	686,047	1,143,411	462,713	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0353	0.33	Zone 8	409,687	1,241,475	502,398	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0538	0.60	Zone 8	686,047	1,143,411	462,713	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0565	0.53	Zone 8	593,927	1,120,616	453,489	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0568	4.32	Zone 8	2,731,385	632,265	255,864	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 21 – Zone 8 [Brighouse, Rastrick, Clifton, Southowram and Hipperholme] 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
0579	0.42	Zone 8	(231,138)	-	-	No	n/a	NoBrownfield	NoBrownfieldApartments
0846	0.30	Zone 8	52,972	176,574	71,456	Yes	n/a	YesBrownfield	YesBrownfieldMixed
0856	4.07	Zone 8	4,009,873	985,227	398,700	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0862	1.33	Zone 8	1,478,323	1,111,521	449,808	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0893	14.2	Zone 8	7,255,265	509,499	206,183	Yes	Yes	YesGreenfield	YesGreenfieldHousing
0945	1.8	Zone 8	1,274,212	700,117	283,322	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1032	1.7	Zone 8	388,754	235,609	95,346	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1033	3.2	Zone 8	2,567,476	797,353	322,671	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1053	3.8	Zone 8	3,387,020	903,205	365,507	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1054	1.2	Zone 8	989,049	804,105	325,404	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1075	0.6	Zone 8	156,839	265,830	107,575	Yes	n/a	YesBrownfield	YesBrownfieldMixed
1077	13.0	Zone 8	7,091,357	544,651	220,408	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1078	26.3	Zone 8	9,484,424	360,899	146,048	Yes	No	YesGreenfield	YesGreenfieldHousing
1093	1.2	Zone 8	753,141	617,329	249,819	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1095	4.8	Zone 8	4,927,762	1,020,240	412,869	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1116	1.8	Zone 8	895,804	489,511	198,094	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1322	0.5	Zone 8	10,261	22,306	9,027	Yes	No	YesGreenfield	YesGreenfieldApartments
1451	63.0	Zone 8	34,349,377	545,254	220,652	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1453	10.3	Zone 8	8,566,535	832,696	336,974	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1463	140.7	Zone 8	52,625,199	374,118	151,397	Yes	Yes	YesGreenfield	YesGreenfieldHousing
1469	0.4	Zone 8	330,295	742,449	300,453	Yes	Yes	YesGreenfield	YesGreenfieldMixed
1472	3.1	Zone 8	2,731,385	868,432	351,435	Yes	Yes	YesGreenfield	YesGreenfieldHousing

Table 22 – Zone 9 [Wheatley, Ovenden Boothtown and Mixenden] 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
0103	0.98	Zone 9	288,739	294,631	119,231	Yes	No	YesGreenfield	YesGreenfieldMixed
0152	0.35	Zone 9	93,277	266,507	107,850	Yes	No	YesGreenfield	YesGreenfieldMixed
0164	0.38	Zone 9	97,654	254,930	103,165	Yes	n/a	YesBrownfield	YesBrownfieldApartments
0234	3.32	Zone 9	(1,148,996)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
0238	0.31	Zone 9	58,638	189,156	76,547	Yes	No	YesGreenfield	YesGreenfieldHousing
0248	0.25	Zone 9	66,627	266,507	107,850	Yes	No	YesGreenfield	YesGreenfieldMixed
0261	2.69	Zone 9	554,247	206,040	83,380	Yes	No	YesGreenfield	YesGreenfieldHousing
0406	0.32	Zone 9	(74,010)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
0407	0.47	Zone 9	(92,946)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
0417	1.35	Zone 9	226,486	167,767	67,892	Yes	No	YesGreenfield	YesGreenfieldHousing
0452	2.44	Zone 9	798,415	327,219	132,418	Yes	No	YesGreenfield	YesGreenfieldMixed
0454	1.08	Zone 9	184,582	170,910	69,163	Yes	No	YesGreenfield	YesGreenfieldHousing
0523	3.34	Zone 9	681,793	204,130	82,607	Yes	No	YesGreenfield	YesGreenfieldHousing
0683	1.66	Zone 9	413,276	248,961	100,749	Yes	No	YesGreenfield	YesGreenfieldHousing
0950	2.16	Zone 9	372,998	172,684	69,882	Yes	No	YesGreenfield	YesGreenfieldHousing
0983	1.35	Zone 9	142,581	105,616	42,740	Yes	No	YesGreenfield	YesGreenfieldHousing
0984	2.78	Zone 9	(414,708)	-	-	No	n/a	NoBrownfield	NoBrownfieldApartments
0987	1.16	Zone 9	198,550	171,164	69,266	Yes	No	YesGreenfield	YesGreenfieldHousing
0988	4.09	Zone 9	836,190	204,448	82,735	Yes	No	YesGreenfield	YesGreenfieldHousing
0990	1.06	Zone 9	179,926	169,742	68,691	Yes	No	YesGreenfield	YesGreenfieldHousing
1009	1.52	Zone 9	(409,825)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1137	0.84	Zone 9	(326,003)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1183	2.32	Zone 9	(692,721)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1215	0.27	Zone 9	73,289	271,442	109,847	Yes	No	YesGreenfield	YesGreenfieldMixed
1216	9.54	Zone 9	1,326,234	139,025	56,260	Yes	No	YesGreenfield	YesGreenfieldHousing
1228	1.02	Zone 9	(365,135)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1229	13.34	Zone 9	2,494,284	186,978	75,666	Yes	No	YesGreenfield	YesGreenfieldHousing
1368	0.26	Zone 9	(89,000)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1409	4.31	Zone 9	842,903	195,379	79,065	Yes	No	YesGreenfield	YesGreenfieldHousing

Table 22 – Zone 9 [Wheatley, Ovenden Boothtown and Mixenden] 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
1431	0.87	Zone 9	(322,069)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1432	0.25	Zone 9	(56,644)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
1486	0.76	Zone 9	131,936	172,763	69,913	Yes	No	YesGreenfield	YesGreenfieldHousing
1487	0.34	Zone 9	93,277	273,091	110,514	Yes	No	YesGreenfield	YesGreenfieldMixed
1488	0.27	Zone 9	73,289	273,875	110,831	Yes	No	YesGreenfield	YesGreenfieldMixed
1489	0.35	Zone 9	93,277	270,272	109,373	Yes	No	YesGreenfield	YesGreenfieldMixed
1570	1.45	Zone 9	359,572	247,981	100,352	Yes	No	YesGreenfield	YesGreenfieldHousing
1590	0.59	Zone 9	92,844	157,047	63,554	Yes	No	YesGreenfield	YesGreenfieldHousing
1599	0.44	Zone 9	(153,755)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1603	0.45	Zone 9	78,184	174,304	70,537	Yes	No	YesGreenfield	YesGreenfieldHousing
1607	4.28	Zone 9	849,616	198,319	80,255	Yes	No	YesGreenfield	YesGreenfieldHousing
1609	0.98	Zone 9	(176,733)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed

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 viability guidance within 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 Initial

Draft July 2017. 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 HS2 Residential Density
- Policy HS3 Housing Mix
- Policy HS4 Housing for Independent Living
- Policy HS6 Affordable Housing
- Policy BT1 High Quality, Inclusive Design

Policy HS2 – Residential Density

- 6.8 Policy HS2 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.

- 6.9 As set out previously this assessment is modelling the viability of the Councils draft housing allocations rather than hypothetical schemes. The list of draft allocations in the Initial Draft of the Local Plan (July 2017) includes the developable area and indicative capacity in terms of housing numbers. These two parameters drive the density of development on each site. On this basis we have not tested the impact of Policy HS2 within this assessment.

Policy HS3– Housing Mix (Private Dwellings)

- 6.10 Policy HS3 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 proposed housing developments of 30 or more dwellings should be accompanied by a statement setting out how the mix of housing will assist in meeting local needs. 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.

- 6.11 For the purpose of this assessment it is assumed that the mix of housing applied within the baseline appraisals²⁵ would meet the requirements of this policy, for the private housing, as the mix is based on the most recent SHMA.

²⁵ (refer to Table 6 on page 22)

Policy HS4 – Housing for Independent Living

- 6.12 Policy HS4 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 or Local Plan policy. 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 disable people, older people, families with young children and people with temporary impairments or injuries etc.
- 6.13 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 HS4 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 HS4 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).
- 6.14 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 23 - Cost of providing M42 Accessible and Adaptable 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 HS6 – Affordable Housing

- 6.15 Policy HS6 requires the provision of affordable housing in accordance with the requirements set out within Table 24. The supporting text to Policy HS6 also states that there will be no requirement for affordable housing on brownfield sites within Zones 2, 3, 5, 8 and 9.

Table 24 – 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%
Zone 8 – Brighouse, Rastrick, Clifton, Southowram and Hipperholme	15	25%
Zone 9 – Wheatley, Ovenden Boothtown and Mixenden	15	20%

Type, Size and Tenure of Affordable Housing Units

- 6.16 With respect to the type and size of affordable housing required the SHMA identified that there is a particular requirement for smaller properties, with 42% of households identified requiring only one bedroom. 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 25 – 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%

- 6.17 In terms of the draft policy requirement, the Council do not specify a split between the various types of affordable housing tenure. The actual requirement (type of affordable housing tenure) 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 tenure will be modelled.

Affordable Housing Revenue

- 6.18 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 26 to the social rented units (these are based on the current properties available through the Councils Key Choice scheme).

Table 26 - 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

- 6.19 To determine the capital / transfer values we have deducted a 5% management charge and 5% for repair / maintenance liabilities (including sinking fund). A further allowance of 10% has been included for voids and bad debt. The net rent has then been capitalised using a yield of 5.25%.
- 6.20 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 5% charge is deducted for management costs and a further 5% for repair and maintenance. Voids and bad debt have also been deducted at 10%. The net rental income is once more capitalised using a yield of 5.25%.

Policy BT1 – High Quality, Inclusive Design

- 6.21 Policy BT1 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 RCUDP²⁶. Therefore, the assumptions we have applied within the baseline appraisals for Policy EP27 already take into account the requirements of Policy BT1. On this basis we have not tested the impact of Policy BT1.

Impact of Local Plan Policies

- 6.22 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.

²⁶ 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.

- 6.23 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 HS4- Housing for Independent Living

- 6.24 When considering the impact of HS4 the assessment applies the costs to market sale dwellings only, as there is currently no policy requirement for affordable housing. The impact of policy HS4 and its relationship with affordable housing, particularly social rented properties, is considered when testing the impact of Policy HS6 (see later).
- 6.25 The results of our assessment with respect to the impact of Policy HS4 are included within Tables 27 to 35 and summarised below.
- The policy reduces land values in Zone 1 by between £6,200 per acre and £17,000 per acre. The average reduction in value across all sites in Zone 1 is £11,800 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 HS4 is approximately £600,000 per acre. This reflects a reduction in value of **-2%**. The average value for Brownfield sites, having also taken into consideration the impact of Policy HS4 is £360,000 per acre, which equates to a fall in land value of **-3%**.
 - Within Zone 2 land values fall by between 7,250 and £18,500 per acre. The average reduction in land value is £13,400 per acre which equates to a fall in land value of **-8%**. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy HS4 is circa £265,000 per acre, which equates to a reduction in land value of **-4%**. The average value of Brownfield sites²⁷ having taken into consideration the impact of Policy HS4 is around £85,000 per acre, this is a reduction in value of **-16%**.
 - Land values fall by between £3,500 and £20,000 per acre in Zone 3. The average reduction in land value is £10,450 per acre which equates to an average fall of **-8%**. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy HS4 is circa £205,000 per acre, which equates to a fall in value of **-5%**. The average value of Brownfield sites having taken into consideration the impact of Policy HS4 is around £15,000 per acre²⁸. This is a reduction in value of 27%.
 - The impact of Policy HS4 in Zone 4 reduces land values by between £3,500 per acre and £12,000 per acre. The average reduction in land value is £8,600 per acre which equates to an average drop in value of **-2%**. Even after taking into account the impact of Policy HS4 the average land value for unconstrained / Greenfield sites is circa £500,000 per acre. There are no Brownfield sites in Zone 4.
 - Land values fall by between £7,500 per acre and £15,750 per acre in Zone 5 after applying Policy HS4. The average reduction in land value is £10,000 per acre which equates to an average drop

²⁷ excluding sites 0658 and 1534, which remain unviable

²⁸ This analysis excludes sites 0216, 0441, 1021, 1068, and 1069 which remain unviable. The application of Policy HS4 also makes site 1019 to become unviable.

in value of -6%. The average value for Greenfield / unconstrained sites in Zone 5 after taking into account the impact of Policy HS4 is c£235,000 per acre, which reflects a fall in land value of -4%. The average value of Brownfield land after taking into account the impact of Policy HS4 is c£28,000 per acre, which equates to a fall in value of -17%. The application of policy HS4 makes site 1088 becomes unviable, albeit it had a very low base land value to start with.

- The imposition of Policy HS4 reduces land values by between circa £3,750 and £16,300 per acre within Zone 6. The average reduction in land value across all sites in Zone 6 is around £9,900 per acre which equates to a fall in land value of -2%. The average value for Greenfield / unconstrained sites having considered the impact of Policy HS4 is circa £475,000 per acre. There is only one brownfield site (ref 0030) within Zone 6 and its value falls by -8% to £197,500 per acre after the application of policy HS4. .
- Policy HS4 reduces land values in Zone 7 by between £10,500 and £18,000 per acre. The average drop in land values across all sites in Zone 7 is around -14% (£12,500 per acre). The average value of Greenfield/unconstrained sites having considered the impact of Policy HS4 is around £260,000 per acre, which equates to a reduction in land value of -4%. The average value for Brownfield sites is circa £55,000 per acre²⁹, which is a reduction of -22%.
- Land values in Zone 8 fall by between £3,250 and £13,500 per acre. The average drop in land values across all sites, in Zone 8, is around -4%. The average value of Greenfield/unconstrained sites having considered the impact of Policy HS4 is around £300,000 per acre, which reflects a drop in value of -2%. The same figure for Brownfield sites is circa £175,000 per acre (this figure excludes site 0579 which remains unviable), which equates to a reduction in value of 9%. The land values for the strategic sites (sites 1451 and 1463) fall to circa £215,000 and £148,000 per acre respectively – a reduction of -2%.
- As outlined previously most of the Brownfield sites in Zone 9 with the exception of site 0164 are unviable before the application of local plan policies. Therefore, the imposition of Policy HS4 simply compounds the viability challenges associated with Brownfield sites within Zone 9. With respect to the Greenfield / unconstrained sites the imposition of Policy HS4 reduces land values by between £6,800 per acre and £17,000 per acre. The average drop in land values for Greenfield sites is circa -14%. The average land value for Greenfield sites having taking into account the impact of Policy HS4 is around £75,000 per acre.

6.26 In summary the development of unconstrained / Greenfield sites is viable across all areas of the Borough after taking into consideration the implications of Policy HS4. 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 HS4. Zone 9 accounts for circa 20% of the Greenfield housing sites.

²⁹ This figure excludes sites 1170 and 1425 which remain unviable

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- 6.27 The strategic sites (ref 1451 and 1463) have land values of £215,000 and £148,000 per acre respectively after taking into account the impact of Policy HS4. These values are higher than the benchmark land value of £125,000 per acre for strategic sites.
- 6.28 The average land values for Brownfield sites in Zones 1 and 6 also exceed the minimum benchmark land values for Greenfield / unconstrained sites even after taking into account the implications of policy HS4. The average land value for Brownfield sites in Zone 8 is £175,000 per acre and this is considered to provide a sufficient incentive for landowners to release land for development.
- 6.29 The average Brownfield land values in Zones 2, 3, 5 and 7 after taking into account the impact of Policy HS4, are comparatively low ranging between £15,000per acre and £85,000 per acre.
- 6.30 As outlined previously most of the brownfield sites in Zone 9 with the exception of site 0164 are unviable before the application of local plan policies. Therefore, the imposition of Policy HS4 simply compounds the viability challenges associated with Brownfield sites within Zone 9.
- 6.31 However, it should not be forgotten 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.
- 6.32 Almost 60% of the proposed housing allocations are viable and generate land values in excess of the minimum benchmark land values after the application of policy HS4. For those sites where viability is a challenge Policy HS4 states that the Council will consider waiving the requirements of the policy if they will render a scheme unviable.

Table 27 – Impact of Policy HS4 – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0784	543,921	Yes	YesGreenfield	YesGreenfieldHousing
0915	163,445	Yes	YesBrownfield	YesBrownfieldHousing
0917	530,571	Yes	YesBrownfield	YesBrownfieldHousing
0922	410,598	Yes	YesBrownfield	YesBrownfieldHousing
1501	702,616	Yes	YesGreenfield	YesGreenfieldMixed
1503	718,135	Yes	YesGreenfield	YesGreenfieldMixed
1509	697,536	Yes	YesGreenfield	YesGreenfieldMixed
1556	419,928	Yes	YesGreenfield	YesGreenfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
536,029	Yes	7,892	-1%	Yes
157,240	Yes	6,206	-4%	n/a
518,112	Yes	12,459	-2%	n/a
400,227	Yes	10,371	-3%	n/a
685,849	Yes	16,767	-2%	Yes
701,069	Yes	17,065	-2%	Yes
680,902	Yes	16,634	-2%	Yes
412,857	Yes	7,071	-2%	Yes

Table 28 – Impact of Policy HS4 – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0053	94,952	Yes	YesBrownfield	YesBrownfieldMixed
0327	113,400	Yes	YesBrownfield	YesBrownfieldHousing
0635	289,808	Yes	YesGreenfield	YesGreenfieldMixed
0640	300,637	Yes	YesGreenfield	YesGreenfieldMixed
0649	99,341	Yes	YesBrownfield	YesBrownfieldMixed
0651	347,263	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	301,512	Yes	YesGreenfield	YesGreenfieldHousing
0914	144,650	Yes	YesGreenfield	YesGreenfieldMixed
1534	-	No	NoBrownfield	NoBrownfieldMixed
1544	286,375	Yes	YesGreenfield	YesGreenfieldMixed

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
76,855	Yes	18,098	-19%	n/a
102,263	Yes	11,138	-10%	n/a
272,836	Yes	16,972	-6%	Yes
287,452	Yes	13,185	-4%	Yes
80,954	Yes	18,386	-19%	n/a
338,263	Yes	9,001	-3%	Yes
-	No	-	0%	n/a
291,468	Yes	10,044	-3%	Yes
137,376	Yes	7,274	-5%	No
-	No	-	0%	n/a
269,918	Yes	16,457	-6%	Yes

Table 29 – Impact of Policy HS4 – Zone 3 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0003	203,198	Yes	YesGreenfield	YesGreenfieldHousing
0011	204,049	Yes	YesGreenfield	YesGreenfieldHousing
0044	282,183	Yes	YesGreenfield	YesGreenfieldHousing
0046	161,303	Yes	YesGreenfield	YesGreenfieldMixed
0073	233,798	Yes	YesGreenfield	YesGreenfieldMixed
0196	236,184	Yes	YesGreenfield	YesGreenfieldHousing
0216	-	No	NoBrownfield	NoBrownfieldHousing
0287	65,521	Yes	YesGreenfield	YesGreenfieldHousing
418	238,260	Yes	YesGreenfield	YesGreenfieldHousing
0435	233,403	Yes	YesGreenfield	YesGreenfieldMixed
0438	245,128	Yes	YesGreenfield	YesGreenfieldHousing
0441	-	No	NoBrownfield	NoBrownfieldMixed
0531	214,507	Yes	YesGreenfield	YesGreenfieldHousing
0773	222,455	Yes	YesGreenfield	YesGreenfieldHousing
0781	222,047	Yes	YesGreenfield	YesGreenfieldHousing
0931	239,084	Yes	YesGreenfield	YesGreenfieldHousing
0968	221,833	Yes	YesGreenfield	YesGreenfieldHousing
1004	36,411	Yes	YesBrownfield	YesBrownfieldHousing
1014	224,327	Yes	YesGreenfield	YesGreenfieldHousing
1015	235,066	Yes	YesGreenfield	YesGreenfieldHousing
1016	221,245	Yes	YesGreenfield	YesGreenfieldHousing
1017	265,106	Yes	YesGreenfield	YesGreenfieldHousing
1019	8,956	Yes	YesBrownfield	YesBrownfieldHousing
1021	-	No	NoBrownfield	NoBrownfieldApartments
1379	239,142	Yes	YesGreenfield	YesGreenfieldHousing
1391	187,484	Yes	YesGreenfield	YesGreenfieldMixed
1398	221,935	Yes	YesGreenfield	YesGreenfieldHousing
1412	112,016	Yes	YesGreenfield	YesGreenfieldHousing
1415	221,486	Yes	YesGreenfield	YesGreenfieldMixed

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
192,828	Yes	10,370	-5%	Yes
196,274	Yes	7,775	-4%	Yes
271,387	Yes	10,796	-4%	Yes
147,650	Yes	13,654	-8%	No
214,092	Yes	19,706	-8%	Yes
225,728	Yes	10,456	-4%	Yes
-	No	-	0%	n/a
62,083	Yes	3,439	-5%	No
226,021	Yes	12,238	-5%	Yes
219,409	Yes	13,994	-6%	Yes
232,618	Yes	12,510	-5%	Yes
-	No	-	0%	n/a
206,280	Yes	8,226	-4%	Yes
213,945	Yes	8,510	-4%	Yes
213,585	Yes	8,462	-4%	Yes
228,492	Yes	10,592	-4%	Yes
213,363	Yes	8,471	-4%	Yes
23,217	Yes	13,194	-36%	n/a
215,783	Yes	8,545	-4%	Yes
224,671	Yes	10,394	-4%	Yes
212,784	Yes	8,461	-4%	Yes
254,923	Yes	10,183	-4%	Yes
-	No	8,956	0%	n/a
-	No	-	0%	n/a
228,559	Yes	10,583	-4%	Yes
171,873	Yes	15,611	-8%	No
213,440	Yes	8,495	-4%	Yes
106,241	Yes	5,774	-5%	No
202,738	Yes	18,748	-8%	Yes

Table 29 – Impact of Policy HS4 – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1429	24,821	Yes	YesBrownfield	YesBrownfieldHousing
1547	27,435	Yes	YesBrownfield	YesBrownfieldHousing
1068	-	No	NoBrownfield	NoBrownfieldMixed
1069	-	No	NoBrownfield	NoBrownfieldMixed
1626	219,519	Yes	YesGreenfield	YesGreenfieldHousing
1620	200,028	Yes	YesGreenfield	YesGreenfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
15,749	Yes	9,072	-37%	n/a
18,271	Yes	9,164	-33%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
211,144	Yes	8,376	-4%	Yes
191,210	Yes	8,818	-4%	Yes

Table 30 – Impact of Policy HS4 – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	636,664	Yes	YesGreenfield	YesGreenfieldHousing
0613	696,705	Yes	YesGreenfield	YesGreenfieldHousing
1224	425,190	Yes	YesGreenfield	YesGreenfieldHousing
1602	622,336	Yes	YesGreenfield	YesGreenfieldHousing
938	449,615	Yes	YesGreenfield	YesGreenfieldHousing
1023	239,244	Yes	YesGreenfield	YesGreenfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
625,593	Yes	11,071	-2%	Yes
684,611	Yes	12,094	-2%	Yes
418,858	Yes	6,332	-1%	Yes
611,500	Yes	10,836	-2%	Yes
441,857	Yes	7,759	-2%	Yes
235,707	Yes	3,537	-1%	Yes

Table 31 – Impact of Policy HS4 – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	246,734	Yes	YesGreenfield	YesGreenfieldHousing
0037	235,284	Yes	YesGreenfield	YesGreenfieldHousing
0041	265,043	Yes	YesGreenfield	YesGreenfieldHousing
0065	262,895	Yes	YesGreenfield	YesGreenfieldHousing
0075	233,656	Yes	YesGreenfield	YesGreenfieldMixed
0146	268,406	Yes	YesGreenfield	YesGreenfieldHousing
0177	230,776	Yes	YesGreenfield	YesGreenfieldHousing
0220	244,673	Yes	YesGreenfield	YesGreenfieldHousing
0951	267,354	Yes	YesGreenfield	YesGreenfieldHousing
0952	244,939	Yes	YesGreenfield	YesGreenfieldHousing
0959	246,162	Yes	YesGreenfield	YesGreenfieldHousing
0964	166,524	Yes	YesGreenfield	YesGreenfieldHousing
0978	244,583	Yes	YesGreenfield	YesGreenfieldHousing
0982	245,747	Yes	YesGreenfield	YesGreenfieldHousing
1030	265,038	Yes	YesGreenfield	YesGreenfieldHousing
1088	10,093	Yes	YesBrownfield	YesBrownfieldMixed
1283	70,426	Yes	YesBrownfield	YesBrownfieldHousing
1407	251,774	Yes	YesGreenfield	YesGreenfieldHousing
1470	245,776	Yes	YesGreenfield	YesGreenfieldHousing
1567	274,119	Yes	YesGreenfield	YesGreenfieldHousing
1616	247,286	Yes	YesGreenfield	YesGreenfieldHousing
1625	219,780	Yes	YesGreenfield	YesGreenfieldHousing
1628	38,312	Yes	YesBrownfield	YesBrownfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
238,219	Yes	8,515	-3%	Yes
224,463	Yes	10,821	-5%	Yes
253,081	Yes	11,962	-5%	Yes
252,513	Yes	10,382	-4%	Yes
217,898	Yes	15,758	-7%	Yes
256,054	Yes	12,352	-5%	Yes
222,765	Yes	8,011	-3%	Yes
236,181	Yes	8,492	-3%	Yes
255,157	Yes	12,197	-5%	Yes
236,435	Yes	8,505	-3%	Yes
237,644	Yes	8,518	-3%	Yes
159,028	Yes	7,496	-5%	No
236,094	Yes	8,488	-3%	Yes
237,273	Yes	8,474	-3%	Yes
252,981	Yes	12,057	-5%	Yes
-	No	10,093	0%	n/a
56,996	Yes	13,430	-19%	n/a
240,228	Yes	11,546	-5%	Yes
237,264	Yes	8,513	-3%	Yes
264,593	Yes	9,526	-3%	Yes
238,753	Yes	8,533	-3%	Yes
211,129	Yes	8,652	-4%	Yes
26,550	Yes	11,762	-31%	n/a

Table 32 – Impact of Policy HS4 – Zone 6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
0030	213,723	Yes	YesBrownfield	YesBrownfieldMixed	197,415	Yes	16,308	-8%	n/a
0221	541,158	Yes	YesGreenfield	YesGreenfieldHousing	531,815	Yes	9,343	-2%	Yes
0589	399,484	Yes	YesGreenfield	YesGreenfieldMixed	384,249	Yes	15,235	-4%	Yes
0759	294,757	Yes	YesGreenfield	YesGreenfieldHousing	288,417	Yes	6,341	-2%	Yes
0766	490,216	Yes	YesGreenfield	YesGreenfieldHousing	481,729	Yes	8,487	-2%	Yes
0779	624,283	Yes	YesGreenfield	YesGreenfieldHousing	610,821	Yes	13,462	-2%	Yes
0782	490,497	Yes	YesGreenfield	YesGreenfieldHousing	482,005	Yes	8,492	-2%	Yes
0948	491,116	Yes	YesGreenfield	YesGreenfieldHousing	482,614	Yes	8,502	-2%	Yes
0949	491,341	Yes	YesGreenfield	YesGreenfieldHousing	482,839	Yes	8,502	-2%	Yes
1034	591,120	Yes	YesGreenfield	YesGreenfieldHousing	580,908	Yes	10,212	-2%	Yes
1035	559,373	Yes	YesGreenfield	YesGreenfieldHousing	547,109	Yes	12,264	-2%	Yes
1036	492,029	Yes	YesGreenfield	YesGreenfieldHousing	483,527	Yes	8,502	-2%	Yes
1037	505,449	Yes	YesGreenfield	YesGreenfieldHousing	494,373	Yes	11,076	-2%	Yes
1041	202,192	Yes	YesGreenfield	YesGreenfieldHousing	198,433	Yes	3,759	-2%	Yes
1044	494,786	Yes	YesGreenfield	YesGreenfieldHousing	486,237	Yes	8,549	-2%	Yes
1046	561,962	Yes	YesGreenfield	YesGreenfieldHousing	551,437	Yes	10,525	-2%	Yes
1047	623,662	Yes	YesGreenfield	YesGreenfieldHousing	610,163	Yes	13,499	-2%	Yes
1100	406,584	Yes	YesGreenfield	YesGreenfieldMixed	391,109	Yes	15,474	-4%	Yes
1101	560,810	Yes	YesGreenfield	YesGreenfieldHousing	550,305	Yes	10,505	-2%	Yes
1103	490,046	Yes	YesGreenfield	YesGreenfieldHousing	481,581	Yes	8,465	-2%	Yes
1523	588,199	Yes	YesGreenfield	YesGreenfieldHousing	578,052	Yes	10,147	-2%	Yes
1541	445,171	Yes	YesGreenfield	YesGreenfieldHousing	437,478	Yes	7,694	-2%	Yes
1543	484,678	Yes	YesGreenfield	YesGreenfieldHousing	476,281	Yes	8,397	-2%	Yes
1583	490,022	Yes	YesGreenfield	YesGreenfieldHousing	481,533	Yes	8,489	-2%	Yes
1617	277,352	Yes	YesGreenfield	YesGreenfieldHousing	272,177	Yes	5,175	-2%	Yes

Table 33 – Impact of Policy HS4 – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1170	-	No	NoBrownfield	NoBrownfieldHousing
0112	110,887	Yes	YesBrownfield	YesBrownfieldHousing
0264	44,534	Yes	YesBrownfield	YesBrownfieldHousing
0289	47,119	Yes	YesBrownfield	YesBrownfieldHousing
0397	249,833	Yes	YesGreenfield	YesGreenfieldMixed
0400	262,611	Yes	YesGreenfield	YesGreenfieldHousing
0478	108,929	Yes	YesBrownfield	YesBrownfieldHousing
0814	51,366	Yes	YesBrownfield	YesBrownfieldMixed
0815	82,661	Yes	YesBrownfield	YesBrownfieldMixed
1128	280,698	Yes	YesGreenfield	YesGreenfieldHousing
1194	278,075	Yes	YesGreenfield	YesGreenfieldHousing
1196	283,416	Yes	YesGreenfield	YesGreenfieldHousing
1197	279,443	Yes	YesGreenfield	YesGreenfieldHousing
1292	34,270	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
100,565	Yes	10,322	-9%	n/a
33,225	Yes	11,309	-25%	n/a
35,684	Yes	11,435	-24%	n/a
232,720	Yes	17,113	-7%	Yes
251,202	Yes	11,409	-4%	Yes
94,489	Yes	14,439	-13%	n/a
33,318	Yes	18,049	-35%	n/a
68,479	Yes	14,182	-17%	n/a
270,257	Yes	10,442	-4%	Yes
267,717	Yes	10,358	-4%	Yes
271,148	Yes	12,268	-4%	Yes
269,041	Yes	10,402	-4%	Yes
23,459	Yes	10,810	-32%	n/a
-	No	-	0%	n/a

Table 34 – Impact of Policy HS4 – Zone 8 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	291,374	Yes	YesGreenfield	YesGreenfieldHousing
0174	177,956	Yes	YesBrownfield	YesBrownfieldHousing
0334	304,203	Yes	YesBrownfield	YesBrownfieldHousing
0338	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0353	502,398	Yes	YesGreenfield	YesGreenfieldHousing
0538	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0565	453,489	Yes	YesGreenfield	YesGreenfieldHousing
0568	255,864	Yes	YesGreenfield	YesGreenfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
283,605	Yes	7,769	-3%	Yes
169,870	Yes	8,086	-5%	n/a
293,235	Yes	10,969	-4%	n/a
450,149	Yes	12,565	-3%	Yes
488,898	Yes	13,499	-3%	Yes
450,149	Yes	12,565	-3%	Yes
441,204	Yes	12,284	-3%	Yes
250,419	Yes	5,445	-2%	Yes

Table 34 – Impact of Policy HS4 – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0579	-	No	NoBrownfield	NoBrownfieldApartments
0846	71,456	Yes	YesBrownfield	YesBrownfieldMixed
0856	398,700	Yes	YesGreenfield	YesGreenfieldHousing
0862	449,808	Yes	YesGreenfield	YesGreenfieldHousing
0893	206,183	Yes	YesGreenfield	YesGreenfieldHousing
0945	283,322	Yes	YesBrownfield	YesBrownfieldHousing
1032	95,346	Yes	YesBrownfield	YesBrownfieldHousing
1033	322,671	Yes	YesGreenfield	YesGreenfieldHousing
1053	365,507	Yes	YesGreenfield	YesGreenfieldHousing
1054	325,404	Yes	YesGreenfield	YesGreenfieldHousing
1075	107,575	Yes	YesBrownfield	YesBrownfieldMixed
1077	220,408	Yes	YesGreenfield	YesGreenfieldHousing
1078	146,048	Yes	YesGreenfield	YesGreenfieldHousing
1093	249,819	Yes	YesBrownfield	YesBrownfieldHousing
1095	412,869	Yes	YesGreenfield	YesGreenfieldHousing
1116	198,094	Yes	YesGreenfield	YesGreenfieldMixed
1322	9,027	Yes	YesGreenfield	YesGreenfieldApartments
1451	220,652	Yes	YesGreenfield	YesGreenfieldHousing
1453	336,974	Yes	YesGreenfield	YesGreenfieldHousing
1463	151,397	Yes	YesGreenfield	YesGreenfieldHousing
1469	300,453	Yes	YesGreenfield	YesGreenfieldMixed
1472	351,435	Yes	YesGreenfield	YesGreenfieldHousing

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
55,332	Yes	16,124	-23%	n/a
390,205	Yes	8,495	-2%	Yes
439,296	Yes	10,512	-2%	Yes
201,785	Yes	4,398	-2%	Yes
272,854	Yes	10,467	-4%	n/a
88,517	Yes	6,829	-7%	n/a
315,806	Yes	6,865	-2%	Yes
357,723	Yes	7,784	-2%	Yes
317,826	Yes	7,578	-2%	Yes
89,264	Yes	18,311	-17%	n/a
215,707	Yes	4,702	-2%	Yes
142,931	Yes	3,117	-2%	No
239,125	Yes	10,694	-4%	n/a
404,068	Yes	8,801	-2%	Yes
189,602	Yes	8,492	-4%	Yes
-	No	9,027	0%	n/a
215,940	Yes	4,712	-2%	Yes
329,784	Yes	7,190	-2%	Yes
148,164	Yes	3,234	-2%	Yes
283,558	Yes	16,895	-6%	Yes
343,957	Yes	7,479	-2%	Yes

Table 35 – Impact of Policy HS4 – Zone 9 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	119,231	Yes	YesGreenfield	YesGreenfieldMixed
0152	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0164	103,165	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	76,547	Yes	YesGreenfield	YesGreenfieldHousing
0248	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0261	83,380	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	67,892	Yes	YesGreenfield	YesGreenfieldHousing
0452	132,418	Yes	YesGreenfield	YesGreenfieldMixed
0454	69,163	Yes	YesGreenfield	YesGreenfieldHousing
0523	82,607	Yes	YesGreenfield	YesGreenfieldHousing
0683	100,749	Yes	YesGreenfield	YesGreenfieldHousing
0950	69,882	Yes	YesGreenfield	YesGreenfieldHousing
0983	42,740	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldApartments
0987	69,266	Yes	YesGreenfield	YesGreenfieldHousing
0988	82,735	Yes	YesGreenfield	YesGreenfieldHousing
0990	68,691	Yes	YesGreenfield	YesGreenfieldHousing
1009	-	No	NoBrownfield	NoBrownfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	109,847	Yes	YesGreenfield	YesGreenfieldMixed
1216	56,260	Yes	YesGreenfield	YesGreenfieldHousing
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	75,666	Yes	YesGreenfield	YesGreenfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldHousing
1409	79,065	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
102,358	Yes	16,873	-14%	No
92,011	Yes	15,838	-15%	No
63,684	Yes	39,480	-38%	n/a
-	No	-	0%	n/a
62,571	Yes	13,976	-18%	No
92,011	Yes	15,838	-15%	No
74,846	Yes	8,534	-10%	No
-	No	-	0%	n/a
-	No	-	0%	n/a
57,202	Yes	10,689	-16%	No
119,935	Yes	12,483	-9%	No
58,307	Yes	10,856	-16%	No
74,122	Yes	8,485	-10%	No
90,506	Yes	10,243	-10%	No
62,797	Yes	7,085	-10%	No
35,921	Yes	6,820	-16%	No
-	No	-	0%	n/a
58,381	Yes	10,885	-16%	No
74,213	Yes	8,523	-10%	No
57,913	Yes	10,778	-16%	No
-	No	-	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
93,715	Yes	16,131	-15%	No
50,438	Yes	5,823	-10%	No
-	No	-	0%	n/a
67,805	Yes	7,860	-10%	No
-	No	-	0%	n/a
70,920	Yes	8,145	-10%	No
-	No	-	0%	n/a
-	No	-	0%	n/a

Table 35 – Impact of Policy HS4 – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1486	69,913	Yes	YesGreenfield	YesGreenfieldHousing
1487	110,514	Yes	YesGreenfield	YesGreenfieldMixed
1488	110,831	Yes	YesGreenfield	YesGreenfieldMixed
1489	109,373	Yes	YesGreenfield	YesGreenfieldMixed
1570	100,352	Yes	YesGreenfield	YesGreenfieldHousing
1590	63,554	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldHousing
1603	70,537	Yes	YesGreenfield	YesGreenfieldHousing
1607	80,255	Yes	YesGreenfield	YesGreenfieldHousing
1609	-	No	NoBrownfield	NoBrownfieldMixed

HS4 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
57,149	Yes	12,765	-18%	No
94,285	Yes	16,229	-15%	No
94,555	Yes	16,276	-15%	No
93,311	Yes	16,062	-15%	No
90,189	Yes	10,163	-10%	No
51,950	Yes	11,603	-18%	No
-	No	-	0%	n/a
57,658	Yes	12,879	-18%	No
71,986	Yes	8,269	-10%	No
-	No	-	0%	n/a

Impact of Policy HS6 – Affordable Housing

6.33 When considering the impact of Policy HS6 it should be recognised that this policy also triggers additional costs under Policy HS4. 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. The results of our assessment with respect to the impact of Policy HS6 are shown in Tables 36 to 44 and summarised below

- The policy reduces land values in Zone 1 by between £190,000 per acre and £292,000 per acre. The average reduction in value across all sites in Zone 1 is approximately £250,000 per acre. This equates to an average drop in value of **-44%**. 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 HS6 is still £365,000 per acre, which reflects a drop in value of **-41%**. The average value for Brownfield sites, having also taken into consideration the impact of Policy HS6 is £159,500 per acre³⁰ which equates to a fall in land value of **-61%**.
- Land values within Zone 2 fall by between £76,500 and £152,000 per acre. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy HS6 is circa £150,000 per acre (a reduction in value of -48%). Policy HS6 does not seek affordable housing on Brownfield sites in Zone 2 therefore the baseline land values remain unchanged.
- Land values fall by between £95,000 per acre and £130,000 per acre in Zone 3. The average reduction in land value is £11,500 per acre which equates to an average fall of **-49%**. Brownfield land values remain unchanged as Policy HS6 does not seek affordable housing on Brownfield sites in Zone 3. The average value for Greenfield/unconstrained sites having taken into consideration the impact of Policy HS6 is circa £115,000 per acre³¹.
- The impact of Policy HS6 in Zone 4 reduces land values by between £97,000 per acre and £265,000 per acre. The average reduction in land value is £200,000 per acre which equates to an average drop in value of **-39%**. Even after taking into account the impact of Policy HS6 the average land value for unconstrained / Greenfield sites is £310,000 per acre. There are no Brownfield sites in Zone 4.
- Land values fall by between £80,000 and £105,000 per acre in Zone 5 after applying Policy HS6. These reductions are restricted to the Greenfield / unconstrained sites as Policy HS6 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 HS6 is c£160,000 per acre³². Policy HS6 reduces Greenfield / unconstrained values by an average of £88,000 per acre which equates to a drop in value of around **-35%**.
- The imposition of Policy HS6 reduces land values by between £80,000 and £255,000 per acre within Zone 6. The average reduction in land value across all sites in Zone 6 is £195,000 per acre,

³⁰ This excludes sites 0915 and 0917 which fall below the size threshold for affordable housing

³¹ This excludes sites 0046, 0073, 0287, 1412 and 1415 which fall below the size threshold for affordable housing

³² this excludes sites 0041, 0075, and 0964 which fall below the size threshold for affordable housing

which represents a fall of circa **-42%**. The average value for Greenfield / unconstrained sites having considered the impact of Policy HS6 is circa £295,000 per acre³³, which equates to a reduction in value of -40%. There is only one Brownfield Site (ref 0030) which has an average value of circa £35,000 per acre after the application of Policy H6.

- Policy HS6 reduces land values in Zone 7 by between £45,000 per acre and £180,000 per acre. The average drop in land values across all sites in Zone 7 is circa £115,000 per acre, which reflects a fall of circa **-27%**. The average value of Greenfield/unconstrained sites having considered the impact of Policy HS6 is around £110,000 per acre³⁴, a fall in value of circa **-60%**. Policy HS6 generally makes Brownfield sites unviable in Zone 7.
- Land values in Zone 8 fall by between £52,000 per acre and £185,000 per acre. The average drop in land values across all sites, in Zone 8, is around £115,000 per acre. The average value of Greenfield/unconstrained sites having considered the impact of Policy HS6 is around £190,000 per acre, which equates to a fall in value of **-35%**³⁵. This figure includes the garden village suburbs (1451 and 1463), which have a land value of £145,000 and £100,000 after taking into consideration the implications of Policy HS6. This is a reduction in value of -35%. Policy HS6 does not seek affordable housing on Brownfield sites in Zone 8 therefore the baseline land values remain unchanged.
- Policy HS6 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 HS6 is around £20,000 per acre³⁶.

6.34 In summary the development of unconstrained / Greenfield sites are generally viable across all areas of the Borough after taking into consideration the implications of Policy HS6. Only five Greenfield sites (out of a total of hundred and forty six) are not viable. This equates to 3.5% of the number of Greenfield sites. In addition the average land values, for unconstrained / Greenfield sites, in Zones 1, 4, 6 and 8 are still higher than the minimum benchmark land value for Greenfield / unconstrained sites (£187,500 per acre) even after taking into account the implications of Policy HS6.

6.35 However, whilst the average land values in Zones 2 and 5 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 Zones 3, 7 and especially Zone 9 where average land values of £115,000, £110,000 and £20,000 per acre respectively are unlikely to be enough to encourage landowners to release land for development.

6.36 The strategic sites (ref 1451 and 1463) have land values of £145,000 per acre and £100,000 per acre respectively after taking into account the impact of Policy HS6. The minimum benchmark land value for the strategic sites is £125,000 per acre so site 1463 falls below this benchmark.

³³ This excludes site 0759 which falls below the size threshold for affordable housing).

³⁴ this excludes sites 0400 which falls below the size threshold for affordable housing

³⁵ •This figure excludes sites 0006 and 0353 which falls below the size threshold for affordable housing

³⁶ This excludes sites 0152, 0238, 0248, 1215, 1487, 1488, and 1489 which fall below the affordable housing threshold.

Table 36 – Impact of Policy HS6 (Affordable Housing) – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0784	543,921	Yes	YesGreenfield	YesGreenfieldHousing
0915	163,445	Yes	YesBrownfield	YesBrownfieldHousing
0917	530,571	Yes	YesBrownfield	YesBrownfieldHousing
0922	410,598	Yes	YesBrownfield	YesBrownfieldHousing
1501	702,616	Yes	YesGreenfield	YesGreenfieldMixed
1503	718,135	Yes	YesGreenfield	YesGreenfieldMixed
1509	697,536	Yes	YesGreenfield	YesGreenfieldMixed
1556	419,928	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
318,134	Yes	225,787	-42%	Yes
163,445	Yes	-	0%	n/a
530,571	Yes	-	0%	n/a
159,525	Yes	251,073	-61%	n/a
430,109	Yes	272,507	-39%	Yes
425,502	Yes	292,633	-41%	Yes
428,177	Yes	269,358	-39%	Yes
229,193	Yes	190,735	-45%	Yes

Table 37 – Impact of Policy HS6 (Affordable Housing) – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0053	94,952	Yes	YesBrownfield	YesBrownfieldMixed
0327	113,400	Yes	YesBrownfield	YesBrownfieldHousing
0635	289,808	Yes	YesGreenfield	YesGreenfieldMixed
0640	300,637	Yes	YesGreenfield	YesGreenfieldMixed
0649	99,341	Yes	YesBrownfield	YesBrownfieldMixed
0651	347,263	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	301,512	Yes	YesGreenfield	YesGreenfieldHousing
0914	144,650	Yes	YesGreenfield	YesGreenfieldMixed
1534	-	No	NoBrownfield	NoBrownfieldMixed
1544	286,375	Yes	YesGreenfield	YesGreenfieldMixed

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
94,952	Yes	-	0%	n/a
113,400	Yes	-	0%	n/a
136,892	Yes	152,916	-53%	No
163,865	Yes	136,772	-45%	No
99,341	Yes	-	0%	n/a
204,359	Yes	142,904	-41%	Yes
-	No	-	0%	n/a
181,672	Yes	119,840	-40%	No
68,093	Yes	76,557	-53%	No
-	No	-	0%	n/a
133,869	Yes	152,506	-53%	No

Table 38 – Impact of Policy HS6 (Affordable Housing) – Zone 3

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0003	203,198	Yes	YesGreenfield	YesGreenfieldHousing
0011	204,049	Yes	YesGreenfield	YesGreenfieldHousing
0044	282,183	Yes	YesGreenfield	YesGreenfieldHousing
0046	161,303	Yes	YesGreenfield	YesGreenfieldMixed
0073	233,798	Yes	YesGreenfield	YesGreenfieldMixed
0196	236,184	Yes	YesGreenfield	YesGreenfieldHousing
0216	-	No	NoBrownfield	NoBrownfieldHousing
0287	65,521	Yes	YesGreenfield	YesGreenfieldHousing
418	238,260	Yes	YesGreenfield	YesGreenfieldHousing
0435	233,403	Yes	YesGreenfield	YesGreenfieldMixed
0438	245,128	Yes	YesGreenfield	YesGreenfieldHousing
0441	-	No	NoBrownfield	NoBrownfieldMixed
0531	214,507	Yes	YesGreenfield	YesGreenfieldHousing
0773	222,455	Yes	YesGreenfield	YesGreenfieldHousing
0781	222,047	Yes	YesGreenfield	YesGreenfieldHousing
0931	239,084	Yes	YesGreenfield	YesGreenfieldHousing
0968	221,833	Yes	YesGreenfield	YesGreenfieldHousing
1004	36,411	Yes	YesBrownfield	YesBrownfieldHousing
1014	224,327	Yes	YesGreenfield	YesGreenfieldHousing
1015	235,066	Yes	YesGreenfield	YesGreenfieldHousing
1016	221,245	Yes	YesGreenfield	YesGreenfieldHousing
1017	265,106	Yes	YesGreenfield	YesGreenfieldHousing
1019	8,956	Yes	YesBrownfield	YesBrownfieldHousing
1021	-	No	NoBrownfield	NoBrownfieldApartments
1379	239,142	Yes	YesGreenfield	YesGreenfieldHousing
1391	187,484	Yes	YesGreenfield	YesGreenfieldMixed
1398	221,935	Yes	YesGreenfield	YesGreenfieldHousing
1412	112,016	Yes	YesGreenfield	YesGreenfieldHousing
1415	221,486	Yes	YesGreenfield	YesGreenfieldMixed

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
96,160	Yes	107,038	-53%	No
108,281	Yes	95,768	-47%	No
153,352	Yes	128,831	-46%	No
161,303	Yes	-	0%	No
233,798	Yes	-	0%	Yes
108,830	Yes	127,353	-54%	No
-	No	-	0%	n/a
65,521	Yes	-	0%	No
110,172	Yes	128,088	-54%	No
111,561	Yes	121,842	-52%	No
116,003	Yes	129,125	-53%	No
-	No	-	0%	n/a
116,810	Yes	97,697	-46%	No
121,475	Yes	100,980	-45%	No
119,471	Yes	102,576	-46%	No
115,940	Yes	123,143	-52%	No
122,001	Yes	99,832	-45%	No
36,411	Yes	-	0%	n/a
121,699	Yes	102,628	-46%	No
112,220	Yes	122,846	-52%	No
119,300	Yes	101,944	-46%	No
143,240	Yes	121,866	-46%	No
8,956	Yes	-	0%	n/a
-	No	-	0%	n/a
120,166	Yes	118,976	-50%	No
76,192	Yes	111,292	-59%	No
119,418	Yes	102,517	-46%	No
112,016	Yes	-	0%	No
221,486	Yes	-	0%	Yes

Table 38 – Impact of Policy HS6 (Affordable Housing) – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1429	24,821	Yes	YesBrownfield	YesBrownfieldHousing
1547	27,435	Yes	YesBrownfield	YesBrownfieldHousing
1068	-	No	NoBrownfield	NoBrownfieldMixed
1069	-	No	NoBrownfield	NoBrownfieldMixed
1626	219,519	Yes	YesGreenfield	YesGreenfieldHousing
1620	200,028	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
24,821	Yes	-	0%	n/a
27,435	Yes	-	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
120,940	Yes	98,579	-45%	No
101,491	Yes	98,537	-49%	No

Table 39 – Impact of Policy HS6 (Affordable Housing) – Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	636,664	Yes	YesGreenfield	YesGreenfieldHousing
0613	696,705	Yes	YesGreenfield	YesGreenfieldHousing
1224	425,190	Yes	YesGreenfield	YesGreenfieldHousing
1602	622,336	Yes	YesGreenfield	YesGreenfieldHousing
938	449,615	Yes	YesGreenfield	YesGreenfieldHousing
1023	239,244	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
384,634	Yes	252,029	-40%	Yes
429,847	Yes	266,858	-38%	Yes
252,602	Yes	172,588	-41%	Yes
383,248	Yes	239,088	-38%	Yes
278,423	Yes	171,192	-38%	Yes
142,031	Yes	97,213	-41%	No

Table 40 – Impact of Policy HS6 (Affordable Housing) – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	246,734	Yes	YesGreenfield	YesGreenfieldHousing
0037	235,284	Yes	YesGreenfield	YesGreenfieldHousing
0041	265,043	Yes	YesGreenfield	YesGreenfieldHousing
0065	262,895	Yes	YesGreenfield	YesGreenfieldHousing
0075	233,656	Yes	YesGreenfield	YesGreenfieldMixed
0146	268,406	Yes	YesGreenfield	YesGreenfieldHousing
0177	230,776	Yes	YesGreenfield	YesGreenfieldHousing
0220	244,673	Yes	YesGreenfield	YesGreenfieldHousing
0951	267,354	Yes	YesGreenfield	YesGreenfieldHousing
0952	244,939	Yes	YesGreenfield	YesGreenfieldHousing
0959	246,162	Yes	YesGreenfield	YesGreenfieldHousing
0964	166,524	Yes	YesGreenfield	YesGreenfieldHousing
0978	244,583	Yes	YesGreenfield	YesGreenfieldHousing
0982	245,747	Yes	YesGreenfield	YesGreenfieldHousing
1030	265,038	Yes	YesGreenfield	YesGreenfieldHousing
1088	10,093	Yes	YesBrownfield	YesBrownfieldMixed
1283	70,426	Yes	YesBrownfield	YesBrownfieldHousing
1407	251,774	Yes	YesGreenfield	YesGreenfieldHousing
1470	245,776	Yes	YesGreenfield	YesGreenfieldHousing
1567	274,119	Yes	YesGreenfield	YesGreenfieldHousing
1616	247,286	Yes	YesGreenfield	YesGreenfieldHousing
1625	219,780	Yes	YesGreenfield	YesGreenfieldHousing
1628	38,312	Yes	YesBrownfield	YesBrownfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
164,531	Yes	82,203	-33%	No
147,670	Yes	87,614	-37%	No
265,043	Yes	-	0%	Yes
165,113	Yes	97,782	-37%	No
233,656	Yes	-	0%	Yes
171,623	Yes	96,783	-36%	No
151,492	Yes	79,284	-34%	No
160,278	Yes	84,394	-34%	No
173,305	Yes	94,049	-35%	No
160,808	Yes	84,132	-34%	No
160,872	Yes	85,290	-35%	No
166,524	Yes	-	0%	No
160,200	Yes	84,383	-35%	No
163,548	Yes	82,199	-33%	No
161,629	Yes	103,410	-39%	No
10,093	Yes	-	0%	n/a
70,426	Yes	-	0%	n/a
159,745	Yes	92,029	-37%	No
162,759	Yes	83,018	-34%	No
180,176	Yes	93,943	-34%	No
163,660	Yes	83,626	-34%	No
137,371	Yes	82,409	-37%	No
38,312	Yes	-	0%	n/a

Table 41 – Impact of Policy HS6 (Affordable Housing) – Zone 6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0030	213,723	Yes	YesBrownfield	YesBrownfieldMixed
0221	541,158	Yes	YesGreenfield	YesGreenfieldHousing
0589	399,484	Yes	YesGreenfield	YesGreenfieldMixed
0759	294,757	Yes	YesGreenfield	YesGreenfieldHousing
0766	490,216	Yes	YesGreenfield	YesGreenfieldHousing
0779	624,283	Yes	YesGreenfield	YesGreenfieldHousing
0782	490,497	Yes	YesGreenfield	YesGreenfieldHousing
0948	491,116	Yes	YesGreenfield	YesGreenfieldHousing
0949	491,341	Yes	YesGreenfield	YesGreenfieldHousing
1034	591,120	Yes	YesGreenfield	YesGreenfieldHousing
1035	559,373	Yes	YesGreenfield	YesGreenfieldHousing
1036	492,029	Yes	YesGreenfield	YesGreenfieldHousing
1037	505,449	Yes	YesGreenfield	YesGreenfieldHousing
1041	202,192	Yes	YesGreenfield	YesGreenfieldHousing
1044	494,786	Yes	YesGreenfield	YesGreenfieldHousing
1046	561,962	Yes	YesGreenfield	YesGreenfieldHousing
1047	623,662	Yes	YesGreenfield	YesGreenfieldHousing
1100	406,584	Yes	YesGreenfield	YesGreenfieldMixed
1101	560,810	Yes	YesGreenfield	YesGreenfieldHousing
1103	490,046	Yes	YesGreenfield	YesGreenfieldHousing
1523	588,199	Yes	YesGreenfield	YesGreenfieldHousing
1541	445,171	Yes	YesGreenfield	YesGreenfieldHousing
1543	484,678	Yes	YesGreenfield	YesGreenfieldHousing
1583	490,022	Yes	YesGreenfield	YesGreenfieldHousing
1617	277,352	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
34,941	Yes	178,782	-84%	n/a
332,326	Yes	208,832	-39%	Yes
196,291	Yes	203,193	-51%	Yes
294,757	Yes	-	0%	Yes
301,233	Yes	188,983	-39%	Yes
389,465	Yes	234,818	-38%	Yes
298,405	Yes	192,092	-39%	Yes
299,013	Yes	192,103	-39%	Yes
300,298	Yes	191,043	-39%	Yes
364,696	Yes	226,425	-38%	Yes
338,176	Yes	221,196	-40%	Yes
296,685	Yes	195,343	-40%	Yes
293,190	Yes	212,259	-42%	Yes
120,827	Yes	81,365	-40%	No
302,830	Yes	191,957	-39%	Yes
330,126	Yes	231,837	-41%	Yes
368,951	Yes	254,711	-41%	Yes
234,871	Yes	171,712	-42%	Yes
334,674	Yes	226,136	-40%	Yes
296,917	Yes	193,129	-39%	Yes
363,932	Yes	224,267	-38%	Yes
271,025	Yes	174,146	-39%	Yes
296,736	Yes	187,942	-39%	Yes
300,053	Yes	189,969	-39%	Yes
166,730	Yes	110,622	-40%	No

Table 42 – Impact of Policy HS6 (Affordable Housing) – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1170	-	No	NoBrownfield	NoBrownfieldHousing
0112	110,887	Yes	YesBrownfield	YesBrownfieldHousing
0264	44,534	Yes	YesBrownfield	YesBrownfieldHousing
0289	47,119	Yes	YesBrownfield	YesBrownfieldHousing
0397	249,833	Yes	YesGreenfield	YesGreenfieldMixed
0400	262,611	Yes	YesGreenfield	YesGreenfieldHousing
0478	108,929	Yes	YesBrownfield	YesBrownfieldHousing
0814	51,366	Yes	YesBrownfield	YesBrownfieldMixed
0815	82,661	Yes	YesBrownfield	YesBrownfieldMixed
1128	280,698	Yes	YesGreenfield	YesGreenfieldHousing
1194	278,075	Yes	YesGreenfield	YesGreenfieldHousing
1196	283,416	Yes	YesGreenfield	YesGreenfieldHousing
1197	279,443	Yes	YesGreenfield	YesGreenfieldHousing
1292	34,270	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
-	No	110,887	0%	n/a
-	No	44,534	0%	n/a
-	No	47,119	0%	n/a
71,654	Yes	178,179	-71%	No
262,611	Yes	-	0%	Yes
-	No	108,929	0%	n/a
-	No	51,366	0%	n/a
-	No	82,661	0%	n/a
127,262	Yes	153,437	-55%	No
115,526	Yes	162,549	-58%	No
118,741	Yes	164,675	-58%	No
122,312	Yes	157,131	-56%	No
34,270	Yes	-	0%	n/a
-	No	-	0%	n/a

Table 43 – Impact of Policy HS6 (Affordable Housing) – Zone 8 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	291,374	Yes	YesGreenfield	YesGreenfieldHousing
0174	177,956	Yes	YesBrownfield	YesBrownfieldHousing
0334	304,203	Yes	YesBrownfield	YesBrownfieldHousing
0338	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0353	502,398	Yes	YesGreenfield	YesGreenfieldHousing
0538	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0565	453,489	Yes	YesGreenfield	YesGreenfieldHousing
0568	255,864	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
291,374	Yes	-	0%	Yes
177,956	Yes	-	0%	n/a
304,203	Yes	-	0%	n/a
278,366	Yes	184,347	-40%	Yes
502,398	Yes	-	0%	Yes
278,366	Yes	184,347	-40%	Yes
275,409	Yes	178,080	-39%	Yes
165,246	Yes	90,618	-35%	No

Table 43 – Impact of Policy HS6 (Affordable Housing) – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0579	-	No	NoBrownfield	NoBrownfieldApartments
0846	71,456	Yes	YesBrownfield	YesBrownfieldMixed
0856	398,700	Yes	YesGreenfield	YesGreenfieldHousing
0862	449,808	Yes	YesGreenfield	YesGreenfieldHousing
0893	206,183	Yes	YesGreenfield	YesGreenfieldHousing
0945	283,322	Yes	YesBrownfield	YesBrownfieldHousing
1032	95,346	Yes	YesBrownfield	YesBrownfieldHousing
1033	322,671	Yes	YesGreenfield	YesGreenfieldHousing
1053	365,507	Yes	YesGreenfield	YesGreenfieldHousing
1054	325,404	Yes	YesGreenfield	YesGreenfieldHousing
1075	107,575	Yes	YesBrownfield	YesBrownfieldMixed
1077	220,408	Yes	YesGreenfield	YesGreenfieldHousing
1078	146,048	Yes	YesGreenfield	YesGreenfieldHousing
1093	249,819	Yes	YesBrownfield	YesBrownfieldHousing
1095	412,869	Yes	YesGreenfield	YesGreenfieldHousing
1116	198,094	Yes	YesGreenfield	YesGreenfieldMixed
1322	9,027	Yes	YesGreenfield	YesGreenfieldApartments
1451	220,652	Yes	YesGreenfield	YesGreenfieldHousing
1453	336,974	Yes	YesGreenfield	YesGreenfieldHousing
1463	151,397	Yes	YesGreenfield	YesGreenfieldHousing
1469	300,453	Yes	YesGreenfield	YesGreenfieldMixed
1472	351,435	Yes	YesGreenfield	YesGreenfieldHousing

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
71,456	Yes	-	0%	n/a
256,971	Yes	141,728	-36%	Yes
283,480	Yes	166,328	-37%	Yes
134,434	Yes	71,749	-35%	No
283,322	Yes	-	0%	n/a
95,346	Yes	-	0%	n/a
207,539	Yes	115,132	-36%	Yes
236,989	Yes	128,518	-35%	Yes
205,503	Yes	119,900	-37%	Yes
107,575	Yes	-	0%	n/a
143,530	Yes	76,879	-35%	No
95,264	Yes	50,784	-35%	No
249,819	Yes	-	0%	n/a
267,035	Yes	145,834	-35%	Yes
111,560	Yes	86,534	-44%	No
-	No	9,027	0%	n/a
143,659	Yes	76,993	-35%	Yes
219,643	Yes	117,331	-35%	Yes
98,467	Yes	52,930	-35%	No
159,741	Yes	140,711	-47%	No
226,969	Yes	124,466	-35%	Yes

Table 44 – Impact of Policy HS6 (Affordable Housing) – Zone 9 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	119,231	Yes	YesGreenfield	YesGreenfieldMixed
0152	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0164	103,165	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	76,547	Yes	YesGreenfield	YesGreenfieldHousing
0248	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0261	83,380	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	67,892	Yes	YesGreenfield	YesGreenfieldHousing
0452	132,418	Yes	YesGreenfield	YesGreenfieldMixed
0454	69,163	Yes	YesGreenfield	YesGreenfieldHousing
0523	82,607	Yes	YesGreenfield	YesGreenfieldHousing
0683	100,749	Yes	YesGreenfield	YesGreenfieldHousing
0950	69,882	Yes	YesGreenfield	YesGreenfieldHousing
0983	42,740	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldApartments
0987	69,266	Yes	YesGreenfield	YesGreenfieldHousing
0988	82,735	Yes	YesGreenfield	YesGreenfieldHousing
0990	68,691	Yes	YesGreenfield	YesGreenfieldHousing
1009	-	No	NoBrownfield	NoBrownfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	109,847	Yes	YesGreenfield	YesGreenfieldMixed
1216	56,260	Yes	YesGreenfield	YesGreenfieldHousing
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	75,666	Yes	YesGreenfield	YesGreenfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldHousing
1409	79,065	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
35,875	Yes	83,356	-70%	No
107,850	Yes	-	0%	No
103,165	Yes	-	0%	n/a
-	No	-	0%	n/a
76,547	Yes	-	0%	No
107,850	Yes	-	0%	No
29,038	Yes	54,342	-65%	No
-	No	-	0%	n/a
-	No	-	0%	n/a
-	No	67,892	0%	n/a
60,987	Yes	71,432	-54%	No
-	No	69,163	0%	n/a
28,093	Yes	54,514	-66%	No
34,172	Yes	66,577	-66%	No
22,212	Yes	47,670	-68%	No
620	Yes	42,120	-99%	No
-	No	-	0%	n/a
4,278	Yes	64,988	-94%	No
26,865	Yes	55,870	-68%	No
-	No	68,691	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
109,847	Yes	-	0%	No
18,957	Yes	37,303	-66%	No
-	No	-	0%	n/a
25,206	Yes	50,460	-67%	No
-	No	-	0%	n/a
26,099	Yes	52,966	-67%	No
-	No	-	0%	n/a
-	No	-	0%	n/a

Table 44 – Impact of Policy HS6 (Affordable Housing) – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1486	69,913	Yes	YesGreenfield	YesGreenfieldHousing
1487	110,514	Yes	YesGreenfield	YesGreenfieldMixed
1488	110,831	Yes	YesGreenfield	YesGreenfieldMixed
1489	109,373	Yes	YesGreenfield	YesGreenfieldMixed
1570	100,352	Yes	YesGreenfield	YesGreenfieldHousing
1590	63,554	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldHousing
1603	70,537	Yes	YesGreenfield	YesGreenfieldHousing
1607	80,255	Yes	YesGreenfield	YesGreenfieldHousing
1609	-	No	NoBrownfield	NoBrownfieldMixed

HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
6,349	Yes	63,565	-91%	No
110,514	Yes	-	0%	No
110,831	Yes	-	0%	No
109,373	Yes	-	0%	No
36,548	Yes	63,804	-64%	No
-	No	63,554	0%	n/a
-	No	-	0%	n/a
4,571	Yes	65,966	-94%	No
26,917	Yes	53,339	-66%	No
-	No	-	0%	n/a

Cumulative Impact of Policy HS4 and HS6 – Housing for Independent Living and Affordable Housing

6.37 We have previously set out the impact of Policies HS4 and HS6 in isolation and it is clear that Policy HS6 (Affordable Housing) has the greatest impact on viability. We show the cumulative impacts of Policies HS4 and HS5 within Tables 46 to 54 and summarise the results below.

- Within Zone 1 the average land value for Greenfield / unconstrained sites is circa £350,000 per acre, which equates to drop in land value of **-44%**. The average value of Brownfield sites is circa £145,000 per acre³⁷, which equates to a fall in value of **-65%**.
- Policy HS6 does not seek affordable housing on Brownfield sites within Zone 2, therefore the impact of policy HS4 (in isolation) is marginal on Brownfield sites with average land values falling by between £11,000 and £18,000 per acre. The average land value for Brownfield sites, having taken into account the impact of Policy HS4 is circa £85,000 per acre, equating to a reduction in value of **-16%**. The average land value for Greenfield /unconstrained sites is £133,000 per acre, which equates to a drop in land value of **-53%**.
- Policy HS6 does not seek affordable housing on Brownfield sites in Zone 3 so the impact on land Brownfield land values is purely as a result of Policy HS4. The average value of Brownfield sites having taken into consideration the impact of Policy HS4 is around £15,000 per acre³⁸. This is a reduction in value of **-27%**. The average value of Greenfield sites having taken into account the cumulative impact of Policies HS4 and HS6 is £112,000 per acre, which equates to a **-45%** reduction in land value.
- Average values for Greenfield / unconstrained sites in Zone 4 are circa £300,000 per acre which equates to a fall in land value of 41%. 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 HS4 and HS6 is circa £150,000 per acre, which equates to a reduction in land value of **-40%**³⁹. 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 £285,000 per acre after taking into account the impact of Policies HS4 and HS6. This equates to a reduction in land value of **-43%**. There is only Brownfield sites within Zone 6 which has an average land value of £15,500 per acre after taking into account the impact of policies HS4 and HS6, which equates to a reduction in land value of **-93%**.
- Brownfield development in Zone 7 is generally unviable after taking into account the cumulative impact of policies HS4 and HS6. The biggest impact on viability, as expected, is Policy HS6 with all but two 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

³⁷ This excludes sites 0915 and 0917 which fall below the size threshold for affordable housing

³⁸ This analysis excludes sites 0216, 0441, 1021, 1068, and 1069 which remain unviable. The application of Policy HS4 also makes site 1019 to become unviable.

³⁹ This excludes sites 0041 and 0075 which fall below the size threshold for affordable housing.

£95,000 per acre after taking into account the impact of policies HS4 and HS6. This equates to a reduction in land value of around -66%.

- The average land value for Greenfield / unconstrained sites in Zone 8 having considered the impact of Policies HS4 and HS6 is around £187,000 per acre, which equates to a fall in land value of -38%. This value excludes the strategic sites (1451 and 1463), which have a land value of £137,000 and £95,000 per acre respectively after taking into consideration the implications of Policy HS4 and HS6. Site 1463 falls below the £125,000 per acre benchmark for the strategic sites. Policy HS6 does not seek affordable housing on Brownfield sites within Zone 8, the average land value for Brownfield sites, having taken into account the impact of Policy HS4 is circa £175,000 per acre (this figure excludes site 0579 which remains unviable), which equates to a reduction in value of -9%.
- The baseline assessments demonstrated that the majority of brownfield sites in Zone 9 with the exception of sites 0164 were unviable before the application of local plan policies. Therefore, the imposition of Policies HS4 simply compounds the viability challenges associated with Brownfield sites within Zone 9. Policy HS6 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 HS4 and HS6 is around £12,000 per acre, which equates to a fall in land value of -47%.

Initial Conclusions

- 6.38 The most notable conclusion from our assessment is that the viability it impacted more by Policy HS6 than HS4. Almost 60% of the proposed housing allocations are viable and generate land values in excess of the minimum benchmark land values after the application of policy HS4.
- 6.39 In contrast just over a quarter (28%) of the housing allocations are viable and generate land values in excess of the minimum benchmark land values after the application of Policy HS6. Whilst both policies (HS4 and HS6) contain suitable viability clauses an overall reduction in affordable housing requirements may be necessary, especially if a viable CIL is to be introduced. We consider this further when exploring the viability of CIL (see later).

Table 46 – Cumulative Impact of Policies HS4 and HS6 – Zone 1

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0784	543,921	Yes	YesGreenfield	YesGreenfieldHousing
0915	163,445	Yes	YesBrownfield	YesBrownfieldHousing
0917	530,571	Yes	YesBrownfield	YesBrownfieldHousing
0922	410,598	Yes	YesBrownfield	YesBrownfieldHousing
1501	702,616	Yes	YesGreenfield	YesGreenfieldMixed
1503	718,135	Yes	YesGreenfield	YesGreenfieldMixed
1509	697,536	Yes	YesGreenfield	YesGreenfieldMixed
1556	419,928	Yes	YesGreenfield	YesGreenfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
307,348	Yes	236,573	-43%	Yes
157,240	Yes	6,206	-4%	n/a
518,112	Yes	12,459	-2%	n/a
145,347	Yes	265,251	-65%	n/a
409,909	Yes	292,707	-42%	Yes
404,348	Yes	313,787	-44%	Yes
407,860	Yes	289,676	-42%	Yes
219,452	Yes	200,476	-48%	Yes

Table 47 – Cumulative Impact of Policies HS4 and HS6 – Zone 2

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0053	94,952	Yes	YesBrownfield	YesBrownfieldMixed
0327	113,400	Yes	YesBrownfield	YesBrownfieldHousing
0635	289,808	Yes	YesGreenfield	YesGreenfieldMixed
0640	300,637	Yes	YesGreenfield	YesGreenfieldMixed
0649	99,341	Yes	YesBrownfield	YesBrownfieldMixed
0651	347,263	Yes	YesGreenfield	YesGreenfieldHousing
0658	-	No	NoBrownfield	NoBrownfieldApartments
0659	301,512	Yes	YesGreenfield	YesGreenfieldHousing
0914	144,650	Yes	YesGreenfield	YesGreenfieldMixed
1534	-	No	NoBrownfield	NoBrownfieldMixed
1544	286,375	Yes	YesGreenfield	YesGreenfieldMixed

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
76,855	Yes	18,098	-19%	n/a
102,263	Yes	11,138	-10%	n/a
117,024	Yes	172,784	-60%	No
148,353	Yes	152,284	-51%	No
80,954	Yes	18,386	-19%	n/a
193,017	Yes	154,246	-44%	Yes
-	No	-	0%	n/a
169,686	Yes	131,826	-44%	No
59,480	Yes	85,170	-59%	No
-	No	-	0%	n/a
113,241	Yes	173,134	-60%	No

Table 48 – Cumulative Impact of Policies HS4 and HS6 – Zone 3 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0003	203,198	Yes	YesGreenfield	YesGreenfieldHousing
0011	204,049	Yes	YesGreenfield	YesGreenfieldHousing
0044	282,183	Yes	YesGreenfield	YesGreenfieldHousing
0046	161,303	Yes	YesGreenfield	YesGreenfieldMixed
0073	233,798	Yes	YesGreenfield	YesGreenfieldMixed
0196	236,184	Yes	YesGreenfield	YesGreenfieldHousing
0216	-	No	NoBrownfield	NoBrownfieldHousing
0287	65,521	Yes	YesGreenfield	YesGreenfieldHousing
418	238,260	Yes	YesGreenfield	YesGreenfieldHousing
0435	233,403	Yes	YesGreenfield	YesGreenfieldMixed
0438	245,128	Yes	YesGreenfield	YesGreenfieldHousing
0441	-	No	NoBrownfield	NoBrownfieldMixed
0531	214,507	Yes	YesGreenfield	YesGreenfieldHousing
0773	222,455	Yes	YesGreenfield	YesGreenfieldHousing
0781	222,047	Yes	YesGreenfield	YesGreenfieldHousing
0931	239,084	Yes	YesGreenfield	YesGreenfieldHousing
0968	221,833	Yes	YesGreenfield	YesGreenfieldHousing
1004	36,411	Yes	YesBrownfield	YesBrownfieldHousing
1014	224,327	Yes	YesGreenfield	YesGreenfieldHousing
1015	235,066	Yes	YesGreenfield	YesGreenfieldHousing
1016	221,245	Yes	YesGreenfield	YesGreenfieldHousing
1017	265,106	Yes	YesGreenfield	YesGreenfieldHousing
1019	8,956	Yes	YesBrownfield	YesBrownfieldHousing
1021	-	No	NoBrownfield	NoBrownfieldApartments
1379	239,142	Yes	YesGreenfield	YesGreenfieldHousing
1391	187,484	Yes	YesGreenfield	YesGreenfieldMixed
1398	221,935	Yes	YesGreenfield	YesGreenfieldHousing
1412	112,016	Yes	YesGreenfield	YesGreenfieldHousing
1415	221,486	Yes	YesGreenfield	YesGreenfieldMixed

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
83,172	Yes	120,026	-59%	No
98,575	Yes	105,474	-52%	No
139,958	Yes	142,225	-50%	No
147,650	Yes	13,654	-8%	No
214,092	Yes	19,706	-8%	Yes
95,499	Yes	140,684	-60%	No
-	No	-	0%	n/a
62,083	Yes	3,439	-5%	No
94,784	Yes	143,475	-60%	No
95,040	Yes	138,362	-59%	No
100,334	Yes	144,794	-59%	No
-	No	-	0%	n/a
106,613	Yes	107,893	-50%	No
110,861	Yes	111,594	-50%	No
108,941	Yes	113,106	-51%	No
102,568	Yes	136,515	-57%	No
111,518	Yes	110,316	-50%	No
23,217	Yes	13,194	-36%	n/a
110,961	Yes	113,366	-51%	No
99,261	Yes	135,805	-58%	No
108,784	Yes	112,461	-51%	No
130,582	Yes	134,524	-51%	No
-	No	8,956	0%	n/a
-	No	-	0%	n/a
107,099	Yes	132,043	-55%	No
57,891	Yes	129,594	-69%	No
108,796	Yes	113,139	-51%	No
106,241	Yes	5,774	-5%	No
202,738	Yes	18,748	-8%	Yes

Table 48 – Cumulative Impact of Policies HS4 and HS6 – Zone 3 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1429	24,821	Yes	YesBrownfield	YesBrownfieldHousing
1547	27,435	Yes	YesBrownfield	YesBrownfieldHousing
1068	-	No	NoBrownfield	NoBrownfieldMixed
1069	-	No	NoBrownfield	NoBrownfieldMixed
1626	219,519	Yes	YesGreenfield	YesGreenfieldHousing
1620	200,028	Yes	YesGreenfield	YesGreenfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
15,749	Yes	9,072	-37%	n/a
18,271	Yes	9,164	-33%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
110,577	Yes	108,943	-50%	No
90,615	Yes	109,413	-55%	No

Table 49 – Cumulative Impact of Policies HS4 and HS6– Zone 4

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0049	636,664	Yes	YesGreenfield	YesGreenfieldHousing
0613	696,705	Yes	YesGreenfield	YesGreenfieldHousing
1224	425,190	Yes	YesGreenfield	YesGreenfieldHousing
1602	622,336	Yes	YesGreenfield	YesGreenfieldHousing
938	449,615	Yes	YesGreenfield	YesGreenfieldHousing
1023	239,244	Yes	YesGreenfield	YesGreenfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
370,113	Yes	266,550	-42%	Yes
414,454	Yes	282,251	-41%	Yes
244,137	Yes	181,053	-43%	Yes
369,458	Yes	252,878	-41%	Yes
268,549	Yes	181,067	-40%	Yes
137,293	Yes	101,951	-43%	No

Table 50 – Cumulative Impact of Policies HS4 and HS6 – Zone 5

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0026	246,734	Yes	YesGreenfield	YesGreenfieldHousing
0037	235,284	Yes	YesGreenfield	YesGreenfieldHousing
0041	265,043	Yes	YesGreenfield	YesGreenfieldHousing
0065	262,895	Yes	YesGreenfield	YesGreenfieldHousing
0075	233,656	Yes	YesGreenfield	YesGreenfieldMixed
0146	268,406	Yes	YesGreenfield	YesGreenfieldHousing
0177	230,776	Yes	YesGreenfield	YesGreenfieldHousing
0220	244,673	Yes	YesGreenfield	YesGreenfieldHousing
0951	267,354	Yes	YesGreenfield	YesGreenfieldHousing
0952	244,939	Yes	YesGreenfield	YesGreenfieldHousing
0959	246,162	Yes	YesGreenfield	YesGreenfieldHousing
0964	166,524	Yes	YesGreenfield	YesGreenfieldHousing
0978	244,583	Yes	YesGreenfield	YesGreenfieldHousing
0982	245,747	Yes	YesGreenfield	YesGreenfieldHousing
1030	265,038	Yes	YesGreenfield	YesGreenfieldHousing
1088	10,093	Yes	YesBrownfield	YesBrownfieldMixed
1283	70,426	Yes	YesBrownfield	YesBrownfieldHousing
1407	251,774	Yes	YesGreenfield	YesGreenfieldHousing
1470	245,776	Yes	YesGreenfield	YesGreenfieldHousing
1567	274,119	Yes	YesGreenfield	YesGreenfieldHousing
1616	247,286	Yes	YesGreenfield	YesGreenfieldHousing
1625	219,780	Yes	YesGreenfield	YesGreenfieldHousing
1628	38,312	Yes	YesBrownfield	YesBrownfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
154,304	Yes	92,430	-37%	No
135,079	Yes	100,206	-43%	No
253,081	Yes	11,962	-5%	Yes
152,511	Yes	110,384	-42%	No
217,898	Yes	15,758	-7%	Yes
157,315	Yes	111,091	-41%	No
141,933	Yes	88,842	-38%	No
150,139	Yes	94,534	-39%	No
158,954	Yes	108,400	-41%	No
150,661	Yes	94,279	-38%	No
150,619	Yes	95,543	-39%	No
159,028	Yes	7,496	-5%	No
150,064	Yes	94,518	-39%	No
153,470	Yes	92,277	-38%	No
147,040	Yes	117,998	-45%	No
-	No	10,093	0%	n/a
56,996	Yes	13,430	-19%	n/a
146,020	Yes	105,754	-42%	No
152,569	Yes	93,208	-38%	Yes
168,816	Yes	105,303	-38%	No
153,385	Yes	93,900	-38%	No
127,054	Yes	92,726	-42%	No
26,550	Yes	11,762	-31%	n/a

Table 51 – Cumulative Impact of Policies HS4 and HS6 – Zone 6

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
0030	213,723	Yes	YesBrownfield	YesBrownfieldMixed	15,470	Yes	198,253	-93%	n/a
0221	541,158	Yes	YesGreenfield	YesGreenfieldHousing	320,285	Yes	220,873	-41%	Yes
0589	399,484	Yes	YesGreenfield	YesGreenfieldMixed	176,787	Yes	222,697	-56%	No
0759	294,757	Yes	YesGreenfield	YesGreenfieldHousing	288,417	Yes	6,341	-2%	Yes
0766	490,216	Yes	YesGreenfield	YesGreenfieldHousing	290,304	Yes	199,912	-41%	Yes
0779	624,283	Yes	YesGreenfield	YesGreenfieldHousing	371,998	Yes	252,285	-40%	Yes
0782	490,497	Yes	YesGreenfield	YesGreenfieldHousing	287,391	Yes	203,106	-41%	Yes
0948	491,116	Yes	YesGreenfield	YesGreenfieldHousing	287,985	Yes	203,130	-41%	Yes
0949	491,341	Yes	YesGreenfield	YesGreenfieldHousing	289,328	Yes	202,013	-41%	Yes
1034	591,120	Yes	YesGreenfield	YesGreenfieldHousing	351,438	Yes	239,683	-41%	Yes
1035	559,373	Yes	YesGreenfield	YesGreenfieldHousing	322,961	Yes	236,411	-42%	Yes
1036	492,029	Yes	YesGreenfield	YesGreenfieldHousing	285,565	Yes	206,464	-42%	Yes
1037	505,449	Yes	YesGreenfield	YesGreenfieldHousing	279,282	Yes	226,167	-45%	Yes
1041	202,192	Yes	YesGreenfield	YesGreenfieldHousing	115,982	Yes	86,210	-43%	No
1044	494,786	Yes	YesGreenfield	YesGreenfieldHousing	291,801	Yes	202,985	-41%	Yes
1046	561,962	Yes	YesGreenfield	YesGreenfieldHousing	316,302	Yes	245,660	-44%	Yes
1047	623,662	Yes	YesGreenfield	YesGreenfieldHousing	352,054	Yes	271,608	-44%	Yes
1100	406,584	Yes	YesGreenfield	YesGreenfieldMixed	216,189	Yes	190,395	-47%	Yes
1101	560,810	Yes	YesGreenfield	YesGreenfieldHousing	320,952	Yes	239,858	-43%	Yes
1103	490,046	Yes	YesGreenfield	YesGreenfieldHousing	285,854	Yes	204,192	-42%	Yes
1523	588,199	Yes	YesGreenfield	YesGreenfieldHousing	350,721	Yes	237,478	-40%	Yes
1541	445,171	Yes	YesGreenfield	YesGreenfieldHousing	261,082	Yes	184,090	-41%	Yes
1543	484,678	Yes	YesGreenfield	YesGreenfieldHousing	285,889	Yes	198,789	-41%	Yes
1583	490,022	Yes	YesGreenfield	YesGreenfieldHousing	289,110	Yes	200,912	-41%	Yes
1617	277,352	Yes	YesGreenfield	YesGreenfieldHousing	160,079	Yes	117,273	-42%	No

Table 52 – Cumulative Impact of Policies HS4 and HS6 – Zone 7

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1170	-	No	NoBrownfield	NoBrownfieldHousing
0112	110,887	Yes	YesBrownfield	YesBrownfieldHousing
0264	44,534	Yes	YesBrownfield	YesBrownfieldHousing
0289	47,119	Yes	YesBrownfield	YesBrownfieldHousing
0397	249,833	Yes	YesGreenfield	YesGreenfieldMixed
0400	262,611	Yes	YesGreenfield	YesGreenfieldHousing
0478	108,929	Yes	YesBrownfield	YesBrownfieldHousing
0814	51,366	Yes	YesBrownfield	YesBrownfieldMixed
0815	82,661	Yes	YesBrownfield	YesBrownfieldMixed
1128	280,698	Yes	YesGreenfield	YesGreenfieldHousing
1194	278,075	Yes	YesGreenfield	YesGreenfieldHousing
1196	283,416	Yes	YesGreenfield	YesGreenfieldHousing
1197	279,443	Yes	YesGreenfield	YesGreenfieldHousing
1292	34,270	Yes	YesBrownfield	YesBrownfieldHousing
1425	-	No	NoBrownfield	NoBrownfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
-	No	110,887	0%	n/a
-	No	44,534	0%	n/a
-	No	47,119	0%	n/a
49,988	Yes	199,844	-80%	No
251,202	Yes	11,409	-4%	Yes
-	No	108,929	0%	n/a
-	No	51,366	0%	n/a
-	No	82,661	0%	n/a
113,646	Yes	167,052	-60%	No
101,845	Yes	176,231	-63%	No
102,506	Yes	180,910	-64%	No
108,906	Yes	170,538	-61%	No
23,459	Yes	10,810	-32%	n/a
-	No	-	0%	n/a

Table 53 – Cumulative Impact of Policies HS4 and HS6 – Zone 8 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0006	291,374	Yes	YesGreenfield	YesGreenfieldHousing
0174	177,956	Yes	YesBrownfield	YesBrownfieldHousing
0334	304,203	Yes	YesBrownfield	YesBrownfieldHousing
0338	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0353	502,398	Yes	YesGreenfield	YesGreenfieldHousing
0538	462,713	Yes	YesGreenfield	YesGreenfieldHousing
0565	453,489	Yes	YesGreenfield	YesGreenfieldHousing
0568	255,864	Yes	YesGreenfield	YesGreenfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
283,605	Yes	7,769	-3%	Yes
169,870	Yes	8,086	-5%	n/a
293,235	Yes	10,969	-4%	n/a
262,998	Yes	199,715	-43%	Yes
488,898	Yes	13,499	-3%	Yes
262,998	Yes	199,715	-43%	Yes
259,951	Yes	193,538	-43%	Yes
158,411	Yes	97,452	-38%	No

Table 53 – Cumulative Impact of Policies HS4 and HS6 – Zone 8 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0579	-	No	NoBrownfield	NoBrownfieldApartments
0846	71,456	Yes	YesBrownfield	YesBrownfieldMixed
0856	398,700	Yes	YesGreenfield	YesGreenfieldHousing
0862	449,808	Yes	YesGreenfield	YesGreenfieldHousing
0893	206,183	Yes	YesGreenfield	YesGreenfieldHousing
0945	283,322	Yes	YesBrownfield	YesBrownfieldHousing
1032	95,346	Yes	YesBrownfield	YesBrownfieldHousing
1033	322,671	Yes	YesGreenfield	YesGreenfieldHousing
1053	365,507	Yes	YesGreenfield	YesGreenfieldHousing
1054	325,404	Yes	YesGreenfield	YesGreenfieldHousing
1075	107,575	Yes	YesBrownfield	YesBrownfieldMixed
1077	220,408	Yes	YesGreenfield	YesGreenfieldHousing
1078	146,048	Yes	YesGreenfield	YesGreenfieldHousing
1093	249,819	Yes	YesBrownfield	YesBrownfieldHousing
1095	412,869	Yes	YesGreenfield	YesGreenfieldHousing
1116	198,094	Yes	YesGreenfield	YesGreenfieldMixed
1322	9,027	Yes	YesGreenfield	YesGreenfieldApartments
1451	220,652	Yes	YesGreenfield	YesGreenfieldHousing
1453	336,974	Yes	YesGreenfield	YesGreenfieldHousing
1463	151,397	Yes	YesGreenfield	YesGreenfieldHousing
1469	300,453	Yes	YesGreenfield	YesGreenfieldMixed
1472	351,435	Yes	YesGreenfield	YesGreenfieldHousing

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	-	0%	n/a
55,332	Yes	16,124	-23%	n/a
246,332	Yes	152,368	-38%	Yes
270,439	Yes	179,370	-40%	Yes
128,963	Yes	77,220	-37%	No
272,854	Yes	10,467	-4%	n/a
88,517	Yes	6,829	-7%	n/a
198,980	Yes	123,691	-38%	Yes
227,314	Yes	138,193	-38%	Yes
196,102	Yes	129,302	-40%	Yes
89,264	Yes	18,311	-17%	n/a
137,697	Yes	82,711	-38%	No
91,400	Yes	54,648	-37%	No
239,125	Yes	10,694	-4%	n/a
256,088	Yes	156,781	-38%	Yes
101,384	Yes	96,711	-49%	No
-	No	9,027	0%	n/a
137,814	Yes	82,838	-38%	No
210,703	Yes	126,271	-37%	Yes
94,455	Yes	56,943	-38%	No
139,161	Yes	161,292	-54%	No
217,582	Yes	133,853	-38%	Yes

Table 54 – Cumulative Impact of Policies HS4 and HS6 – Zone 9 (Part 1)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0103	119,231	Yes	YesGreenfield	YesGreenfieldMixed
0152	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0164	103,165	Yes	YesBrownfield	YesBrownfieldApartments
0234	-	No	NoBrownfield	NoBrownfieldHousing
0238	76,547	Yes	YesGreenfield	YesGreenfieldHousing
0248	107,850	Yes	YesGreenfield	YesGreenfieldMixed
0261	83,380	Yes	YesGreenfield	YesGreenfieldHousing
0406	-	No	NoBrownfield	NoBrownfieldMixed
0407	-	No	NoBrownfield	NoBrownfieldMixed
0417	67,892	Yes	YesGreenfield	YesGreenfieldHousing
0452	132,418	Yes	YesGreenfield	YesGreenfieldMixed
0454	69,163	Yes	YesGreenfield	YesGreenfieldHousing
0523	82,607	Yes	YesGreenfield	YesGreenfieldHousing
0683	100,749	Yes	YesGreenfield	YesGreenfieldHousing
0950	69,882	Yes	YesGreenfield	YesGreenfieldHousing
0983	42,740	Yes	YesGreenfield	YesGreenfieldHousing
0984	-	No	NoBrownfield	NoBrownfieldApartments
0987	69,266	Yes	YesGreenfield	YesGreenfieldHousing
0988	82,735	Yes	YesGreenfield	YesGreenfieldHousing
0990	68,691	Yes	YesGreenfield	YesGreenfieldHousing
1009	-	No	NoBrownfield	NoBrownfieldHousing
1137	-	No	NoBrownfield	NoBrownfieldHousing
1183	-	No	NoBrownfield	NoBrownfieldHousing
1215	109,847	Yes	YesGreenfield	YesGreenfieldMixed
1216	56,260	Yes	YesGreenfield	YesGreenfieldHousing
1228	-	No	NoBrownfield	NoBrownfieldHousing
1229	75,666	Yes	YesGreenfield	YesGreenfieldHousing
1368	-	No	NoBrownfield	NoBrownfieldHousing
1409	79,065	Yes	YesGreenfield	YesGreenfieldHousing
1431	-	No	NoBrownfield	NoBrownfieldHousing
1432	-	No	NoBrownfield	NoBrownfieldMixed

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
15,682	Yes	103,549	-87%	No
92,011	Yes	15,838	-15%	No
63,684	Yes	39,480	-38%	n/a
-	No	-	0%	n/a
62,571	Yes	13,976	-18%	No
92,011	Yes	15,838	-15%	No
18,480	Yes	64,900	-78%	No
-	No	-	0%	n/a
-	No	-	0%	n/a
-	No	67,892	0%	n/a
46,706	Yes	85,713	-65%	No
-	No	69,163	0%	n/a
17,645	Yes	64,962	-79%	No
21,302	Yes	79,448	-79%	No
13,150	Yes	56,731	-81%	No
-	No	42,740	0%	n/a
-	No	-	0%	n/a
-	No	69,266	0%	n/a
16,368	Yes	66,368	-80%	No
-	No	68,691	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
-	No	-	0%	n/a
93,715	Yes	16,131	-15%	No
11,991	Yes	44,270	-79%	No
-	No	-	0%	n/a
15,833	Yes	59,833	-79%	No
-	No	-	0%	n/a
16,099	Yes	62,966	-80%	No
-	No	-	0%	n/a
-	No	-	0%	n/a

Table 54 – Cumulative Impact of Policies HS4 and HS6 – Zone 9 (Part 2)

Local Plan Ref	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
1486	69,913	Yes	YesGreenfield	YesGreenfieldHousing
1487	110,514	Yes	YesGreenfield	YesGreenfieldMixed
1488	110,831	Yes	YesGreenfield	YesGreenfieldMixed
1489	109,373	Yes	YesGreenfield	YesGreenfieldMixed
1570	100,352	Yes	YesGreenfield	YesGreenfieldHousing
1590	63,554	Yes	YesGreenfield	YesGreenfieldHousing
1599	-	No	NoBrownfield	NoBrownfieldHousing
1603	70,537	Yes	YesGreenfield	YesGreenfieldHousing
1607	80,255	Yes	YesGreenfield	YesGreenfieldHousing
1609	-	No	NoBrownfield	NoBrownfieldMixed

HS4 and HS6 Land Value (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
-	No	69,913	0%	n/a
94,285	Yes	16,229	-15%	No
94,555	Yes	16,276	-15%	No
93,311	Yes	16,062	-15%	No
23,858	Yes	76,494	-76%	No
-	No	63,554	0%	n/a
-	No	-	0%	n/a
-	No	70,537	0%	n/a
16,798	Yes	63,457	-79%	No
-	No	-	0%	n/a

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 55 – 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) ⁴⁰	-	£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;

⁴⁰ 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 assessment⁴¹.

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 tanks⁴². 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 56 have been applied within our assessment:

Table 56 – Remediation Costs

Description	Median Cost £per ha	Location Factor	Cost £per ha
Commercial Uses ⁴³	£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.

⁴¹ No fees have been included for the Care Home as these are covered in the total cost of £75,000 per bed space.

⁴² 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.

⁴³ 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 assessment⁴⁴.

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

⁴⁴ 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%⁴⁵.

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 retail⁴⁶.

⁴⁵ 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).

⁴⁶ 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 57.

Table 57– 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 58 have been incorporated into the baseline commercial assessments and assume a 10 year lease term.

Table 58 – 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) ⁴⁷	6%	6 months
	Elland / Brighouse (motorway junctions)	£65psm (£6.00psf) ⁴⁸	6%	6 months
	Other areas (including Sowerby Bridge and Hebden Bridge)	£54psm (£5.00psf) ⁴⁹	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%	-

⁴⁷ 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.

⁴⁸ 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.

⁴⁹ 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 59 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) demonstrate negative land values. However, this is slightly misleading as the majority of those sites which are predominantly office use 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 60. 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 £175,000 per acre in Halifax. Brownfield development in Mytholmroyd is also viable at £175,000 per acre albeit this is based on one site.

- 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 £870,000 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).

Table 59 – 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	0.27	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	110,547	Yes	YesHalifax	YesGreenfield
LP0370	0.26	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0805	1.36	0%	0%	0%	50%	50%	Halifax	-	No	NoHalifax	NoBrownfield
LP1186	1.74	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP0355	0.33	0%	0%	100%	0%	0%	Elland	158,030	Yes	YesElland	YesGreenfield
LP0409	0.61	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0472	0.61	0%	0%	0%	100%	0%	Halifax	103,914	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	2.22	0%	0%	0%	50%	50%	Brighouse	-	No	NoBrighouse	NoBrownfield
LP1218	0.48	0%	0%	0%	50%	50%	Halifax	-	No	NoHalifax	NoBrownfield
LP0585	0.80	0%	0%	100%	0%	0%	Brighouse	148,951	Yes	YesBrighouse	YesGreenfield
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	4.31	0%	0%	35%	35%	30%	Halifax	113,024	Yes	YesHalifax	YesGreenfield
LP1133	2.85	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1170	2.48	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield

Table 59 – 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
LP1203	0.52	0%	0%	35%	35%	30%	Halifax	136,650	Yes	YesHalifax	YesGreenfield
LP1217	1.40	0%	0%	35%	35%	30%	Halifax	120,232	Yes	YesHalifax	YesGreenfield
LP1219	6.22	0%	0%	35%	35%	30%	Halifax	111,959	Yes	YesHalifax	YesGreenfield
LP1220	3.55	25%	25%	0%	0%	50%	Halifax	-	No	NoHalifax	NoGreenfield
LP1223	2.26	0%	0%	25%	40%	35%	Elland	-	No	NoElland	NoBrownfield
LP1231	1.19	0%	0%	0%	50%	50%	Halifax	-	No	NoHalifax	NoBrownfield
LP1232	21.37	0%	0%	0%	50%	50%	Brighouse	167,473	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1433	0.24	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP1618	6.98	0%	0%	0%	50%	50%	Brighouse	168,571	Yes	YesBrighouse	YesGreenfield
LP1622	8.38	0%	0%	0%	50%	50%	Mytholmroyd	-	No	NoMytholmroyd	NoGreenfield

Table 60 – 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	0.27	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	279,264	Yes	YesHalifax	YesGreenfield
LP0370	0.26	0%	0%	100%	0%	0%	Halifax	173,586	Yes	YesHalifax	YesBrownfield
LP0805	1.36	0%	0%	0%	50%	50%	Halifax	109,515	Yes	YesHalifax	YesBrownfield
LP1186	1.74	0%	0%	100%	0%	0%	Halifax	81,065	Yes	YesHalifax	YesBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	138,061	Yes	YesBrighouse	YesBrownfield
LP0355	0.33	0%	0%	100%	0%	0%	Elland	326,401	Yes	YesElland	YesGreenfield
LP0409	0.61	0%	0%	100%	0%	0%	Halifax	86,839	Yes	YesHalifax	YesBrownfield
LP0472	0.61	0%	0%	0%	100%	0%	Halifax	267,386	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	2.22	0%	0%	0%	50%	50%	Brighouse	154,417	Yes	YesBrighouse	YesBrownfield
LP1218	0.48	0%	0%	0%	50%	50%	Halifax	122,225	Yes	YesHalifax	YesBrownfield
LP0585	0.80	0%	0%	100%	0%	0%	Brighouse	312,487	Yes	YesBrighouse	YesGreenfield
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	4.31	0%	0%	35%	35%	30%	Halifax	272,525	Yes	YesHalifax	YesGreenfield
LP1133	2.85	0%	0%	50%	50%	0%	Halifax	80,567	Yes	YesHalifax	YesBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	84,640	Yes	YesHalifax	YesBrownfield
LP1170	2.48	0%	0%	100%	0%	0%	Halifax	79,725	Yes	YesHalifax	YesBrownfield

Table 60 – 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
LP1203	0.52	0%	0%	35%	35%	30%	Halifax	297,802	Yes	YesHalifax	YesGreenfield
LP1217	1.40	0%	0%	35%	35%	30%	Halifax	279,734	Yes	YesHalifax	YesGreenfield
LP1219	6.22	0%	0%	35%	35%	30%	Halifax	271,460	Yes	YesHalifax	YesGreenfield
LP1220	3.55	25%	25%	0%	0%	50%	Halifax	418,746	Yes	YesHalifax	YesGreenfield
LP1223	2.26	0%	0%	25%	40%	35%	Elland	148,532	Yes	YesElland	YesBrownfield
LP1231	1.19	0%	0%	0%	50%	50%	Halifax	110,710	Yes	YesHalifax	YesBrownfield
LP1232	21.37	0%	0%	0%	50%	50%	Brighouse	327,389	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	869,469	Yes	YesHalifax	YesBrownfield
LP1433	0.24	0%	0%	100%	0%	0%	Halifax	174,790	Yes	YesHalifax	YesBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	138,484	Yes	YesElland	YesBrownfield
LP1618	6.98	0%	0%	0%	50%	50%	Brighouse	328,487	Yes	YesBrighouse	YesGreenfield
LP1622	8.38	0%	0%	0%	50%	50%	Mytholmroyd	41,738	Yes	YesMytholmroyd	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 61.

Table 61 – 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 58 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 62).

Table 62 – 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 63 – 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 64 – 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 65 – 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 66.

Table 66 – 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 67– 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 BT1 High Quality Inclusive Design

Policy BT1 High Quality Inclusive Design

- 9.2 Policy BT1 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.
- 9.3 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 BT1 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 Regulations for all commercial schemes. In this context the costs associated with achieving BREEAM Very Good are already accounted for in the basic build costs⁵⁰

Impact of Policy BT1 – High Quality Inclusive Design

- 9.4 Taking the above into consideration the reality is BT1 will improve viability as the cost associated with Policy EP27 of the RCUDP will be superseded (and removed from the appraisals) and replaced by BT1, which does not have a cost impact on development.

Impact of Policy BT1 on Employment Uses (incorporating B1, B2 and B8 uses).

- 9.5 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.
- 9.6 The average land value for Greenfield / unconstrained sites in Halifax increases to around £200,000 per acre which is an increase of circa 75% on the baseline value of £115,000 per acre. This is also higher than the minimum benchmark land value of £150,000 per acre.

⁵⁰ Refer to Table 55 on page 82.

- 9.7 Brownfield sites remain unviable or generate very low land values.
- 9.8 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 use⁵¹ 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 £140,000 per acre.
- 9.9 The results of our assessment are shown in Table 68 and are based on a traditional developer led approach to delivery. Table 69 shows the impact of Policy BT1 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 BT1 neutralises the cost impact of Policy EP27 of the RCUDP all but one site (LP1622 in Mytholmroyd) generate land values in excess of the minimum benchmark land value (£150,000).

⁵¹ Sites LP0059, LP0509, LP1088, LP1287 and LP1292)

Table 68 – Preferred Employment Sites – BT1 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	43,024	Yes	YesElland	YesBrownfield
LP0021	4.58	0%	0%	50%	50%	0%	Elland	225,783	Yes	YesElland	YesGreenfield
LP0025	1.66	0%	0%	0%	50%	50%	Elland	255,396	Yes	YesElland	YesGreenfield
LP0032	3.12	0%	0%	100%	0%	0%	Brighouse	22,329	Yes	YesBrighouse	YesBrownfield
LP0059	0.27	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	199,174	Yes	YesHalifax	YesGreenfield
LP0370	0.26	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0805	1.36	0%	0%	0%	50%	50%	Halifax	5,021	Yes	YesHalifax	YesBrownfield
LP1186	1.74	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	28,354	Yes	YesBrighouse	YesBrownfield
LP0355	0.33	0%	0%	100%	0%	0%	Elland	245,315	Yes	YesElland	YesGreenfield
LP0409	0.61	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0472	0.61	0%	0%	0%	100%	0%	Halifax	189,829	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	2.22	0%	0%	0%	50%	50%	Brighouse	50,929	Yes	YesBrighouse	YesBrownfield
LP1218	0.48	0%	0%	0%	50%	50%	Halifax	15,151	Yes	YesHalifax	YesBrownfield
LP0585	0.80	0%	0%	100%	0%	0%	Brighouse	233,067	Yes	YesBrighouse	YesGreenfield
LP0960	5.86	0%	0%	25%	40%	35%	Elland	243,513	Yes	YesElland	YesGreenfield
LP0976	0.43	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1018	4.31	0%	0%	35%	35%	30%	Halifax	195,626	Yes	YesHalifax	YesGreenfield
LP1133	2.85	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1170	2.48	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1203	0.52	0%	0%	35%	35%	30%	Halifax	220,903	Yes	YesHalifax	YesGreenfield
LP1217	1.40	0%	0%	35%	35%	30%	Halifax	202,835	Yes	YesHalifax	YesGreenfield
LP1219	6.22	0%	0%	35%	35%	30%	Halifax	194,561	Yes	YesHalifax	YesGreenfield
LP1220	3.55	25%	25%	0%	0%	50%	Halifax	184,585	Yes	YesHalifax	YesGreenfield

Table 68 – Preferred Employment Sites – BT1 Viability Results (Traditional Delivery Approach) – 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
LP1223	2.26	0%	0%	25%	40%	35%	Elland	44,710	Yes	YesElland	YesBrownfield
LP1231	1.19	0%	0%	0%	50%	50%	Halifax	5,811	Yes	YesHalifax	YesBrownfield
LP1232	21.37	0%	0%	0%	50%	50%	Brighouse	249,066	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1433	0.24	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	28,678	Yes	YesElland	YesBrownfield
LP1618	6.98	0%	0%	0%	50%	50%	Brighouse	250,164	Yes	YesBrighouse	YesGreenfield
LP1622	8.38	0%	0%	0%	50%	50%	Mytholmroyd	-	No	NoMytholmroyd	NoGreenfield

Table 69 – Draft Employment Allocations – BT1 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	219,746	Yes	YesElland	YesBrownfield
LP0021	4.58	0%	0%	50%	50%	0%	Elland	378,348	Yes	YesElland	YesGreenfield
LP0025	1.66	0%	0%	0%	50%	50%	Elland	404,670	Yes	YesElland	YesGreenfield
LP0032	3.12	0%	0%	100%	0%	0%	Brighouse	201,685	Yes	YesBrighouse	YesBrownfield
LP0059	0.27	100%	0%	0%	0%	0%	Elland	272,351	Yes	YesElland	YesBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	354,063	Yes	YesHalifax	YesGreenfield
LP0370	0.26	0%	0%	100%	0%	0%	Halifax	173,586	Yes	YesHalifax	YesBrownfield
LP0805	1.36	0%	0%	0%	50%	50%	Halifax	181,744	Yes	YesHalifax	YesBrownfield
LP1186	1.74	0%	0%	100%	0%	0%	Halifax	155,528	Yes	YesHalifax	YesBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	214,078	Yes	YesBrighouse	YesBrownfield
LP0355	0.33	0%	0%	100%	0%	0%	Elland	399,546	Yes	YesElland	YesGreenfield
LP0409	0.61	0%	0%	100%	0%	0%	Halifax	163,848	Yes	YesHalifax	YesBrownfield
LP0472	0.61	0%	0%	0%	100%	0%	Halifax	340,531	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	267,521	Yes	YesElland	YesBrownfield
LP0573	2.22	0%	0%	0%	50%	50%	Brighouse	226,646	Yes	YesBrighouse	YesBrownfield
LP1218	0.48	0%	0%	0%	50%	50%	Halifax	196,819	Yes	YesHalifax	YesBrownfield
LP0585	0.80	0%	0%	100%	0%	0%	Brighouse	385,632	Yes	YesBrighouse	YesGreenfield
LP0960	5.86	0%	0%	25%	40%	35%	Elland	393,774	Yes	YesElland	YesGreenfield
LP0976	0.43	0%	0%	50%	50%	0%	Halifax	175,839	Yes	YesHalifax	YesBrownfield
LP1018	4.31	0%	0%	35%	35%	30%	Halifax	344,353	Yes	YesHalifax	YesGreenfield
LP1133	2.85	0%	0%	50%	50%	0%	Halifax	155,030	Yes	YesHalifax	YesBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	159,102	Yes	YesHalifax	YesBrownfield
LP1170	2.48	0%	0%	100%	0%	0%	Halifax	154,188	Yes	YesHalifax	YesBrownfield
LP1203	0.52	0%	0%	35%	35%	30%	Halifax	369,630	Yes	YesHalifax	YesGreenfield
LP1217	1.40	0%	0%	35%	35%	30%	Halifax	351,562	Yes	YesHalifax	YesGreenfield
LP1219	6.22	0%	0%	35%	35%	30%	Halifax	343,288	Yes	YesHalifax	YesGreenfield
LP1220	3.55	25%	25%	0%	0%	50%	Halifax	632,015	Yes	YesHalifax	YesGreenfield

Table 69 – Draft Employment Allocations – BT1 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
LP1223	2.26	0%	0%	25%	40%	35%	Elland	221,431	Yes	YesElland	YesBrownfield
LP1231	1.19	0%	0%	0%	50%	50%	Halifax	182,939	Yes	YesHalifax	YesBrownfield
LP1232	21.37	0%	0%	0%	50%	50%	Brighouse	398,339	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	1,688,985	Yes	YesHalifax	YesBrownfield
LP1433	0.24	0%	0%	100%	0%	0%	Halifax	174,790	Yes	YesHalifax	YesBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	214,753	Yes	YesElland	YesBrownfield
LP1618	6.98	0%	0%	0%	50%	50%	Brighouse	399,437	Yes	YesBrighouse	YesGreenfield
LP1622	8.38	0%	0%	0%	50%	50%	Mytholmroyd	112,689	Yes	YesMytholmroyd	YesGreenfield

Impact of Policy BT1 on other Land Uses

9.10 The impact of Policy BT1 in relation to the other land uses is summarised in Tables 70 and c71. 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 70 – BT1 – Other Land Uses (Greenfield / Unconstrained Sites)

Land Use	Baseline Land Value £per acre	Viable	Policy BT1	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 71– BT1 – Other Land Uses (Brownfield / Constrained Sites)

Land Use	Baseline Land Value £per acre	Viable	Policy BT1	Viable	Increase 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 Initial Draft July 2017.
- 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)⁵²
 - Self-build homes
 - Residential extensions and annexes;
 - Social housing;

⁵² 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 use⁵³, 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

⁵³ 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 measures⁵⁴. 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

⁵⁴ 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 evidence⁵⁵. 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 123⁵⁶ 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

⁵⁵ Relevant evidence means evidence which is readily available and which, in the opinion of the Council, has informed the preparation of the Charging Schedule.

⁵⁶ 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)⁵⁷, 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

⁵⁷ 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.⁵⁸

⁵⁸ 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 CIL⁵⁹. 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 (PDCS) for Consultation in September 2015. The Councils proposed charges contained within the PDCS are summarised in Table 72.

Table 72 – 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).

⁵⁹ 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 HS4 and HS6) range between £190,000 per acre and £370,000 per acre. The average value is £310,000 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 50% and still generate an average land value of circa £210,000 per acre. The value of Brownfield sites falls to an average of c£95,000 per acre when CIL is charged at £85psm (this excludes sites 0915 and 0917 which are below the size threshold for affordable housing). As outlined previously Policy BT1 of the New Local Plan requires all new residential development to incorporate sustainable design and construction principles throughout the development process. For the purpose of this assessment we assumed that this policy would supersede Policy EP27 for which we made allowances for in the baseline appraisals. Policy EP27 of the RCUDP required that major residential development to incorporate on site renewable energy to provide at least 20% of predicted energy requirements. If the policy is more specific and requests 10% of the predicted energy requirements to be from renewable energy the average value of Brownfield land increases to £115,000 per acre. The value of Greenfield sites assuming 10% predicted energy requirements, £85psm CIL and 35% affordable housing is circa £335,000 per acre.
- The average value of Greenfield / unconstrained sites in Zone 2 is £120,000 per acre, which is below the minimum land value benchmark (£187,500). The average land value for Brownfield sites is circa £65,000 per acre. If the CIL charge is to be kept at the rate set out within the PDCS (i.e. £25psm) but the predicted requirements for renewable energy are reduced to 10% the average land value for Greenfield sites increases to circa £140,000 per acre. The average value of Brownfield land increases to circa £95,000 per acre. If renewable energy is kept at 10% but the level of affordable housing is reduced to 15% whilst maintaining CIL at £25psm the average land value for Greenfield sites increases to £195,000 per acre. If affordable housing is kept at 25% but the energy requirements are lowered to 10% then a land value of around £155,000 per acre is generated assuming a nominal CIL charge of £5psm. This is still below the benchmark land value of £187,500 per acre suggesting that a reduction in the affordable housing and renewable energy requirements should be considered within Zone 2. Policy HS6 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 and requirements for renewable energy. Even if CIL and the renewable energy requirements are set at zero the average land value for Brownfield sites would increase to circa £140,000 per acre.

- The average land value of Greenfield / unconstrained sites in Zone 3 having taken into account Policies HS4, HS6 and CIL at £25psm is £85,000 per acre. This is considerably below the minimum benchmark threshold. The development of Brownfield sites is unviable. If CIL is maintained at the rate set out within the PDCS (i.e. £25psm) but the predicted requirements for renewable energy are reduced to 10% the average land value for Greenfield sites increases to £110,000 per acre. The value of Brownfield land increases nominally to £17,000 per acre. If renewable energy is kept at 10% but the level of affordable housing is reduced to 10% whilst maintaining CIL at £25psm the average land value for Greenfield sites increases to £175,000 per acre. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 3.

If affordable housing is kept at 25% but the energy requirements are lowered to 10% then a land value of around £120,000 per acre is generated assuming a nominal CIL charge of £5psm. This is still below the benchmark land value of £187,500 per acre suggesting that a reduction in the affordable housing and renewable energy requirements should be considered within Zone 3.

If Affordable housing is reduced to 10%, the renewable energy requirement is reduced to 10% and CIL is reduced to £10psm the average value of Greenfield sites within Zone 3 increases to £186,000 per acre, which is marginally below the benchmark land value of £187,500 per acre.

- Within Zone 4 an average land value of £260,000 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. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £275,000 per acre.
- The average value of Greenfield sites in Zone 5 having layered on the costs of CIL (at £5psm) is around £145,000 per acre, which is below the minimum benchmark land value. The average value of Brownfield sites is £25,000 per acre. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £165,000 per acre. Brownfield land values increase to £45,000 per acre. If CIL is maintained at the nominal charge of £5psm but affordable housing is reduced to 15% the average land value for Greenfield sites increases to £186,500 which is fractionally below the benchmark land value. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 5.
- The average value of Greenfield / unconstrained sites in Zone 6 assuming a CIL charge of £85psm (in addition to the impacts of policies HS4 and HS6) is £230,000 per acre, which is significantly higher than the minimum benchmark land value (£187,500 per acre). If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £250,000 per acre. There is only one Brownfield site (ref 0030) in Zone 6 and this is unviable even with the reduced renewable energy requirement. If affordable housing and CIL are excluded the value of the Brownfield site increases to £175,000 per acre.

- The average land value for Greenfield / unconstrained sites in Zone 7 after taking into consideration the impacts of Policies HS4 and HS6 as well as layering on CIL at £5psm is £50,000 per acre. This is below the minimum benchmark land value of £187,500 per acre. Brownfield sites are unviable. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £75,000 per acre but Brownfield sites remain unviable. If renewable energy is kept at 10% but the level of affordable housing is reduced to 10% whilst maintaining CIL at £5psm the average land value for Greenfield sites increase to £175,000 per acre, which is below the benchmark land value. If affordable housing is reduced to 5% the average land value for Greenfield sites increases to £205,000 per acre. Brownfield sites remain unviable.
- When CIL is included at £40psm the average land value for Greenfield / unconstrained sites in Zone 8 is £135,000 per acre, which is below the minimum land value benchmark of £187,500 per acre. The average value of Brownfield sites is £105,000 per acre. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £150,000 per acre which still falls below the minimum benchmark land value. The average value of Brownfield sites increases to £130,000 per acre. If CIL is maintained at £40psm and renewable energy requirements are reduced to 10% a land value of £195,000 per acre is generated for Greenfield sites if affordable housing is reduced to 15%. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 8. If affordable housing is maintained at 25% and CIL is reduced to a nominal charge then the average Greenfield land value is £170,000 per acre. The average value of Brownfield sites increases to £165,000 per acre.
- The strategic sites/garden suburbs (sites 1451 and 1463) have land values of £105,000 and £70,000 respectively which are below the minimum benchmark land value of £125,000 per acre. If the requirement for renewable energy is reduced to 10% the values increase to £115,000 per acre (site 1451) and £80,000 per acre (site 1463). These values are still below the benchmark land value for the strategic sites/garden suburbs. If CIL is reduced to a nominal charge of £5psm in conjunction with a reduced requirement for renewable energy the land values are £126,000 per acre (site 1451) and £85,000 per acre (site 1463). In addition if affordable housing is excluded land values increase to £200,000 per acre (site 1451) and £140,000 per acre (site 1463).
- CIL at £5psm further compounds the viability challenges in Zone 9.

Employment (incorporating B1, B2 and B8 uses)

10.38 The PDCS is proposing a charge of £5psm⁶⁰. 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

⁶⁰ Employment uses would fall under all other chargeable uses)

decisions on this basis as the reality is most of the employment sites will be delivered / brought forward by developers.

- 10.39 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 circa 66% 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 BT1⁶¹
- 10.40 The average land value for Greenfield / unconstrained sites in Halifax increases to around £195,000 per acre which is an increase of circa 48% on the baseline value. This is also higher than the minimum benchmark land value of £150,000 per acre.
- 10.41 Brownfield sites remain unviable or generate very low land values. .
- 10.42 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 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 £105,000 per acre.
- 10.43 The results of our assessment are shown in Table 73.
- 10.44 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.

⁶¹ Policy BT1 will improve viability as the cost associated with Policy EP27 of the RCUDP will be superseded (and removed from the appraisals) and replaced by BT1 which does not have a cost impact on development.

Table 73 – Preferred Employment Sites – BT1 and CIL 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	35,984	Yes	YesElland	YesBrownfield
LP0021	4.58	0%	0%	50%	50%	0%	Elland	218,743	Yes	YesElland	YesGreenfield
LP0025	1.66	0%	0%	0%	50%	50%	Elland	248,356	Yes	YesElland	YesGreenfield
LP0032	3.12	0%	0%	100%	0%	0%	Brighouse	14,978	Yes	YesBrighouse	YesBrownfield
LP0059	0.27	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0105	0.30	0%	0%	0%	100%	0%	Halifax	191,757	Yes	YesHalifax	YesGreenfield
LP0370	0.26	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0805	1.36	0%	0%	0%	50%	50%	Halifax	-	No	NoHalifax	NoBrownfield
LP1186	1.74	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0332	0.52	0%	0%	100%	0%	0%	Brighouse	20,936	Yes	YesBrighouse	YesBrownfield
LP0355	0.33	0%	0%	100%	0%	0%	Elland	238,048	Yes	YesElland	YesGreenfield
LP0409	0.61	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP0472	0.61	0%	0%	0%	100%	0%	Halifax	182,789	Yes	YesHalifax	YesGreenfield
LP0509	0.37	100%	0%	0%	0%	0%	Elland	-	No	NoElland	NoBrownfield
LP0573	2.22	0%	0%	0%	50%	50%	Brighouse	43,873	Yes	YesBrighouse	YesBrownfield
LP1218	0.48	0%	0%	0%	50%	50%	Halifax	7,734	Yes	YesHalifax	YesBrownfield
LP0585	0.80	0%	0%	100%	0%	0%	Brighouse	226,027	Yes	YesBrighouse	YesGreenfield
LP0960	5.86	0%	0%	25%	40%	35%	Elland	236,473	Yes	YesElland	YesGreenfield
LP0976	0.43	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1018	4.31	0%	0%	35%	35%	30%	Halifax	188,586	Yes	YesHalifax	YesGreenfield
LP1133	2.85	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1134	1.41	0%	0%	50%	50%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1170	2.48	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1203	0.52	0%	0%	35%	35%	30%	Halifax	213,863	Yes	YesHalifax	YesGreenfield
LP1217	1.40	0%	0%	35%	35%	30%	Halifax	195,795	Yes	YesHalifax	YesGreenfield
LP1219	6.22	0%	0%	35%	35%	30%	Halifax	187,521	Yes	YesHalifax	YesGreenfield
LP1220	3.55	25%	25%	0%	0%	50%	Halifax	173,019	Yes	YesHalifax	YesGreenfield

Table 73 – Preferred Employment Sites – BT1 and CIL Viability Results (Traditional Delivery Approach) (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
LP1223	2.26	0%	0%	25%	40%	35%	Elland	37,478	Yes	YesElland	YesBrownfield
LP1231	1.19	0%	0%	0%	50%	50%	Halifax	-	No	NoHalifax	NoBrownfield
LP1232	21.37	0%	0%	0%	50%	50%	Brighouse	242,026	Yes	YesBrighouse	YesGreenfield
LP1287	0.92	100%	0%	0%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1433	0.24	0%	0%	100%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
LP1443	0.50	0%	0%	100%	0%	0%	Elland	21,261	Yes	YesElland	YesBrownfield
LP1618	6.98	0%	0%	0%	50%	50%	Brighouse	243,124	Yes	YesBrighouse	YesGreenfield
LP1622	8.38	0%	0%	0%	50%	50%	Mytholmroyd	-	No	NoMytholmroyd	NoGreenfield

Other Land Uses – Comparison Retail

- 10.45 The PDCS is proposing a charge of £5psm⁶². 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.
- 10.46 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 BT1) with greater confidence.

Table 74 – Impact of Policy BT1 and CIL on Comparison Retail

Land Use	Baseline Land Value £per acre	Viability	Policy BT1 and CIL	Viability	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

- 10.47 The PDCS is proposing a charge of £5psm for convenience retail <500sq.m⁶³ 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.
- 10.48 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.

⁶² Employment uses would fall under all other chargeable uses)

⁶³ Employment uses would fall under all other chargeable uses)

Table 75 – Impact of Policy BT1 and CIL on Convenience Retail

Land Use	Baseline Land Value £per acre	Viable	Policy BT1 and CIL	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

- 10.49 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 food stores, 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 76 – Impact of Policy BT1 and CIL on Retail Warehouses

Land Use	Baseline Land Value £per acre	Viable	Policy BT1 and CIL	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

- 10.50 The PDCS is proposing a charge of £5psm⁶⁴. 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.

⁶⁴ These uses would fall under all other chargeable uses

Table 77– Impact of Policy BT1 and CIL on Restaurants and Pubs

Land Use	Baseline Land Value £per acre	Viable	Policy BT1 and CIL	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

- 10.51 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 78 – Impact of Policy BT1 and CIL on Care Homes

Land Use	Baseline Land Value £per acre	Viable	Policy BT1 and CIL	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

- 10.52 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 79 a CIL of £60psm is a viable charge for hotels.

Table 79 – Impact of Policy BT1 and CIL on Hotels

Land Use	Baseline Land Value £per acre	Viable	Policy BT1 and CIL	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 and suggested policy approaches within Table 80. In addition we also suggest that the Council be clearer on their position with respect to the Strategic Sites/garden suburbs (sites 1451 and 1463). In particular we recommend that a nominal CIL charge of £5psm be included within the Draft Charging Schedule for consultation⁶⁵. We also recommend that a distinction be made with regard to affordable housing. For example 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.
- 11.9 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 (i.e. Brownfield sites)*” thereby implying a different rate can also be applied to brownfield sites”.

⁶⁵ 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

Table 80 – Residential Viability Matrix

Zone	Type Site	Notes	Suggested Policy Approaches			
			HS4 (independent Living)	HS6 (Affordable Housing)	BT1 Energy Requirement	CIL (£psm)
Zone 1	Greenfield	The value of Greenfield / unconstrained sites in Zone 1 assuming a CIL charge of £85psm (in addition to the impacts of Policies HS4 and HS6) range between £190,000per acre and £370,000 per acre. The average value is £310,000 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 50% and still generate an average land value of circa £210,000 per acre. The value of Brownfield sites falls to an average of c£95,000 per acre when CIL is charged at £85psm (this excludes sites 0915 and 0917 which are below the size threshold for affordable housing). As outlined previously Policy BT1 of the New Local Plan requires all new residential development to incorporate sustainable design and construction principles throughout the development process. For the purpose of this assessment we assumed that this policy would superseded Policy EP27 for which we made allowances for in the baseline appraisals. Policy EP27 of the RCUDP required that major residential development to incorporate on site renewable energy to provide at least 20% of predicted energy requirements. If the policy is more specific and requests 10% of the predicted energy requirements to be from renewable energy the average value of Brownfield land increases to £115,000 per acre. The value off Greenfield sites assuming 10% predicted energy requirements, £85psm CIL and 35% affordable housing is circa £335,000 per acre.	Include	35%	10%	£85psm
	Brownfield		Include	35%	10%	£85psm
Zone 2	Greenfield	The average value of Greenfield / unconstrained sites in Zone 2 is £120,000 per acre, which is below the minimum land value benchmark (£187,500). The average land value for Brownfield sites circa £65,000 per acre. If the CIL charge is to be kept at the rate set out within the PDCS (i.e. £25psm) but the predicted requirements for renewable energy are reduced to 10% the average land value for Greenfield sites increases to circa £140,000 per acre. The average value of Brownfield land increases to circa £95,000 per acre. If renewable energy is kept at 10% but the level of affordable housing is reduced to 15% whilst maintaining CIL at £25psm the average land value for Greenfield sites increase to £195,000per acre. If affordable housing is kept at 25% but the energy requirements are lowered to 10% then a land value of around £155,000 per acre is generated assuming a nominal CIL charge of £5psm. This is still below the benchmark land value of £187,500 per acre suggesting that a reduction in the affordable housing and renewable energy requirements should be considered within Zone 2. Policy HS6 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 and requirements for renewable energy. Even if CIL and the renewable energy requirements are set at zero the average land value for Brownfield sites would increase to circa £140,000 per acre.	Include	15%	10%	£25psm
	Brownfield		Include	Zero	10%	Zero
Zone 3	Greenfield	The average land value of Greenfield / unconstrained sites in Zone 3 having taken into account Polices HS4, HS6 and CIL at £25psm is £85,000 per acre. This is considerably below the minimum benchmark threshold. The development of Brownfield sites is unviable. If CIL is maintained at the rate set out within the PDCS (i.e £25psm) but the predicted requirements for renewable energy are reduced to 10% the average land value for Greenfield sites increases to £110,000 per acre. The value of Brownfield land increases nominally to £17,000 per acre. If renewable energy is kept at 10% but the level of affordable housing is reduced to 10% whilst maintaining CIL at £25psm the average land value for Greenfield sites increases to £175,000per acre. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 3. If affordable housing is kept at 25% but the energy requirements are lowered to 10% then a land value of around £120,000 per acre is generated assuming a nominal CIL charge of £5psm. This is still below the benchmark land value of £187,500 per acre suggesting that a reduction in the affordable housing and renewable energy requirements should be considered within Zone 3. If Affordable housing is reduced to 10%, the renewable energy requirement is reduced to 10% and CIL is reduced to £10psm the average value of Greenfield sites within Zone 3 increases to £186,000 per acre, which is marginally below the benchmark land value of £187,500 per acre.	Include	10%	10%	£10psm
	Brownfield		Include	Zero	10%	Zero

Zone	Type Site	Notes	Suggested Policy Approaches			
			HS4 (Independent Living)	HS6 (Affordable Housing)	BT1 Energy Requirement	CIL (£psm)
Zone 4	Greenfield	Within Zone 4 an average land value of £260,000 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. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £275,000 per acre.	Include	35%	10%	£85psm
	Brownfield		-	-	-	-
Zone 5	Greenfield	The average value of Greenfield sites in Zone 5 having layered on the costs of CIL (at £5psm) is around £145,000 per acre, which is below the minimum benchmark land value. The average value of Brownfield sites is £25,000 per acre. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £165,000per acre. Brownfield land values increase to £45,000 per acre. If CIL is maintained at the nominal charge of £5psm but affordable housing is reduced to 15% the average land value for Greenfield sites increases to £186,500 which is fractionally below the benchmark land value. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 5.	Include	15%	10%	£5psm
	Brownfield		Include	zero	10%	Zero
Zone 6	Greenfield	The average value of Greenfield / unconstrained sites in Zone 6 assuming a CIL charge of £85psm (in addition to the impacts of policies HS4 and HS6) is £230,000 per acre, which is significantly higher than the minimum benchmark land value (£187,500 per acre). If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £250,000 per acre. There is only one Brownfield site (ref 0030) in Zone 6 and this is unviable even with the reduced renewable energy requirement. If affordable housing and CIL are excluded the value of the Brownfield site increases to £175,000 per acre.	Include	30%	10%	£85psm
	Brownfield		Include	Zero	10%	Zero
Zone 7	Greenfield	The average land value for Greenfield / unconstrained sites in Zone 7 after taking into consideration the impacts of Policies HS4 and HS6 as well as layering on CIL at £5psm is £50,000 per acre. This is below the minimum benchmark land value of £187,500 per acre. Brownfield sites are unviable. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £75,000 per acre but Brownfield sites remain unviable. If renewable energy is kept at 10% but the level of affordable housing is reduced to 10% whilst maintaining CIL at £5psm the average land value for Greenfield sites increase to £175,000per acre, which is below the benchmark land value. If affordable housing is reduced to 5% the average land value for Greenfield sites increases to £205,000 per acre. Brownfield sites remain unviable.	Include	5%	10%	£5psm
	Brownfield		Include	Zero	10%	Zero
Zone 8	Greenfield	When CIL is included at £40psm the average land value for Greenfield / unconstrained sites in Zone 8 is £135,000 per acre, which is below the minimum land value benchmark of £187,500 per acre. The average value of Brownfield sites is £105,000 per acre. If the requirement for renewable energy is reduced to 10% the average Greenfield land value increases to £150,000 per acre which still falls below the minimum benchmark land value. The average value of Brownfield sites increases to £130,000 per acre. If CIL is maintained at £40psm and renewable energy requirements are reduced to 10% a land value of £195,000 per acre is generated for Greenfield sites if affordable housing is reduced to 15%. Reductions in affordable housing don't impact on the value of Brownfield sites as Policy HS6 does not require any affordable housing on Brownfield sites within Zone 8. If affordable housing is maintained at 25% and CIL is reduced to a nominal charge then the average Greenfield land value is £170,000 per acre. The average value of Brownfield sites increases to £165,000 per acre. The strategic sites/garden suburbs (sites 1451 and 1463) have land values of £105,000 and £70,000 respectively which are below the minimum benchmark land value of £125,000 per acre. If the requirement for renewable energy is reduced to 10% the values increase to £115,000 per acre (site 1451) and £80,000 per acre (site 1463). These values are still below the benchmark land value for the strategic sites/garden suburbs. If CIL is reduced to a nominal charge of £5psm in conjunction with a reduced requirement for renewable energy the land values are £126,000 per acre (site 1451) and £85,000 per acre (site 1463). In addition if affordable housing is excluded land values increase to £200,000 per acre (site 1451) and £140,000 per acre (site 1463).	Include	15%	10%	£40psm
	Brownfield		Include	Zero	10%	Zero
Zone 9	Greenfield	CIL even at a nominal charge of £5psm simply compounds the viability challenges in Zone 9.	Include	Zero	10%	£5psm
	Brownfield		Include	Zero	10%	Zero

Conclusions and Recommendations – Commercial Appraisals

- 11.10 For the purpose of this assessment we have assumed that Policy BT1 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 BT1 seeks to ensure that all buildings *regardless of size) meet BREEAM Very Good.
- 11.11 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.
- 11.12 Taking this into consideration the assessment has proven that Policy BT1 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 BT1 which does not have a cost impact non development.
- 11.13 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 BT1. 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.
- 11.14 On 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 Draft
Housing
Allocations

Draft Local Plan Housing Allocations

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)	Average Gross (Gross)	Indicative Capacity	Draft Plan Proposed Use	Potential Type of Housing	Greenfield / Brownfield
0003	Land at	Victoria Terrace	Luddenden Foot	Mytholmroyd	HX2 6AY	Zone 3	Medium	0.760	0.65	84%	35	30	23	New Housing Site	Greenfield	Greenfield
0006	Land at 164	Huddersfield Road and Toothill Lane	Basitick	Brighouse	HG6 3BT	Zone 3	Medium	0.445	0.28	63%	36	21	10	New Housing Site	Greenfield	Greenfield
0011	Tenterfields	Burnley Road	Luddenden Foot	Mytholmroyd	HX2 6	Zone 3	Medium	2.260	2.05	91%	30	27	62	New Housing Site	Greenfield	Greenfield
0026	The Gate Farm	Saddleshworth Road	Greetland	Eland	HX4 8NW	Zone 5	Cold	2.230	2.23	100%	30	30	67	New Housing Site	Greenfield	Greenfield
0030	Hough Mills	Bradford Road	Northowram	Halifax	HX3 7BN	Zone 6	Hot	0.339	0.34	100%	41	41	14	New Housing Site	Brownfield	Greenfield
0037	Long Neph Farm	Long Hays	Greetland	Eland	HX4 8BU	Zone 5	Cold	0.950	0.84	88%	36	32	30	New Housing Site	Greenfield	Greenfield
0041	Land to the south of	Stainland Road	Stainland	Eland	HX4 5EH	Zone 5	Cold	0.430	0.43	100%	35	35	15	New Housing Site	Greenfield	Greenfield
0044	Cemetery Lane	Lower Bentley Road	Sowerby Bridge	HX6 1DN	Zone 3	Medium	2.940	2.94	100%	38	38	112	New Housing Site	Greenfield	Greenfield	
0046	Goosgate Farm	Heathly Lane	Holmfild	Halifax	HX2 8UN	Zone 3	Medium	0.290	0.24	83%	42	34	10	New Housing Site	Greenfield	Greenfield
0049	Land adjacent to	Stainland Road	Barkisland	Sowerby Bridge	HX4 8AU	Zone 4	Very Hot	0.650	0.65	100%	32	32	21	New Housing Site	Greenfield	Greenfield
0053	Land off Key Syle Lane	Kilnhurst	West Vale	Todmorden	OL14 6AW	Zone 2	Medium	0.490	0.49	100%	45	45	22	New Housing Site	Brownfield	Greenfield
0065	Nab End Lane	Nab End Lane	West Vale	Eland		Zone 5	Cold	1.010	1.01	100%	36	36	36	New Housing Site	Greenfield	Greenfield
0073	Land at Wood Nook Lane	Dam Head	Sowerby Bridge	HX6 2JJ	Zone 3	Medium	0.260	0.26	100%	50	50	13	New Housing Site	Greenfield	Greenfield	
0075	Land at Lathie Croft Farm	Bowling Green Road	Stainland	Eland	HX4 9FF	Zone 5	Cold	0.320	0.32	100%	41	41	13	New Housing Site	Greenfield	Greenfield
1170	Mulature Hall Road			Halifax		Zone 7	Hot	3.230	2.48	77%	28	21	69	New Housing Site	Brownfield	Greenfield
0103	Land at	Horley Green Road	Claremount	Halifax		Zone 9	Cold	0.980	0.98	100%	45	45	44	New Housing Site	Greenfield	Greenfield
0112	Works and associated land	Siddal Top Lane	Siddal	Halifax		Zone 7	Hot	1.510	1.51	100%	36	36	54	New Housing Site	Brownfield	Greenfield
0146	Land to the west of West View	Church Lane	Stainland	Eland		Zone 5	Cold	0.860	0.86	100%	36	36	31	New Housing Site	Greenfield	Greenfield
0152	Land adjacent to 81 Hunter Hill Road	Hunter Hill Road	Mixenden	Halifax		Zone 9	Cold	0.350	0.35	100%	40	40	14	New Housing Site	Greenfield	Greenfield
0164	Site of High Level Works	Pellon Lane	Pellon	Halifax		Zone 9	Cold	0.383	0.38	99%	89	89	34	New Housing Site	Brownfield	Greenfield
0174	End of	End of Wilton Street		Brighouse	HD6 2QY	Zone 8	Medium	2.820	2.63	93%	30	28	79	New Housing Site	Brownfield	Greenfield
0177	Land adjacent Ellistones Place	Saddleshworth Road	Greetland	Eland	HX4 8LG	Zone 5	Cold	9.870	9.29	94%	30	28	279	New Housing Site	Greenfield	Greenfield
0196	Land Off	John Naylor Lane	Greetland	Mytholmroyd	HX2 8BU	Zone 3	Medium	1.170	1.17	100%	36	36	42	New Housing Site	Greenfield	Greenfield
0216	MSI Breatley Works	Breatley Lane	Luddenden Foot	Halifax	HX2 6BL	Zone 3	Medium	0.680	0.68	100%	29	29	20	Mixed Use Site	Brownfield	Greenfield
0220	Land off	Lower Edge Road		Eland	HX5 9PL	Zone 5	Cold	8.610	8.61	100%	30	30	258	New Housing Site	Greenfield	Greenfield
0221	Land at	Spring Head	Northowram	Halifax	HX3	Zone 6	Hot	1.820	1.67	92%	36	33	60	New Housing Site	Greenfield	Greenfield
0234	Swimden		Mixenden	Halifax		Zone 9	Cold	2.251	2.25	100%	30	23	75	New Housing Site	Brownfield	Greenfield
0238	Land at St of St Bernadettes Catholic Church	Cough Lane	Mixenden	Halifax		Zone 9	Cold	0.310	0.31	100%	39	39	12	New Housing Site	Greenfield	Greenfield
0248	Land off	Beechwood Road	Illingsworth	Halifax	HX2 8BU	Zone 9	Cold	0.250	0.25	100%	40	40	10	New Housing Site	Greenfield	Greenfield
0261	Land at	Turner Avenue South	Illingsworth	Halifax		Zone 9	Cold	2.690	2.69	100%	30	30	81	New Housing Site	Greenfield	Greenfield
0264	Car Park between	Well Lane / King Street		Halifax		Zone 7	Hot	0.390	0.39	100%	31	31	12	Mixed Use Site	Brownfield	Greenfield
0287	Land near of 287	Willowfield Road		Halifax		Zone 3	Medium	0.840	0.79	87%	11	10	8	New Housing Site	Greenfield	Greenfield
0289	Land off	King Cross Street		Halifax	HX1 2SH	Zone 7	Hot	0.450	0.45	100%	31	31	14	Mixed Use Site	Brownfield	Greenfield
0327	Land off	Halifax Road	Todmorden	OL14 5AT	Zone 2	Medium	0.330	0.33	100%	30	30	10	Mixed Use Site	Brownfield	Greenfield	
0334	Lightcliffe Works	Halifax Road	Hipperholme	Brighouse	HX3 8BS	Zone 8	Medium	3.500	3.5	100%	38	38	133	New Housing Site	Brownfield	Greenfield
0338	Land adjacent Whimsey Hill Park	Whimsey Hill	Brighouse	Brighouse		Zone 8	Medium	0.650	0.65	100%	37	37	22	New Housing Site	Greenfield	Greenfield
0353	Land to the rear 309	Fairfax Crescent	Southowram	Halifax		Zone 8	Medium	0.330	0.33	100%	39	39	13	New Housing Site	Greenfield	Greenfield
0397	Land adjacent to Daisy Bank	Savile Park	Savile Park	Halifax	HX1	Zone 7	Hot	0.340	0.34	100%	44	44	15	New Housing Site	Greenfield	Greenfield
0400	Land off	Birdage Lane	Savile Park	Halifax		Zone 7	Hot	0.310	0.31	100%	32	32	10	New Housing Site	Greenfield	Greenfield
0406	Land off	Mill Cross Road	Halifax			Zone 9	Cold	0.620	0.62	100%	41	41	13	New Housing Site	Greenfield	Greenfield
0407	Spring Hall Mills	Mill Cross Road	Halifax			Zone 9	Cold	0.470	0.47	100%	47	47	22	New Housing Site	Brownfield	Greenfield
0417	Land at	Windle Royd Lane/Stocks Lane	Warley	Halifax		Zone 9	Cold	1.350	1.32	98%	36	36	48	New Housing Site	Greenfield	Greenfield
418	Warley Cricket Club	Cliff Hill Lane		Halifax	HX2 7SD	Zone 3	Medium	0.840	0.84	100%	36	36	30	New Housing Site	Greenfield	Greenfield
0435	Land off	Hugh End Lane	Sowerby Bridge	HX6 3BU	Zone 3	Medium	1.910	1.9	99%	45	45	86	New Housing Site	Greenfield	Greenfield	
0438	Land off	Dean Lane	Sowerby Bridge	Sowerby Bridge		Zone 3	Medium	0.610	0.61	100%	37	37	21	New Housing Site	Greenfield	Greenfield
0441	Kershaw House Inn	Luddenden Lane	Luddenden	Mytholmroyd		Zone 3	Medium	0.390	0.39	100%	41	41	16	New Housing Site	Brownfield	Greenfield
0452	Land at Ovenden Green		Ovenden	Halifax		Zone 9	Cold	2.440	2.44	100%	40	40	98	New Housing Site	Greenfield	Greenfield
0454	Land off	Wheatley Road	Lee Mount	Halifax		Zone 9	Cold	1.080	1.08	100%	36	36	39	New Housing Site	Greenfield	Greenfield
0478	Horwell Ford garage	Sircoat Road		Halifax		Zone 7	Hot	0.280	0.28	100%	39	39	11	New Housing Site	Brownfield	Greenfield
0523	Land at	Furness Avenue	Illingsworth	Halifax		Zone 9	Cold	3.340	3.34	100%	30	30	100	New Housing Site	Greenfield	Greenfield
0531	Land off Whitehill Road	Keighley Road	Illingsworth	Halifax		Zone 3	Medium	7.200	6.97	97%	30	29	209	New Housing Site	Greenfield	Greenfield
0538	Land off	Brookfoot Lane	Brighouse	Brighouse		Zone 8	Medium	0.600	0.6	100%	37	37	22	New Housing Site	Greenfield	Greenfield
0545	Land at	Bowling Alley/Schoolby Avenue	Rastick	Brighouse	HX7 6PL	Zone 8	Medium	0.500	0.5	100%	35	35	19	New Housing Site	Greenfield	Greenfield
0568	Land south of Cough Lane	Rear of New Hey Road	Rastick	Brighouse		Zone 8	Medium	4.320	2.36	55%	35	19	83	New Housing Site	Greenfield	Greenfield
0579	126-128	Bradford Road	Brighouse	Brighouse		Zone 8	Medium	0.420	0.42	100%	143	143	60	Mixed Use Site	Brownfield	Greenfield
0589	Land Adjacent to & Rear of 8 Back Cough		Northowram	Halifax	HX3 7HH	Zone 6	Hot	0.370	0.37	100%	41	41	15	New Housing Site	Greenfield	Greenfield
0613	Land Adjoining Stubblings	Rochdale Road	Ripponden	Sowerby Bridge	HX6 4PA	Zone 4	Very Hot	0.510	0.51	100%	35	35	18	New Housing Site	Greenfield	Greenfield
0635	Land off	Fit Street	Walden	Todmorden		Zone 2	Medium	0.93	0.93	100%	47	47	42	New Housing Site	Greenfield	Greenfield
0640	Land off The Hollins,	Stansfield Hall Road	Todmorden	OL14		Zone 2	Medium	1.320	1.25	95%	45	42	56	New Housing Site	Greenfield	Greenfield
0649	Former Adamaroy Mill	Victoria Road	Todmorden			Zone 2	Medium	0.570	0.57	100%	46	46	26	New Housing Site	Brownfield	Greenfield
0651	Land off	Stoney Royd Lane	Todmorden	Todmorden		Zone 2	Medium	2.330	2.05	88%	36	32	74	New Housing Site	Greenfield	Greenfield
0658	Cinderhill Mills	Halifax Road	Todmorden	Todmorden	OL145TH	Zone 2	Medium	0.470	0.47	100%	31	31	24	New Housing Site	Brownfield	Greenfield
0659	Land near off 302	Halifax Road	Todmorden	Todmorden		Zone 2	Medium	0.580	0.47	81%	36	29	17	New Housing Site	Greenfield	Greenfield
0683	Land at	Bank Top/Common Lane		Halifax	HX3 9PD	Zone 9	Cold	1.660	1.66	100%	36	36	60	New Housing Site	Greenfield	Greenfield
0759	Land off	Belle Vue Rise	Sheff	Halifax		Zone 6	Hot	0.540	0.27	50%	37	19	10	New Housing Site	Greenfield	Greenfield
0766	Land Off	Hall Lane	Northowram	Halifax	HX3 7DN	Zone 6	Hot	5.840	5.84	100%	30	30	174	New Housing Site	Greenfield	Greenfield
0773	Land Adjacent	Green Lane	Illingsworth	Halifax	HX2 9HZ	Zone 3	Medium	3.630	3.63	100%	30	30	109	New Housing Site	Greenfield	Greenfield
0779	Stange Lane		Sheff	Halifax		Zone 6	Hot	0.280	0.28	100%	39	39	11	New Housing Site	Greenfield	Greenfield
0781	Land off	Raw Lane/Abbey Park Road	Illingsworth	Halifax		Zone 3	Medium	2.110	2.11	100%	30	30	63	New Housing Site	Greenfield	Greenfield
0782	Land off	Cockhill Lane	Sheff	Halifax		Zone 6	Hot	5.840	5.84	100%	30	30	175	New Housing Site	Greenfield	Greenfield
0784	Land at Green Lane	Acres Lane	Heptonstall	Halifax		Zone 1	Very Hot	1.550	1.32	85%	33	17	42	New Housing Site	Greenfield	Greenfield
0814	Land at Richmond Street	Stannary Place		Halifax		Zone 7	Hot	0.670	0.67	100%	45	45	30	New Housing Site	Brownfield	Greenfield
0815	Works Depot	Stannary Place		Halifax		Zone 7	Hot	1.430	1.43	100%	45	45	64	New Housing Site	Brownfield	Greenfield
0846	The Bramble Inn	Field Lane	Rastick	Brighouse	HD6 3NX	Zone 8	Medium	0.300	0.3	100%	40	40	12	New Housing Site	Brownfield	Greenfield
0856	Land off	West Lane	Southowram	Halifax		Zone 8	Medium	4.070	4.07	100%	39	39	122	New Housing Site	Greenfield	Greenfield
0862	The Gatehouse	Huddersfield Road	Brighouse	Brighouse		Zone 8	Medium	1.330	1.33	100%	36	36	48	New Housing Site	Greenfield	Greenfield
0893	Boothroyd Farm		Rastick	Brighouse	HD6 3JW	Zone 8	Medium	14.240	10.52	74%	21	16	221	Mixed Use Site	Greenfield	Greenfield
0914	Land Opposite 46-48	Hollins Road	Walden	Todmorden	OL14 8BJ	Zone 2	Medium	2.020	1.03	51%	45	23	46	New Housing Site	Greenfield	Greenfield
0915	Culley Mill	Halifax Road	Charlestown	Hebden Bridge	Zone 1	Very Hot	0.150	0.15	100%	33	17	10	New Housing Site	Greenfield	Greenfield	
0917	Land off	Halifax Road	Charlestown	HX7 6PH	Zone 1	Very Hot	0.280	0.28	100%	36	36	10	New Housing Site	Brownfield	Greenfield	
0922	Former Hebden Bridge Fire Station	Valley Road	Hebden Bridge	HX7 7BV	Zone 1	Very Hot	0.370	0.37	100%	30	30	11	Mixed Use Site	Brownfield	Greenfield	
0931	Land at	Greave House Field	Luddenden	Mytholmroyd		Zone 3	Medium	1.210	1.21	100%	36	36	44	New Housing Site	Greenfield	Greenfield
0945	Pond Quarry	Lightcliffe Road	Brighouse	HX6 2JJ	Zone 8	Medium	1.820	1.82	100%	36	36	66	New Housing Site	Brownfield	Greenfield	
0948	Land at Rose Cottage Farm	Green Lane	Sheff	Halifax	HX3 7TH	Zone 6	Hot	6.400	5.4	84%	30	30	162	New Housing Site	Greenfield	Greenfield
0949	Carr House Farm		Sheff	Halifax	HX3 7RU	Zone 6	Hot	4.200	4.2	100%	30	30	126	New Housing Site	Greenfield	Greenfield
0950	Beacon Lodge Quarry	Long Lane	Halifax			Zone 9	Cold	2.160	1.8	83%	30	25	54	Mixed Use Site	Greenfield	Greenfield
0951	Land off Stainland Road	Highwell Green	Eland	HX4 9	Zone 5	Cold	0.590	0.59	100%	36	36	21	New Housing Site	Greenfield	Greenfield	
0952	Land at New Gate Farm	Saddleshworth Road	Greetland	Eland		Zone 5	Cold	10.630	10.63	100%	30	30	319	New Housing Site	Greenfield	Greenfield
0959	Land off	Blackley Road	Blackley	Eland		Zone 5	Cold	3.460	3.46	100%	30	30	104	New Housing Site	Greenfield	Greenfield
0964	Land off	Rochdale Road	West Vale	Eland		Zone 5	Cold	0.640	0.64	100%	22	22	14	New Housing Site	Greenfield	Greenfield
0968	Land at West End Golf Club	Paddock Lane	Highroad Well	Halifax	HX2 0NT	Zone 3										



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Appendix II
List of Draft
Employment
and Mixed Use
Allocations

Preferred Local Plan Employment and Mixed Use Allocations

Local Plan Site Ref		B Use suggested	Local Plan Preferred site allocation as at 22.03.17	Town	Gross Site Area (ha)	Net 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	3.03	Business Park	Brownfield	100%		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	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	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	3.12	Business Park	Brownfield			100%			ok	-	-	10,921	-	-	-	-	117,553	-	-
5	LP0059	B1	New Employment	Elland	0.29	0.27	Urban Area	Brownfield						ok	4,860	-	-	-	-	52,314	-	-	-	-
6	LP0105	B1c or B2	New Employment	Halifax	0.3	0.30	Business Park	Greenfield					100%	ok	-	-	-	1,038	-	-	-	-	11,177	-
7	LP0370	A, B1, D	New Mixed use	Halifax	0.26	0.26	Urban Area	Brownfield			100%			ok	-	-	910	-	-	-	-	9,795	-	-
8	LP0805	B2 and B8	New Employment	Halifax	1.36	1.36	Urban Area	Brownfield					50%	ok	-	-	-	2,380	2,380	-	-	-	25,619	25,619
9	LP1186	A1, A2, B1,, C, D	New Mixed Use	Halifax	1.74	1.74	Urban Area	Brownfield			100%			ok	-	-	6,090	-	-	-	-	65,554	-	-
10	LP0332	B1c or B2	New Employment	Brighouse	0.52	0.52	Business Park	Brownfield			100%			ok	-	-	1,836	-	-	-	-	19,764	-	-
11	LP0355	B1c, B2, B8	New Employment	Elland	0.33	0.33	Business Park	Greenfield	100%		100%			ok	-	-	1,155	-	-	-	-	12,433	-	-
12	LP0409	B1c	New Employment	Halifax	0.71	0.61	Urban Area	Brownfield			100%			ok	-	-	2,135	-	-	-	-	22,982	-	-
13	LP0472	B1c, B2, B8	New Employment	Halifax	0.78	0.61	Business Park	Greenfield				100%		ok	-	-	-	2,135	-	-	-	-	22,982	-
14	LP0509	A, B1, B2, D	New Mixed Use	Elland	0.37	0.37	Town Centre	Brownfield						ok	6,625	-	-	-	-	71,313	-	-	-	-
15	LP0573	inc A, B1,C3, D	New Mixed Use	Brighouse	2.81	2.22	Town Centre	Brownfield					50%	ok	-	-	-	3,885	3,885	-	-	-	41,819	41,819
16	LP1218	B2 and B8	New Employment	Halifax	0.49	0.48	Urban Area	Brownfield					50%	ok	-	-	-	840	840	-	-	-	9,042	9,042
17	LP0585	B1c	New Employment	Brighouse	0.82	0.80	Business Park	Greenfield			100%			ok	-	-	2,800	-	-	-	-	30,140	-	-
18	LP0960	B1c,B2,B8	New Employment	Elland	5.86	5.86	Business Park	Greenfield				25%	40%	ok	-	-	5,128	8,204	7,179	-	-	55,196	88,313	77,274
19	LP0976	B1c, B2	New Employment	Halifax	0.43	0.43	Urban Area	Brownfield				50%	50%	ok	-	-	753	753	-	-	-	8,100	8,100	-
20	LP1018	Mixed B use	New Employment	Halifax	6.1	4.31	Business Park	Greenfield				35%	35%	ok	-	-	5,280	5,280	4,526	-	-	56,833	56,833	48,714
21	LP1133	B1, B2	New Employment	Halifax	4.35	2.85	Urban Area	Brownfield	100%		50%	50%		ok	-	-	4,988	4,988	-	-	-	53,687	53,687	-
22	LP1134	B1a, B1c	New Employment	Halifax	1.41	1.41	Urban Area	Brownfield			50%	50%		ok	-	-	2,469	2,469	-	-	-	26,580	26,580	-
23	LP1170	A, B1, C, D	New Mixed Use	Halifax	3.23	2.48	Urban Area	Brownfield			100%			ok	-	-	8,680	-	-	-	-	93,434	-	-
24	LP1203	B1, B2,B8	New Employment	Halifax	1.01	0.52	Urban Area	Greenfield				35%	35%	ok	-	-	637	637	546	-	-	6,857	6,857	5,877
25	LP1217	B1, B2,B8	New Employment	Halifax	1.4	1.40	Business Park	Greenfield				35%	35%	ok	-	-	1,715	1,715	1,470	-	-	18,461	18,461	15,823
26	LP1219	B1, B2,B8	New Employment	Halifax	6.8	6.22	Business Park	Greenfield				35%	35%	ok	-	-	7,620	7,620	6,531	-	-	82,018	82,018	70,301
27	LP1220	B1a/b and B8	New Employment	Halifax	3.98	3.55	Business Park	Greenfield		25%	25%			ok	7,100	7,100	-	-	6,213	76,426	76,426	-	-	66,873
28	LP1223	B1, B2, B8	New Employment	Elland	2.26	2.26	Business Park	Brownfield				25%	40%	ok	-	-	1,978	3,164	2,769	-	-	21,286	34,058	29,801
29	LP1231	B2, B8	New Employment	Halifax	3.95	1.19	Business Park	Brownfield					50%	ok	-	-	-	2,083	2,083	-	-	-	22,417	22,417
30	LP1232	B1, B2 and B8	New Employment	Brighouse	25.44	21.37	Business Park	Greenfield					50%	ok	-	-	-	37,398	37,398	-	-	-	402,557	402,557
31	LP1287	A, B1a, D	New Mixed Use	Halifax	0.92	0.92	Town Centre	Brownfield	100%					ok	16,497	-	-	-	-	177,574	-	-	-	-
32	LP1433	B1c	New Employment	Halifax	0.38	0.24	Urban Area	Brownfield			100%			ok	-	-	840	-	-	-	-	9,042	-	-
33	LP1443	B1a, B1c	New Employment	Elland	0.5	0.50	Urban Area	Brownfield			100%			ok	-	-	1,756	-	-	-	-	18,907	-	-
34	LP1618	B1, B2 and B8	New Employment	Brighouse	6.98	6.98	Business Park	Greenfield					50%	ok	-	-	-	12,215	12,215	-	-	-	131,485	131,485
35	LP1622	B1, B2 and B8	New Employment	Mytholmroyd	8.38	8.38	Urban Area	Greenfield					50%	ok	-	-	-	14,665	14,665	-	-	-	157,858	157,858



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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).

Residential Development Margin

Competitive Return to a Willing Developer



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



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Associate Director

Residential Capital Markets – Funding & Development

Residential Development Margin

Competitive Return to a Willing Developer



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%

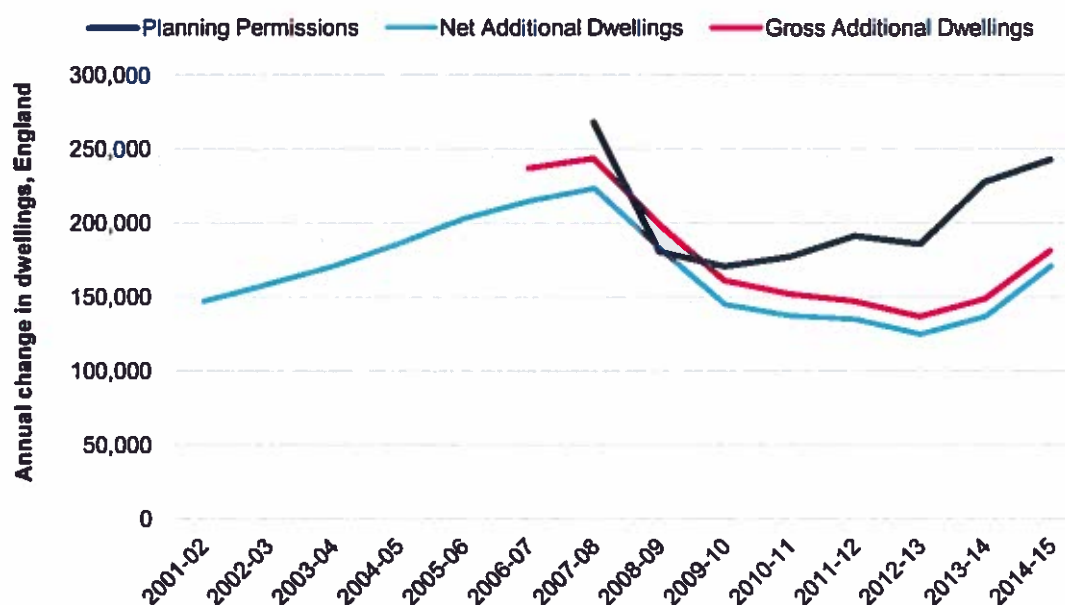
¹ It should be noted that this figure excludes finance costs. For the purpose of CIL and viability testing, industry practice is to use ARGUS Developer or similar modelling tools that include a developer margin separately to the finance rate. For the purpose of our analysis, we therefore make recommendations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

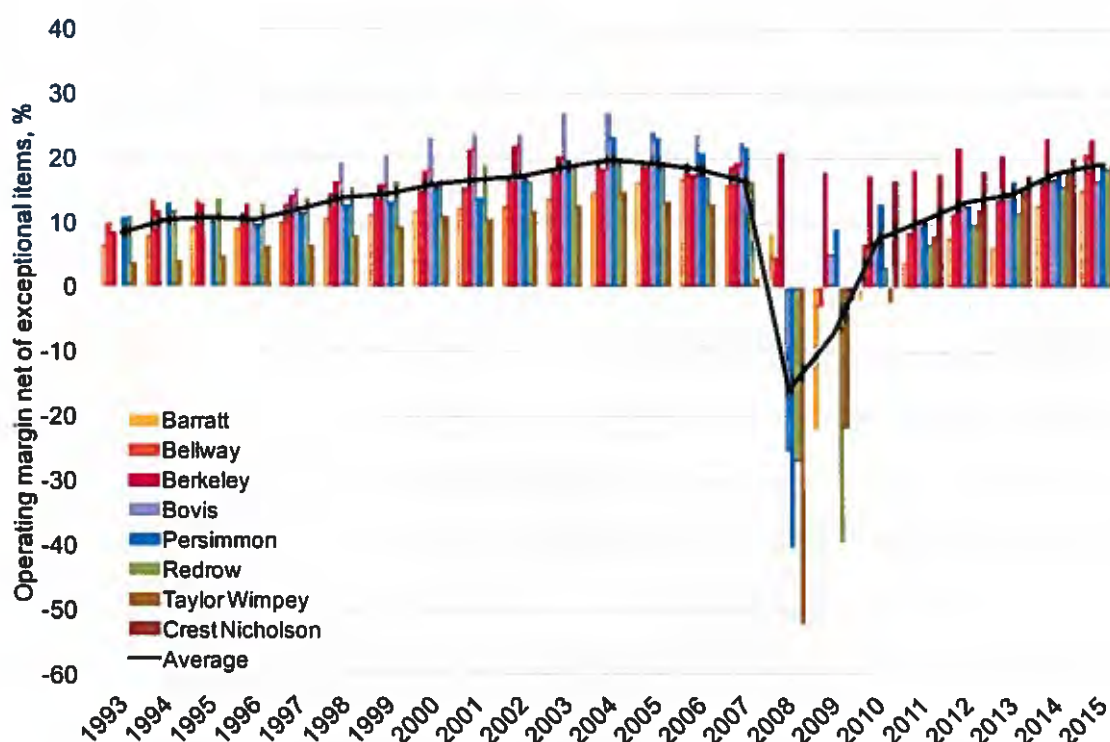
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- 1.4 Expansion will require additional financial investment. A necessary condition of the financial investment required across both new entrants and existing developers is that developer margins and the return on capital employed are seen by those 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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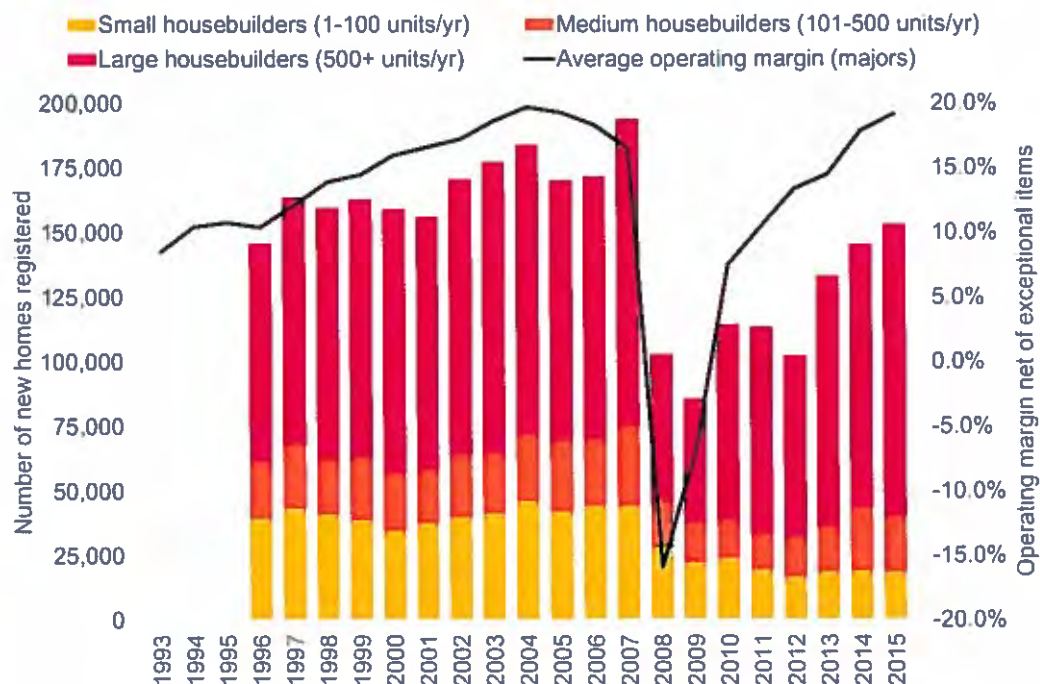


- All tenures of housing, including market sale, market rent and affordable;
- The costs of securing and promoting unsuccessful sites; and
- Overheads.

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)

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- 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

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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

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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.

