
Local Plan and Preferred Sites for Allocation Viability Assessment

Addendum Report

March 2019

Contents

1.	Introduction	3
2.	Additional Draft Allocations	5
3.	Appraisal Results - Additional Draft Housing Allocations	8
4.	Appraisal Results - Additional Draft Employment Allocations	16
5.	Appraisal Results - Additional Draft Mixed Use Allocatoins	20
6.	Viability of Policy H5 Calderdale Local Plan Publication Draft 2018	21
7.	Conclusions	23

Prepared By: Dale Robinson

Status: Final Report

Date: March 2019

For and on behalf of GVA Grimley Limited trading as Avison Young

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 2017 GVA were appointed by the Council to consider the viability of policies set out within the Local Plan Initial Draft (July 2017) and advise on what CIL rates would be viable to include in the Draft Charging Schedule (DCS) for the purposes of CIL having taken into consideration the cumulative impact of other local plan policies.
- 1.4 The assessment also considered the viability of the draft housing and employment allocations within the Calderdale Local Plan Initial Draft (July 2017).
- 1.5 Our report¹ was published in January 2018 and was used by the Council to inform the policies included within the Calderdale Local Plan Publication Draft 2018 and the CIL rates set out within the Draft Charging Schedule (August 2018).
- 1.6 However, the Calderdale Local Plan Publication Draft 2018 includes a number of additional draft housing, employment and mixed use allocations that were not included within the Local Plan Initial Draft (2017). The Council, therefore, subsequently instructed GVA (now trading as Avison Young) to consider the viability of these additional draft allocations.
- 1.7 The purpose of this report is not to reassess the viability of the proposed policy approaches set out within the Local Plan Publication Draft (2018) or the CIL rates set out within the Draft Charging Schedule (August 2018). The evidence which underpins the soundness of these policies (including the draft CIL rates) from a viability perspective is provided in the Local Plan and Preferred Sites for Allocation Viability Assessment (January 2018).
- 1.8 This report simply seeks to assess whether the additional draft housing, employment and mixed use allocations (not included in the previous assessment) are viable.
- 1.9 In addition to assessing the viability of the additional allocations the Council has also requested that this assessment consider the viability of Policy H5 (Self Build and Custom Housebuilding) of the Local Plan Publication Draft (2018). This is a new policy, which was not considered within our previous assessment.
- 1.10 Avison Young has, once again, acted in the capacity of an independent advisor. It must also be remembered that the viability appraisals undertaken as part of this study do not constitute formal valuations

¹ Local Plan and Preferred Sites Viability Assessment

and should not be regarded or relied upon as such. They simply provide a guide on viability in line with the purpose for which this assessment is required / being undertaken.

- 1.11 This report is an addendum to and should be read alongside the original Local Plan and Preferred Sites for Allocation Viability Assessment (January 2018).

2. Additional Draft Allocations

2.1 The additional draft allocations that are being considered within this assessment comprise:

- Thirty six (36) additional new housing allocations;
- Four (4) employment allocations; and
- Ten (10) mixed use allocations.

Additional Housing Allocations

2.2 The table below provides details of the additional housing allocations along with an indication of their development capacity.

Table 1 - Additional Housing Allocations

	Local Plan Ref	Town	Housing Zone	Gross Area (ha)	Net Area (ha)	Capacity (# houses)	Land Type
1	0017	Halifax	Zone 6	3.68	3.68	110	Greenfield ²
2	0194	Halifax	Zone 3	0.56	0.52	19	Greenfield
3	0242	Halifax	Zone 9	0.40	0.40	14	Greenfield
4	0253	Halifax	Zone 3	0.28	0.28	11	Brownfield
5	0548	Brighouse	Zone 8	0.55	0.55	19	Greenfield
6	0571	Brighouse	Zone 8	0.48	0.38	100	Greenfield ³
7	0683	Halifax	Zone 9	0.32	0.32	12	Greenfield
8	0749	Halifax	Zone 7	1.52	1.52	79	Brownfield
9	0825	Sowerby Bridge	Zone 4	1.37	0.98	31	Greenfield
10	0901	Todmorden	Zone 2	0.73	0.32	16	Greenfield
11	0938	Sowerby Bridge	Zone 4	0.53	0.27	11	Greenfield
12	0939	Sowerby Bridge	Zone 4	0.48	0.43	15	Greenfield
13	0979	Elland	Zone 5	5.62	5.62	169	Greenfield
14	0988	Halifax	Zone 9	0.78	0.78	28	Greenfield
15	0993	Sowerby Bridge	Zone 3	1.97	0.79	36	Greenfield
16	1000	Brighouse	Zone 8	0.54	0.53	24	Greenfield
17	1023	Sowerby Bridge	Zone 3	1.41	1.06	17	Brownfield
18	1027	Sowerby Bridge	Zone 4	0.54	0.33	12	Greenfield
19	1028	Sowerby Bridge	Zone 4	4.68	4.67	121	Greenfield
20	1060	Brighouse	Zone 6	0.64	0.64	23	Greenfield
21	1180	Halifax	Zone 9	2.61	1.51	63	Brownfield ⁴

² This site is classed as mixed but only 30% of the site is Brownfield. For the purpose of our analysis we have categorised this site as Greenfield for the purpose of this assessment.

³ The site is classified as Mixed but only 36% of the site is Brownfield so we have categorised this site as Greenfield for the purpose of our assessment.

	Local Plan Ref	Town	Housing Zone	Gross Area (ha)	Net Area (ha)	Capacity (# houses)	Land Type
22	1194	Halifax	Zone 7	1.18	1.1	35	Greenfield
23	1196	Halifax	Zone 7	0.79	0.57	21	Greenfield
24	1356	Sowerby Bridge	Zone 3	1.20	0.45	10	Greenfield
25	1372	Halifax	Zone 3	3.23	3.23	84	Greenfield
26	1425	Halifax	Zone 7	3.30	2.28	105	Greenfield ⁵
27	1481	Halifax	Zone 3	1.05	0.9	32	Greenfield ⁶
28	1519	Hebden Bridge	Zone 3	2.66	2.47	74	Greenfield
29	1545	Halifax	Zone 6	2.05	1.74	50	Greenfield ⁷
30	1626	Halifax	Zone 6	2.47	2.47	74	Greenfield
31	1637	Todmorden	Zone 2	0.67	0.55	25	Greenfield
32	1642	Halifax	Zone 3	2.22	2.22	67	Greenfield
33	1648	Brighouse	Zone 8	0.85	0.85	31	Brownfield
34	1654	Sowerby Bridge	Zone 3	1.51	1.51	44	Brownfield
35	1655	Sowerby Bridge	Zone 3	1.45	0.72	22	Brownfield
36	1657	Elland	Zone 5	0.76	0.76	34	Greenfield

Additional Employment Allocations

2.3 Details of the additional employment allocations are provided below.

Table 2 - Additional Employment Allocations

	Local Plan Ref	Town	Type	Gross Area (ha)	Net Area (ha)	Use	Quantum (sq.m)	
1	0032	Brighouse	Urban Site	Brownfield	1.94	1.94	B1 C	7760sq.m
2	1134	Halifax	Urban Site	Brownfield	1.32	1.05	B1a and B1c	4,600sq.m
3	1203	Halifax	Urban Site	Brownfield ⁸	1.01	0.52	B1c, B2 and B8	1,820sq.m
4	1640	Ripponden	Urban Site	Brownfield	1.33	1.33	B1 and B2	5,280sq.m

⁴ The site is classified as Mixed but almost 48% of the site is classed as Brownfield. For the purpose of this assessment we have categorised the site as Brownfield.

⁵ The site is classified as Mixed but only 22% of the site is classed as Brownfield. For the purpose of this assessment we have categorised the site as Greenfield.

⁶ This is classified as a Mixed site and almost half of the site is Brownfield (but this is old AstroTurf) so for the purpose of this assessment we have categorised the site as Greenfield.

⁷ This site is classified as Mixed but only 8% of the site is Brownfield so we have categorised the site as Greenfield for the purpose of this assessment.

⁸ This site is classified as Mixed but almost 60% of the site is Brownfield so we have categorised it as Brownfield for the purpose of this assessment.

Additional Mixed Use Allocations

2.4 Table 3 provides details of the additional mixed use allocations

Table 3 - Additional Mixed Use Allocations

	Local Plan Ref	Town	Type	Gross Area (ha)	Net Area (ha)	Commercial Uses	No Residential Units
1	0264	Halifax	Brownfield	0.39	0.39	B1a	10
2	0289	Halifax	Brownfield	0.42	0.42	B1a and A1 uses	10
3	0370	Halifax	Greenfield	0.26	0.26	B1a	-
4	0509	Elland	Brownfield	1.90	1.90	B1a and B1c	-
5	0771	Brighouse	Brownfield	0.61	0.61	A1	30
6	1088	Elland	Brownfield	0.80	0.47	B1a	14
7	1123	Elland	Brownfield	1.73	1.73	B1a	38
8	1170	Halifax	Brownfield	3.24	1.54	B1a	42
9	1292	Halifax	Brownfield	0.34	0.34	A1	141
10	1632	Halifax	Brownfield	1.56	1.56	A1 and B1a	47

3. Results - Additional Draft Housing Allocations

3.1 When assessing the viability of the additional allocations we have appraised their current market value based on policies within the Replacement Calderdale Unitary Development Plan (RCUDP) including:

- 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 EP27 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.

3.2 For the purpose of this assessment we have not reviewed or updated our previous methodology / approach or the main appraisal assumptions. Details of the assumptions applied within our baseline appraisals (including those associated with the above policies) are set out within Section 4 of the Local Plan and Preferred Sites Viability Assessment (January 2018).

3.2 We have also considered the viability of the additional allocations taking into account the proposed policies set out within The Calderdale Local Plan Publication Draft 2018 and the proposed CIL charges included within the Draft Charging Schedule (August 2018).

New Local Plan Policies

3.3 The policies included within the Calderdale Local Plan Pubic Draft (2018) that have been included within this assessment include⁹:

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

3.4 Once again, for the purpose of this assessment, we have applied the same assumptions used for assessing the impact of these policies as those within the previous Local Plan and Preferred Sites Viability Assessment (January 2018¹⁰).

CIL Charges

3.5 For ease of reference the CIL charges included within our assessments are set out within Table 4.

Table 4 - DCS Proposed Rate CIL Rates

⁹ It should be noted that the viability of all these policies were tested in the previous Local Plan and Preferred Sites Viability Assessment (January 2018)

¹⁰ Refer to Section 6 (para's 6.7 to 6.21) of this document. It should be noted that Policy HS6 previously required no affordable housing on brownfield sites within Zones 2, 3 5, 8 and 9. However, this blanket exclusion has been removed from the policy within the Calderdale Local Plan Submission Draft 2018, as it would prevent the Council from being able to respond to changing future trends and demand.

Area /Zone	Greenfield	Brownfield
Zone 1	£85psm	£85psm
Zone 2	£25psm	Zero
Zone 3	£10psm	Zero
Zone 4	£85psm	Zero
Zone 5	£5psm	Zero
Zone 6	£85psm	Zero
Zone 7	Zero	Zero
Zone 8	£40psm	Zero
Zone 9	£5psm	Zero

- 3.6 It should be noted that the above rates relate to residential housing. The DCS assumes that apartments will be picked up by the 'all other chargeable uses' category which is subject to a charge of £5psm across all areas /zones and it is applicable to both Greenfield and Brownfield sites.

Baseline Appraisal Results

Greenfield Sites

- 3.7 The new draft allocations include 29 Greenfield sites. The results of our appraisals (please refer to Table 5) demonstrate that, based on current market conditions and having taken into consideration the existing policy requirements within the Replacement Calderdale Unitary Development Plan (RCUDP), all of the sites are viable (i.e. they generate a positive land value). However, seven of the sites¹¹ do not generate land values that exceed the minimum land value benchmark¹².
- 3.8 From those sites that do not generate a land value which exceeds the minimum benchmark three are located within Zone 9¹³. The average land value of the additional Greenfield allocations in Zone 9 is £71,500 per acre. The low values generated by our appraisals is not surprising as the previous Local Plan and Preferred Sites Viability Assessment (January 2018) also identified viability challenges within Zone 9.
- 3.9 There is one additional allocation in Zone 8¹⁴ that does not achieve a land value in excess of the minimum benchmark. This is surprising as the previous assessment identified Zone 8 to be a relatively high value area generating an average land value for Greenfield sites of circa £325,000 per acre. However the site in question is a small site of circa 0.48ha with an indicative capacity for 100 dwellings¹⁵ meaning this site can only be developed for apartments. The previous assessment also identified viability challenges associated with delivering apartments. This is reflected in the Draft CIL Charging schedule which proposes a nominal CIL charge of £5psm for apartments across most of the district. The only exception is Zone 7 where a zero charge is proposed. This is to reflect the fact that most of the development in this zone will be apartments on

¹¹ Equating to 24% of the overall number of new draft Greenfield allocations

¹² We have maintained the minimum land value benchmark used in the previous Local Plan and Preferred Sites Viability Assessment which is £187,500 per acre.

¹³ Sites 0242, 0683 and 0988.

¹⁴ Site 0571

¹⁵ Equating to a gross density of 208 dwellings per hectare.

Brownfield land. Therefore, the brownfield nature of the majority of sites in this location warranted a zero charge.

- 3.10 Two sites in Zone 3 also don't achieve the minimum benchmark land value. These sites¹⁶ have an average land value of circa £70,000 per acre, which is surprising as the previous assessment identified average land values for Greenfield sites in Zone 3 to be around £215,000 per acre. However, the additional allocations in Zone 3 are inefficient with the developable area being only circa 40% of the overall site area. This is important because our assessment calculates the value per acre (which is then compared against the minimum benchmark land value) based on the gross area. Using the net site area generates an average value (for the developable land) of circa £285,000 per acre which is well in excess of the minimum benchmark land value (i.e. £187,500 per acre).
- 3.11 There is one site in Zone 2¹⁷ that does not achieve the minimum benchmark land value. Again this is because the developable area is only 45% of the overall site area. As above, if we calculate the value per acre using the net developable area the value equates to £1,113,955 per acre. The previous assessment established that the average value for Greenfield sites in Zone 2 was £280,000 but values ranged between £145,000 and £345,000. Based on the gross site area the value equates to circa £145,000 which aligns with the value range identified in the previous assessment.

Brownfield Sites

- 3.12 The new draft allocations include seven Brownfield sites. The results of our appraisals (please refer to Table 6) demonstrate that, based on current market conditions and having taken into consideration the existing policy requirements within the Replacement Calderdale Unitary Development Plan (RCUDP) only two of the sites are viable.
- 3.13 Four of the additional Brownfield allocations¹⁸ are located in Zone 3 and all but one are not viable. The site which is viable (site 0253) generates a land value of circa £58,000 per acre. These findings support those within the previous Local Plan and Preferred Sites Viability Assessment which identified an average land value for Brownfield sites in Zone 3 of £25,000 per acre, with values ranging between £8,500 and £35,000 per acre. The previous assessment also identified a number of Brownfield sites to be unviable.
- 3.14 There is one site in Zone 7¹⁹ and this is not viable. The previous assessment identified an average land value of £70,000 for Brownfield sites in Zone 7, ranging between £45,000 and £110,000 per acre. It also concluded that two Brownfield sites were unviable. As outlined previously most of the development in Zone 7 will be apartment biased so it is not surprising that this site is unviable. This is reflected in the Draft CIL Charging schedule which proposes a zero CIL charge to reflect the fact that most of the development in this zone will be apartments on Brownfield land.

¹⁶ Sites 0993 and 1356

¹⁷ Site 0901

¹⁸ Sites 0253, 1023, 1654 and 1655

¹⁹ Site 0749

- 3.15 There is one new Brownfield allocation in Zone 8²⁰ which is viable, generating a land value of c£258,000 per acre. The previous assessment concluded that the average land value for Brownfield sites in Zone 8 was £185,000 with values ranging between £70,000 and £305,000 per acre. The findings of this report are therefore consistent.
- 3.16 The final Brownfield allocation²¹ is located within Zone 9 and it is not viable. This is not surprising as the previous assessment identified almost all of the Brownfield allocations in Zone 9 to be unviable.

Impact of Emerging Local Plan Requirements and CIL on Viability of New Allocations

Greenfield Sites

- 3.17 The impact on viability of applying the emerging local plan requirements and Draft CIL charging rates are shown in Table 5a.
- 3.18 After applying the emerging policies in the Calderdale Local Plan Publication Draft (2018)²² and the proposed CIL charges within the Draft Charging Schedule (August 2018) all but two of the proposed new allocations remain viable. However, seventeen of the proposed allocations²³ generate land values that fall below the minimum benchmark land value for Greenfield sites (i.e. £187,500 per acre).
- 3.19 Only nine²⁴ allocations generate land values which exceed the minimum benchmark land value.
- 3.20 The policy which has the biggest impact on viability, as evidence in the previous Local Plan and Preferred Sites Viability Assessment (January 2018), is Policy H6 (Affordable Housing). The Council understand the viability challenges in some areas of the District and the requirements set out under Policy H6 of the Calderdale Local Plan Publication Draft (2018) form a starting point for negotiation. Where sufficiently evidenced by an independent site specific viability appraisal the Council may accept a lower provision of affordable housing than the requirements specified under Policy H6.
- 3.21 If we exclude the affordable housing requirement - assessing only the impact of Policy HS4 and the proposed CIL charges - 19 allocations²⁵ exceed the minimum benchmark land values and a further 3 allocations²⁶ fall marginally below the benchmark land value.

²⁰ Site 1648

²¹ Site 1180

²² As explained in the previous Local Plan and Preferred Sites Viability Assessment, Policies HS2 [Residential Development] and HS3 [Housing Mix] have already been accounted for in the baseline appraisals. In addition the requirements / assumptions for Policy BT1 are the same as those applied within the baseline appraisals for Policy EP27 of the RCUDP. Therefore the impact of Policy BT1 is already reflected in the baseline testing viability results.

²³ 59% of the proposed new Greenfield allocations

²⁴ 31% of the proposed Greenfield allocations

²⁵ 66% of the proposed Greenfield allocations

²⁶ 10% of the proposed Greenfield allocations

Brownfield Sites

- 3.22 As outlined earlier, five of the new Brownfield allocations were unviable before the application of the suggested policies within the Calderdale Local Plan Publication Draft (2018). The Draft Charging Schedule proposes a zero charge for Brownfield sites across almost all of the District. The notable exception is Zone 1. None of the additional Brownfield allocations are located within Zone 1 so the application of the emerging Local Plan policies will simply compound the viability of these sites²⁷.
- 3.23 The results of our assessment are shown in Table 6a and demonstrate that one site (ref 0253) falls below the threshold for affordable housing so its land value is only impacted by Policy HS4. The impact of this policy (refer to Table 8) reduces the land value by £14,439 per acre which equates to a fall in land value of **-25%**.
- 3.24 The remaining Brownfield allocation (site 1648) sees its value reduced by £189,802 per acre a value, representing a reduction in land value of **-75%**. Whilst the site remains viable it only generates a land value of approximately £70,000 per acre.

²⁷ Sites 0749, 1023, 1180, 1654 and 1655.

Table 5 - Additional Draft Allocations - Greenfield Sites - Baseline 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
0017	3.68	Zone 6	4,453,223	1,210,115	489,707	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0194	0.56	Zone 3	317,072	566,200	229,129	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0242	0.40	Zone 9	68,411	171,029	69,212	Yes	No	Yes Greenfield	Yes Greenfield Housing
0548	0.55	Zone 8	593,927	1,079,867	436,998	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0571	0.48	Zone 8	20,522	42,754	17,302	Yes	No	Yes Greenfield	Yes Greenfield Apartments
0683	0.32	Zone 9	58,638	183,245	74,155	Yes	No	Yes Greenfield	Yes Greenfield Housing
0825	1.37	Zone 4	1,500,642	1,095,359	443,268	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0901	0.73	Zone 2	260,220	356,466	144,254	Yes	No	Yes Greenfield	Yes Greenfield Mixed
0938	0.53	Zone 4	426,885	805,443	325,945	Yes	Yes	Yes Greenfield	Yes Greenfield Mixed
0939	0.48	Zone 4	733,442	1,528,004	618,350	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0979	5.62	Zone 5	3,413,556	607,394	245,799	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
0988	0.78	Zone 9	136,823	175,414	70,986	Yes	No	Yes Greenfield	Yes Greenfield Housing
0993	1.97	Zone 3	400,442	203,270	82,259	Yes	No	Yes Greenfield	Yes Greenfield Mixed
1000	0.54	Zone 8	394,254	730,100	295,455	Yes	Yes	Yes Greenfield	Yes Greenfield Mixed
1027	0.54	Zone 4	588,853	1,090,469	441,289	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1028	4.68	Zone 4	6,093,315	1,301,990	526,887	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1060	0.64	Zone 6	891,706	1,393,291	563,834	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1194	1.18	Zone 7	678,034	574,605	232,530	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1196	0.79	Zone 7	413,688	523,656	211,912	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1356	1.20	Zone 3	168,234	140,195	56,734	Yes	No	Yes Greenfield	Yes Greenfield Housing
1372	3.23	Zone 3	1,540,177	476,835	192,965	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1425	3.30	Zone 7	1,593,893	482,998	195,459	Yes	Yes	Yes Greenfield	Yes Greenfield Mixed
1481	1.05	Zone 3	522,767	497,874	201,479	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1519	2.66	Zone 3	1,358,073	510,554	206,610	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1545	2.05	Zone 6	2,029,920	990,205	400,714	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1626	2.47	Zone 6	2,999,241	1,214,268	491,387	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1637	0.67	Zone 2	400,687	598,041	242,014	Yes	Yes	Yes Greenfield	Yes Greenfield Mixed
1642	2.22	Zone 3	1,230,600	554,324	224,323	Yes	Yes	Yes Greenfield	Yes Greenfield Housing
1657	0.76	Zone 5	471,065	619,822	250,829	Yes	Yes	Yes Greenfield	Yes Greenfield Mixed

Table 5a - Additional Draft Allocations - Greenfield Sites - Impact of Local Plan Requirements on Baseline Results

Local Plan Ref	Zone	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type
0017	Zone 6	489,707	Yes	YesGreenfield	YesGreenfieldHousing
0194	Zone 3	229,129	Yes	YesGreenfield	YesGreenfieldHousing
0242	Zone 9	69,212	Yes	YesGreenfield	YesGreenfieldHousing
0548	Zone 8	436,998	Yes	YesGreenfield	YesGreenfieldHousing
0571	Zone 8	17,302	Yes	YesGreenfield	YesGreenfieldApartments
0683	Zone 9	74,155	Yes	YesGreenfield	YesGreenfieldHousing
0825	Zone 4	443,268	Yes	YesGreenfield	YesGreenfieldHousing
0901	Zone 2	144,254	Yes	YesGreenfield	YesGreenfieldMixed
0938	Zone 4	325,945	Yes	YesGreenfield	YesGreenfieldMixed
0939	Zone 4	618,350	Yes	YesGreenfield	YesGreenfieldHousing
0979	Zone 5	245,799	Yes	YesGreenfield	YesGreenfieldHousing
0988	Zone 9	70,986	Yes	YesGreenfield	YesGreenfieldHousing
0993	Zone 3	82,259	Yes	YesGreenfield	YesGreenfieldMixed
1000	Zone 8	295,455	Yes	YesGreenfield	YesGreenfieldMixed
1027	Zone 4	441,289	Yes	YesGreenfield	YesGreenfieldHousing
1028	Zone 4	526,887	Yes	YesGreenfield	YesGreenfieldHousing
1060	Zone 6	563,834	Yes	YesGreenfield	YesGreenfieldHousing
1194	Zone 7	232,530	Yes	YesGreenfield	YesGreenfieldHousing
1196	Zone 7	211,912	Yes	YesGreenfield	YesGreenfieldHousing
1356	Zone 3	56,734	Yes	YesGreenfield	YesGreenfieldHousing
1372	Zone 3	192,965	Yes	YesGreenfield	YesGreenfieldHousing
1425	Zone 7	195,459	Yes	YesGreenfield	YesGreenfieldMixed
1481	Zone 3	201,479	Yes	YesGreenfield	YesGreenfieldHousing
1519	Zone 3	206,610	Yes	YesGreenfield	YesGreenfieldHousing
1545	Zone 6	400,714	Yes	YesGreenfield	YesGreenfieldHousing
1626	Zone 6	491,387	Yes	YesGreenfield	YesGreenfieldHousing
1637	Zone 2	242,014	Yes	YesGreenfield	YesGreenfieldMixed
1642	Zone 3	224,323	Yes	YesGreenfield	YesGreenfieldHousing
1657	Zone 5	250,829	Yes	YesGreenfield	YesGreenfieldMixed

HS4 and HS6 Land Value with CIL (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
237,067	Yes	252,640	-52%	Yes
81,584	Yes	147,545	-64%	No
51,229	Yes	17,982	-26%	No
220,978	Yes	216,020	-49%	Yes
-	No	17,302	0%	n/a
54,888	Yes	19,267	-26%	No
212,442	Yes	230,826	-52%	Yes
54,700	Yes	89,553	-62%	No
165,022	Yes	160,923	-49%	No
306,019	Yes	312,331	-51%	Yes
147,606	Yes	98,193	-40%	No
-	No	70,986	0%	n/a
23,433	Yes	58,826	-72%	No
119,366	Yes	176,089	-60%	No
227,066	Yes	214,223	-49%	Yes
271,036	Yes	255,851	-49%	Yes
252,338	Yes	311,497	-55%	Yes
83,196	Yes	149,334	-64%	No
88,147	Yes	123,765	-58%	No
51,735	Yes	4,999	-9%	No
89,725	Yes	103,240	-54%	No
72,870	Yes	122,589	-63%	No
81,151	Yes	120,327	-60%	No
93,560	Yes	113,049	-55%	No
193,776	Yes	206,939	-52%	Yes
240,515	Yes	250,873	-51%	Yes
97,939	Yes	144,075	-60%	No
102,846	Yes	121,477	-54%	No
124,843	Yes	125,985	-50%	No

Table 6- Additional Draft Allocations - Brownfield Sites - Baseline 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
0253	0.28	Zone 3	39,857	142,346	57,604	Yes	n/a	YesBrownfield	YesBrownfieldHousing
0749	1.52	Zone 7	(74,655)	-	-	No	n/a	NoBrownfield	NoBrownfieldApartments
1023	1.41	Zone 3	(402,051)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1180	2.61	Zone 9	(723,276)	-	-	No	n/a	NoBrownfield	NoBrownfieldMixed
1648	0.85	Zone 8	541,944	637,582	258,015	Yes	n/a	YesBrownfield	YesBrownfieldHousing
1654	1.51	Zone 3	(28,359)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing
1655	1.45	Zone 3	(343,012)	-	-	No	n/a	NoBrownfield	NoBrownfieldHousing

Table 6a - Additional Draft Allocations - Brownfield Sites - Impact of Local Plan Requirements on Baseline Results

Local Plan Ref	Zone	Baseline Value £ per acre	Viable	Viability by Land Type	Viability by Land and Development Type	HS4 and HS6 Land Value with CIL (£ per acre)	Viable	Reduction in Land Value (£ per acre)	% Reduction	Minimum Land Value Benchmark Exceeded
0253	Zone 3	57,604	Yes	YesBrownfield	YesBrownfieldHousing	43,165	Yes	14,439	-25%	n/a
0749	Zone 7	-	No	NoBrownfield	NoBrownfieldApartments	-	No	-	0%	n/a
1023	Zone 3	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	n/a
1180	Zone 9	-	No	NoBrownfield	NoBrownfieldMixed	-	No	-	0%	n/a
1648	Zone 8	258,015	Yes	YesBrownfield	YesBrownfieldHousing	68,214	Yes	189,802	-74%	n/a
1654	Zone 3	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	n/a
1655	Zone 3	-	No	NoBrownfield	NoBrownfieldHousing	-	No	-	0%	n/a

4. Results - Additional Draft Employment Allocations

4.1 When assessing the viability of the additional employment allocations we have appraised their current market value based on policies within the Replacement Calderdale Unitary Development Plan (RCUDP) including:

- Policy EP27 - Renewable Energy in New Developments, which requires major employment developments (defined as 1,000sq.m gross or more) to incorporate on site renewable energy generation to provide a least 20% of predicted energy requirements up until 2020.

4.2 For the purpose of assessing the employment allocations we have maintained the approach applied in the previous Local Plan and Preferred Sites Viability Assessment (i.e we have appraised viability assuming a traditional led developer approach and delivery by end occupiers). We have also have applied the same appraisal assumptions as those which informed the previous assessment²⁸.

4.3 We have then considered the viability of the additional employment allocations taking into account the proposed policies set out within The Calderdale Local Plan Publication Draft 2018 and the proposed CIL charges included within the Draft Charging Schedule (August 2018).

New Local Plan Policies

4.4 The policies included within the Calderdale Local Plan Pubic Draft (2018) that have been included within this assessment include:

- Policy BT1 High Quality, Inclusive Design

4.5 Once again for the purpose of this assessment we have applied the same assumptions used for assessing the impact of this policy within the previous Local Plan and Preferred Sites Viability Assessment (January 2018²⁹).

CIL Charges

4.6 The Draft Charging Schedule (August 2018) does not propose a specific charge for employment uses but development would be captured under all other chargeable uses, which is subject to a charge of £5psm. .

Baseline Appraisal Results

4.7 All of the additional allocations are not viable. This is not surprising as they are Brownfield sites and our assessment has adopted a cautious approach to appraising Brownfield sites, assuming that each site is contaminated and requires significant site preparation. The costs associated with remediation and site preparation are also applied to the entire site when in reality only a small proportion of the site may be subject to these abnormal costs³⁰

²⁸ Please refer to Section 7 of the previous Local Plan and Preferred Sites Viability Assessment.

²⁹ Please refer to Section 9 (para's 9.1 to 9.3) of the previous Local Plan and Preferred Sites Viability Assessment

³⁰ This is consistent with the previous Local Plan and Preferred Sites Viability Assessment.

- 4.8 The results of our analysis, on the basis of a traditional led 'developer approach'³¹, are shown in Table 9.
- 4.9 If we assume sites are acquired and delivered on a bespoke basis (i.e by end occupiers) three of the additional allocations become viable (refer to Table 10 for the results of our assessment), generating land values ranging from circa £120,000 to £170,000 per acre. These values are considered reasonable for Brownfield sites and in all likelihood are likely to be conservative given our cautious approach to appraising Brownfield sites. The site in Ripponden (site 1640) remains unviable.

Impact of Emerging Local Plan Requirements and CIL on Viability of New Allocations

- 4.10 After layering on Policy BT1 and applying a CIL charge of £5psm the viability improves with two of the additional allocations becoming viable, albeit the land values generated are very low and would not incentive a land owner to sell. The results of our analysis - assuming a typical delivery led approach to development - are shown in Table 9a.
- 4.11 The reason why viability improves is because the costs associated with Policy EP27 of the RCUDP which are reflected in the baseline appraisals are removed from the appraisals and replaced by BT1 which does not have a cost implication.
- 4.12 Table 10a shows the results of our analysis assuming sites are acquired and delivered on a bespoke basis (i.e. acquired and built by end occupiers). Under this scenario viability is further enhanced with three of the sites generating positive land values ranging between circa £190,000 per acre and £260,000 per acre. The site in Ripponden (site 1640) remains unviable.

³¹ This is when the developer builds the building and lets the completed space to an end occupier.

Table 9 - Additional Employment Allocations - Baseline Viability Results - Traditional Led Developer Approach

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
0032	1.94	0%	0%	100%	0%	0%	Brighouse	-	No	NoBrighouse	NoBrownfield
1134	1.05	50%	0%	50%	0%	0%	Halifax	-	No	NoHalifax	NoBrownfield
1203	0.52	0%	0%	33%	33%	34%	Halifax	-	No	NoHalifax	NoBrownfield
1640	1.33	0%	0%	50%	50%	0%	Ripponden	-	No	NoRipponden	NoBrownfield

Table 9a - Additional Employment Allocations - Impact of Local Plan Requirements on Baseline Results - Traditional Led Developer Approach

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type
0032	-	No	NoBrighouse	NoBrownfield
1134	-	No	NoHalifax	NoBrownfield
1203	-	No	NoHalifax	NoBrownfield
1640	-	No	NoRipponden	NoBrownfield

Impact Policy BT1 and CIL Land Value	Viable	Increase in Land Value	% Increase
45,670	Yes	45,670	100%
-	No	-	0%
4,773	Yes	4,773	100%
-	No	-	0%

Table 10 - Additional Employment Allocations - Baseline Viability Results - Owner Occupier Approach to Delivery

Local Plan Ref	Gross Site Area (HA)	B1a	B1b	B1c	B2	B8	Town	Value £ per acre	Viable	Viability by Town	Viability by Type
0032	1.94	0%	0%	100%	0%	0%	Brighouse	169,921	Yes	YesBrighouse	YesBrownfield
1134	1.05	50%	0%	50%	0%	0%	Halifax	122,256	Yes	YesHalifax	YesBrownfield
1203	0.52	0%	0%	33%	33%	34%	Halifax	119,553	Yes	YesHalifax	YesBrownfield
1640	1.33	0%	0%	50%	50%	0%	Ripponden	-	No	NoRipponden	NoBrownfield

Table 10a - Additional Employment Allocations - Impact of Local Plan Requirements on Baseline Results - Owner Occupier Approach to Delivery

Local Plan Ref	Baseline Land Value £ per acre	Viable	Viability by Town	Viability by Type	Impact Policy BT1 and CIL Land Value	Viable	Increase in Land Value	% Increase
0032	-	No	NoBrighouse	NoBrownfield	248,025	Yes	248,025	100%
1134	-	No	NoHalifax	NoBrownfield	260,926	Yes	260,926	100%
1203	-	No	NoHalifax	NoBrownfield	188,552	Yes	188,552	100%
1640	-	No	No Ripponden	NoBrownfield	-	No	-	0%

5. Results - Additional Draft Mixed Use Allocations

- 5.1 As demonstrated in Table 11 seven of the new mixed use allocations, based on policies included within the Replacement Calderdale Unitary Development Plan are viable. The application of policies in the emerging Local Plan³² and the proposed CIL charges included within the Draft Charging Schedule (August 2018) have limited impact on the viability of the draft allocations (please refer to Table 11a). However, Site 1632 becomes unviable.
- 5.2 This is because Policy BT1, which replaces Policy EP27 of the RCUDP has no cost impact on development and CIL is based on £5psm (other forms of development). In addition for those allocations which include residential the number of units generally fall below the thresholds which trigger Policy H6 (affordable housing) and there is no CIL charge as the majority of the mixed use allocations which include residential are Brownfield which is subject to a zero charge in the DCS (August 2018).

Table 11 - Additional Mixed Use Allocations - Baseline Viability Results

Local Plan Ref	Gross Site Area (ha)	Town	Value per acre	Viable	Viability by Type
0264	0.39	Halifax	£596,294	Yes	YesBrownfield
0289	0.42	Halifax	£311,442	Yes	YesBrownfield
0370	0.26	Halifax	£210,915	Yes	YesGreenfield
0509	1.9	Elland	£12,663	No	NoBrownfield
0771	0.61	Brighouse	-	No	NoBrownfield
1088	0.8	Elland	£224,245	Yes	YesBrownfield
1123	1.73	Elland	£193,082	Yes	YesBrownfield
1170	3.24	Halifax	£460,098	Yes	YesBrownfield
1292	0.34	Halifax	-	No	NoBrownfield
1632	1.56	Halifax	£111,949	Yes	YesBrownfield

Table 11a - Additional Mixed Use Allocations - Impact of Local Plan Requirements on Baseline Results

Local Plan Ref	Gross Site Area (ha)	Town	Value per acre	Viable	Viability by Type
0264	0.39	Halifax	£587,733	Yes	YesBrownfield
0289	0.42	Halifax	£306,694	Yes	YesBrownfield
0370	0.26	Halifax	£209,294	Yes	YesGreenfield
0509	1.9	Elland	£7,884	No	NoBrownfield
0771	0.61	Brighouse	-	No	NoBrownfield
1088	0.8	Elland	£219,404	Yes	YesBrownfield
1123	1.73	Elland	£188,850	Yes	YesBrownfield
1170	3.24	Halifax	£397,345	Yes	YesBrownfield
1292	0.34	Halifax	-	No	NoBrownfield
1632	1.56	Halifax	-	No	YesBrownfield

³² The Calderdale Local Plan Publication Draft 2018

6. Viability of Policy H5 - Self Build and Custom Housebuilding

- 6.1 The Calderdale Local Plan Publication Draft 2018 includes a policy (Policy H5) which actively seeks to promote and support sites for self build and custom housebuilding on both land allocations in the Local Plan and on other sites that might come forward during the plan period where other material considerations indicate that support is appropriate.
- 6.2 The policy requires that on sites of 100 dwellings or more, that 5% of the overall capacity is to be provided as serviced plots for self or custom build need.
- 6.3 Because the viability implications of this policy were not considered / appraised³³ in the original Local Plan and Preferred Sites Viability Assessment the Council now require an assessment on its viability including an opinion on whether it will prejudice the viability and therefore delivery of the draft allocations within the Calderdale Local Plan Publication Draft 2018.
- 6.4 To be clear this assessment is not tasked with demonstrating there is a need for self build and custom housebuilding. In this respect Policy H5 states that in determining the level of provision, consideration will be given to the most up to date evidence contained within the Self Build and Custom Housebuilding Register.
- 6.5 In terms of understanding the value to be ascribed to the self / custom build plots we have referred to research undertaken by *Homebuilding & Renovating* who undertook a comprehensive consumer survey of 500 self builders who had either just completed or were about to complete their project. We don't have a full copy of this report but the headline message was that the median plot value was £190,000.
- 6.6 This seems high given our experience. Typically we have worked on schemes where plot values have been included at between £100,000 and £120,000.
- 6.7 To put this in context we have set out within Table 12 the typical /average plot values generated by our appraisals. The results of this exercise clearly demonstrate that the values for self-build are significantly higher than would be achieved if selling land for mainstream housing.
- 6.8 In this regard the inclusion of an element of self build / custom build housing will improve overall scheme viability.

Table 12 - Typical Plot Values within Major Schemes

Area	Average Plot Value (All Sites)	Average Plot Value (Greenfield)	Average Plot Value (Brownfield)
Zone 1	Circa £40,000	Circa £45,000	Circa £30,000
Zone 2	Circa £12,000	Circa £20,000	Circa £3,000
Zone 3	Circa £12,000	Circa £16,000	Circa -£0

³³ This is relatively recent policy and was therefore not included within the scope of the previous assessment.

Area	Average Plot Value (All Sites)	Average Plot Value (Greenfield)	Average Plot Value (Brownfield)
Zone 4	Circa £50,000	Circa £50,000	-
Zone 5	Circa £17,000	Circa £20,000	Circa £3,000
Zone 6	Circa £37,000	Circa £38,500	Circa £13,000
Zone 7	Circa £10,000	Circa £18,500	Circa £4,000
Zone 8	Circa £25,000	Circa £30,000	Circa £11,000
Zone 9	Circa £1,500	Circa £6,000	Circa - £8,000

7. Conclusions

- 7.1 Based on the results of our analysis we believe that 25 (86%) of the proposed additional Greenfield housing allocations are inherently viable / deliverable, as at January 2019, based on the policy requirements set out within the Replacement Calderdale Unitary Development Plan (RCUDP). We have also demonstrated that, in all but a few exceptional circumstances, the new Greenfield housing allocations will remain viable after layering on the proposed policy requirements set out within the Calderdale Local Plan Publication Draft 2018. However, it is likely that some flexibility will be required in the application of these policies particularly Policy H6 [Affordable Housing] to ensure sites generate land values that provide a reasonable return to the landowners.
- 7.2 At this junction we must also recognise that the housing market is not homogeneous and, therefore, land values will differ / vary across the Town. It is perfectly feasible that some sites will be sold at values which are lower than the benchmark land value of £187,500 per acre.
- 7.3 From the additional Brownfield housing allocations only one is inherently viable / deliverable, as at January 2019. It is also likely that some flexibility will be required in the application of the suggested policies within the Calderdale Local Plan Publication Draft, particularly Policy H6 [Affordable Housing] to ensure the viability of Brownfield sites.
- 7.4 However, it should be remembered that our assessment of Brownfield sites (both within this addendum report and the original Local Plan and Preferred Sites Viability Assessment) assumes that all Brownfield sites would be contaminated and require site preparation. In addition the remediation and site preparation costs are applied to 100% of the site area, whereas in reality there will be circumstances where only a small part of the site is contaminated. The assessment of Brownfield land is, therefore, very cautious. In addition some Brownfield sites may be awarded vacant building credit, thereby, further improving viability.
- 7.5 The additional employment allocations are not viable when assuming a traditional led developer approach (i.e. speculative development). However, all but one of the sites do become viable and generate reasonable land values when sites are purchased and delivered by end occupiers.
- 7.6 The majority of the additional mixed use sites are viable. A number of sites have been identified as not viable but these are Brownfield sites. As explained, we have taken a cautious approach when appraising the viability of Brownfield sites.

Contact Details

Enquiries

Dale Robinson
0113 280 8074
dale.robinson@avisonyoung.com

Visit us online

Avisonyoung.co.uk

Avison Young

City Point, 29 King Street, Leeds LS1 2HL

Avison Young is the trading name of GVA Grimley Limited

© 2019 GVA Grimley Limited