
FOREST HEATH DISTRICT COUNCIL - ECONOMIC VIABILITY ASSESSMENT 2016

**Plan Viability Assessment of Single Issue
Review of Core Strategy Policy CS7 and Site
Allocation Local Plan Document preferred
options**

**Three Dragons and Troy Planning &
Design – October 2016**

FINAL REPORT



This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and non-residential model and is based on local data supplied by Forest Heath District Council, consultation and quoted published data sources. The toolkit provides a review of the development economics of a range of illustrative schemes and the results depend on the data inputs provided. This analysis should not be used for individual scheme appraisal.

No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.

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EXECUTIVE SUMMARY

1. Forest Heath District Council published its Core Strategy on 12th May 2010 covering the period 2001 – 2026, with housing projected until 2031¹. Following a high court challenge the following year, policy CS7: overall housing provision was quashed². In response the council has published for consultation its Single Issue Review (SIR) of Core Strategy Policy CS7 and Site Allocation Local Plan (SALP) preferred options documents on which consultation closed in July 2016. The council recognises the importance of producing a plan that is viable and deliverable and has commissioned Three Dragons to assess the viability of these documents.
2. This whole plan viability assessment of the SIR and SALP demonstrates that the residential plan is financially viable and hence achievable through the testing of a series of case studies. Key workspace uses including offices, industrial and warehouse uses are not viable but this does not mean they cannot be delivered.

Residential Development

3. The testing for residential development was undertaken in two ways
 - As a series of notional 1ha tiles at 25/30/35/40 dph
 - As a set of case studies, representative of sites identified in the SALP

The district was divided for testing purposes into three value areas; high, medium and low. All testing took into account the council's existing policies, including affordable housing at 30%. No CIL charge was applicable as the council has not made a decision to adopt CIL and full S106 contributions were applied.

4. The testing undertaken for the notional 1 ha sites provides an overview of the viability of the whole plan. The residual values from notional sites are tested against benchmark land values and again against a higher, sensitivity, benchmark. The results vary from location to location but in all areas and in all scenarios produce a surplus over the benchmark land value.
5. The testing of the case studies was carried out in all value areas, although not all site sizes are identified in the SALP as being applicable to all value areas. This extra testing is to help inform the council of achievability of a wider range of sites should the council's preferred option need to be amended, for example a site recently called in by the Secretary of State has recently been refused planning permission.
6. The fact that a large number of sites have already secured planning permission is further evidence that the SALP is financially achievable.
7. All the case studies under 100 dwellings produced a surplus over benchmark land value. The larger case studies, up to 1,000 dwellings, produced a surplus in the high and mid value areas but a small deficit in the low value areas. However the evidence

¹ http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/FH-CoreStrategyDevelopmentPlanDocument20012026withhousingprojectedto2031AdoptedMay2010.pdf

² http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/B10-FHDC-Core-Strategy-High-Court-Order-04-May-2011.pdf

demonstrated that a change in developable area or a small rise in house prices over time would bring these sites into surplus. As these low value sites are not identified in the SALP the testing does not indicate that the plan is in any way unachievable but does indicate that any amendments towards low value areas will need to be more flexible in terms of net developable areas if all other factors remain the same.

8. An increase in density from 30 to 35 dwellings per hectare was shown to increase viability where this was tested.

Non-residential development

9. The viability of a set of notional office, warehouse and industrial developments has been assessed.
10. The viability assessments show that key workspace uses including offices, industrial and warehouse uses are not viable in a traditional property development sense. This is a similar situation to many parts of the country.
11. However, this does not necessarily mean that there will be no new employment premises, as there will be businesses requiring new facilities in order to continue or grow the profitability of their commercial operations – even though the build may not produce a return in traditional property value terms.
12. If Forest Heath District Council chooses, it may be able to further incentivise new employment space development through funding support (such as grants or by setting up repayable rolling investment funds) or by acting as developer for some units to start the process off and generate more critical mass (which may then build clustering benefits etc.).

1 INTRODUCTION

Purpose of the Economic Viability Assessment

- 1.1 Forest Heath District Council published its Core Strategy on 12th May 2010 covering the period 2001 – 2026, with housing projected until 2031³. Following a high court challenge the following year, policy CS7: overall housing provision was quashed⁴. In response the council has published for consultation its Single Issue Review (SIR) of Core Strategy Policy CS7 and Site Allocation Local Plan (SALP) preferred options documents on which consultation closed in July 2016. The council recognises the importance of producing a plan that is viable and deliverable and has commissioned Three Dragons and Troy Planning & Design to assess the viability of these documents.
- 1.2 This viability assessment takes into consideration the policies contained within the Core Strategy 2010 and the Joint Development Management Policies Document⁵ as well as other relevant policy documents such as Joint Affordable Housing SPD 2013⁶.
- 1.3 This whole plan viability assessment indicates the viability of development across the district using a series of notional 1 hectare sites (tiles) and case studies ranging from 11 – 1,000 dwellings, based upon sites identified in the SALP. It should be noted that as a result of the time delay between publication of the Core Strategy and SALP, a large number of sites have already achieved planning permission for policy compliant development and this is another indication of viability in the district. Sites tested in this viability assessment are representative of those sites that have not yet been submitted for planning approval. The sites themselves, although representative of sites identified in the SALP are not intended to replicate specific sites and are also typical of the sort of sites likely to come forward in the district generally, should other options be followed. The sites have been tested in all value areas.

National planning context

National Planning Policy Framework

- 1.4 The National Planning Policy Framework (NPPF) places importance on taking viability into account in developing plans and ensuring viability and deliverability. This is set out as follows:

“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

³ http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/FH-CoreStrategyDevelopmentPlanDocument20012026withhousingprojectedto2031AdoptedMay2010.pdf

⁴ http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/B10-FHDC-Core-Strategy-High-Court-Order-04-May-2011.pdf

⁵ http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/JDMPD-FINAL-for-website-R.pdf

⁶ http://www.westsuffolk.gov.uk/planning/Planning_Policies/supplementaryplanningdocuments.cfm

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, 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.” (Paragraph 173)

- 1.5 The NPPF explicitly recognises the need to provide competitive returns to a willing land owner and willing developer, and local planning authorities are to assess the ‘*likely cumulative impact*’ of their proposed development standards and policies.⁷

National Planning Practice Guidance

- 1.6 Preparation of the Economic Viability Assessment has taken into account advice set out in the National Planning Practice Guidance⁸ (NPPG). This re-iterates the NPPF approach to plan wide viability testing and states that:

“Plan makers should consider the range of costs on development. This can include costs imposed through national and local standards, local policies and the Community Infrastructure Levy, as well as a realistic understanding of the likely cost of Section 106 planning obligations and Section 278 agreements for highways works.

Their cumulative cost should not cause development types or strategic sites to be unviable. Emerging policy requirements may need to be adjusted to ensure that the plan is able to deliver sustainable development.”

- 1.7 NPPG notes that the scale of evidence required for testing the viability of plans should be proportionate and that:

“Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level. Assessment of samples of sites may be helpful to support evidence and more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.”

- 1.8 In terms of viability testing, NPPG advises against planning to ‘*the margin of viability*’ and against assuming any rise in values for the first five years, in undertaking testing of viability:

“Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating. Current costs and values should be considered when assessing the viability of plan policy. Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period.”

Guidance on plan viability testing

- 1.9 Guidance has also been published to assist practitioners in undertaking viability studies for policy making purposes - “Viability Testing Local Plans - Advice for

⁷ Paragraph 173

⁸ Published by DCLG 6 January 2014

planning practitioners”⁹ (the Harman Guide). The approach to viability testing in the Viability Assessment follows the principles set out in the advice. The advice re-iterates that:

“The approach to assessing plan viability should recognise that it can only provide high level assurance.”

The Advice also comments on how viability testing should deal with potential future changes in market conditions and other costs and values and states that:

“The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values”. (page 26)

But that:

“The one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented.....” (page 26)

CIL and s106 requirements

- 1.10 Forest Heath District Council has not adopted a CIL therefore this study has not taken such a levy into consideration. Neither is it designed to provide evidence to support a CIL charging schedule. S106 contributions have therefore not been scaled back (as would be the case if a CIL charge was in place) but will nonetheless have to meet the three tests:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development;
- Fairly and reasonably related in scale and kind to the development.

Local Planning Policy Context

General policies

- 1.11 The Core Strategy and Development Management Policies Document include a number of policies which can have an impact on the viability of development. Impacts of policies are of three main types:
- Because they require the developer to make provision for a particular type of development within their scheme (e.g. affordable housing);
 - Because they impact on the form of development and hence its costs e.g. in meeting environmental standards;
 - Because they mean that an area within a development scheme has to be set aside for a use that does not generate an income (e.g. in meeting an open space requirement).

⁹ The guide was published in June 2012 and is the work of the Local Housing Delivery Group, which is a cross-industry group, supported by the Local Government Association and the Home Builders Federation.

1.12 We have worked with the Council to analyse the policies and identify where they may add costs and/or reduce revenue from the planned developments. Appendix II sets this out in detail and below we highlight examples of policies which are likely to have an impact on viability:

- Affordable housing (see next section)
- Water Quality
- Transport, public right of way, mitigation for horse walk/bridleway measures
- Provision of community facilities e.g. schools, healthcare
- Open space and leisure facilities.

Affordable housing

1.13 A key policy that affects development viability is CS9: affordable housing provision. The policy states that:

- “On all schemes of 10 or more dwellings or sites of more than 0.33 hectares a target of 30% of the number of net new dwellings will be sought as affordable;
- On sites in Primary Villages and Secondary Villages only, for schemes of 5 to 9 units or on sites larger than 0.1 hectares a target of 20% of the number of net new dwellings will be sought as affordable housing”.

1.14 However, the national re-introduction of the 10 dwelling threshold¹⁰ means that following discussion with the Council we have only tested affordable housing requirements on sites over 10 dwellings, having been advised by the council that there are no designated rural areas in the district as described under s157 Housing Act 1985 and thus exempt.

1.15 In assessing viability, we have modelled the requirements for affordable housing as set out in the policy, at a threshold of 10 dwellings or more, making specific assumptions about the type of affordable housing to be provided. Details of the assumptions used are set out in the next chapter and appendix I.

1.16 As context for testing the viability we have noted evidence supplied by the council demonstrating that sites identified in the SALP that have already been granted planning permission come forward at policy compliant levels of affordable housing.

Research evidence

1.17 The research which underpins the Economic Viability Assessment includes:

- Analysis of information held by the authority, including the profile of land supply identified in the Strategic Housing Land Availability Assessment, the SALP and a review of historic planning permissions and contributions;
- A stakeholder workshop held with developers, land owners, their agents and representatives from the council, held on 1st August 2016;
- Telephone interviews with registered providers operating in the district;

¹⁰ Paragraph: 016 Reference ID: 23b-016-20160519 NPPG

- Follow up discussions with stakeholders and estate agents;
- On-going dialogue with council officers, in particular from planning and housing;
- Analysis of publicly available data to identify the range of values and costs needed for the viability assessment.

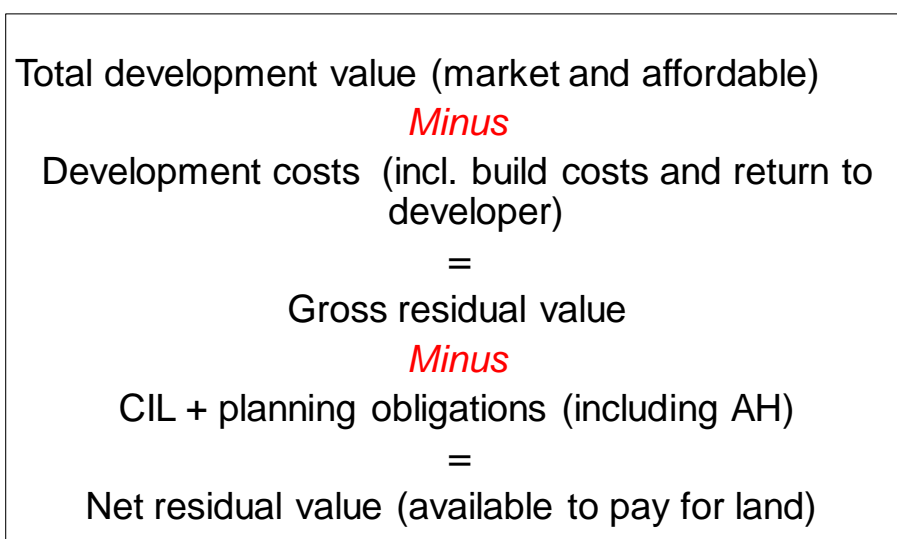
All the viability testing uses the Three Dragons Toolkit, adapted for Forest Heath, to analyse scheme viability for residential development and the Three Dragons bespoke model for the analysis of non-residential schemes.

2 VIABILITY TESTING – RESIDENTIAL DEVELOPMENT

Principles and Approach

- 2.1 The Advice for planning practitioners summarises viability as follows:
- 2.2 *‘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 the cost 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.’¹¹*
- 2.3 As is standard practice,¹² we have adopted a residual value approach to our analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less the development costs. The remainder is the residual value and is available to pay for the land. The value of the scheme includes both the value of the market housing and affordable housing. Scheme costs include the costs of building the development, plus professional fees, scheme finance and a return to the developer as well as any planning obligations.

Figure 2.1 Residual Value Approach



- 2.4 To assess viability, the residual value generated by a scheme is compared with a benchmark land value, which reflects a competitive return for a landowner.

¹¹ P 14 Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012

¹² See page 25 of Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012 – “We recommend that the residual land value approach is taken when assessing the viability of plan-level policies and further advice is provided below on the considerations that should be given to the assumptions and inputs to a model of this type.”

Land Value Benchmarks

- 2.5 In terms of benchmark land values, Viability Testing Local Plans¹³ sets out a preferred approach in the following extract from page 29:

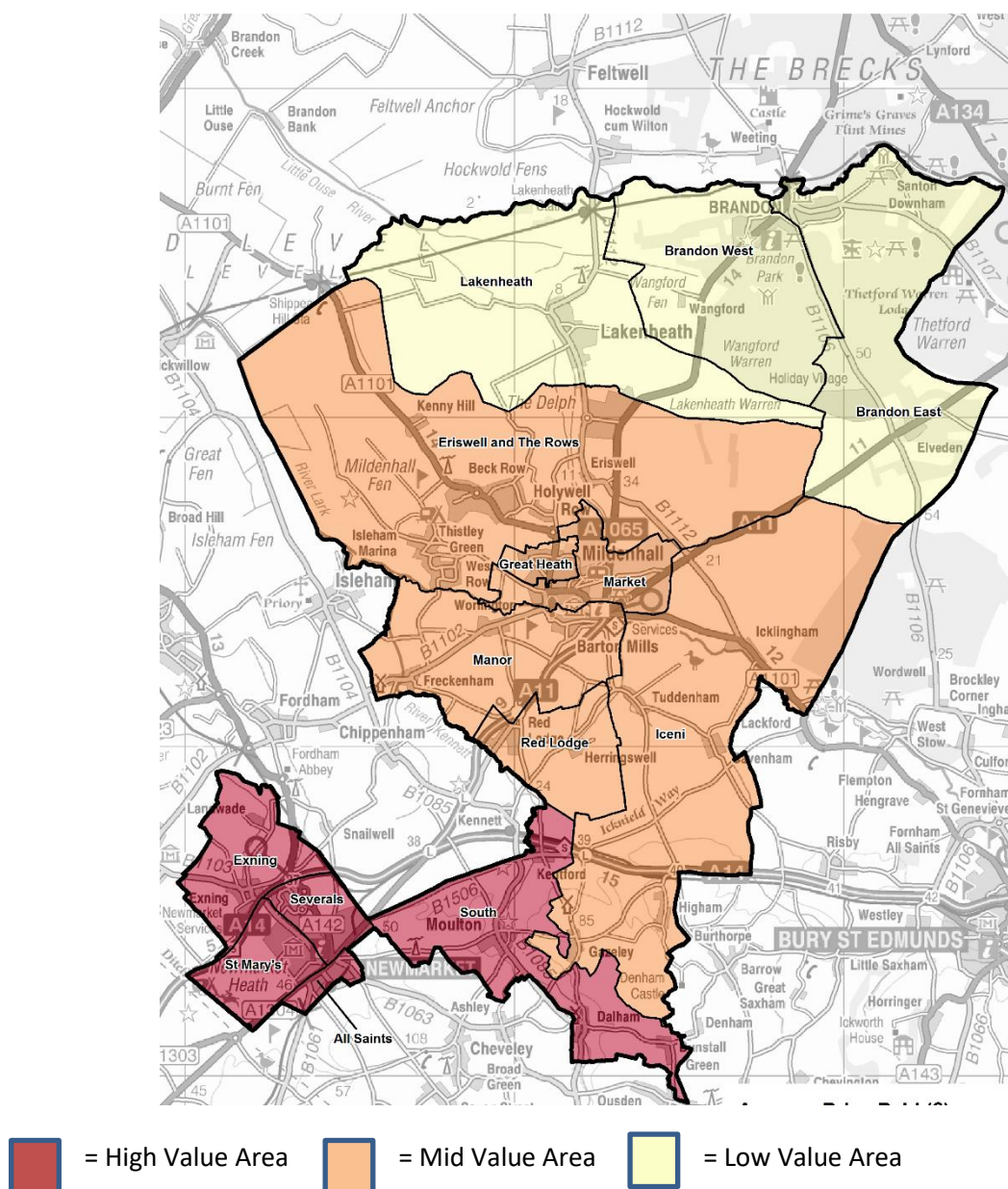
Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful 'sense check' on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values (noting the exceptions below).

- 2.6 Our mapping of prices and values has suggested three distinct market areas in Forest Heath: High, Mid and Low as indicated in figure 2.2 below. The map has been generated by house price data which, logically, is reflected in the corresponding land values.

¹³ See http://www.pas.gov.uk/c/document_library/get_file?uuid=90fc2589-685a-441f-be9c-1874de4f20b9&groupId=332612

Figure 2.2 Value areas



- 2.7 We have looked at a range of methods to arrive at benchmark land values starting with generic agricultural land value for the district of £24K per hectare which, when multiplied up by 10 – 20 times gives a greenfield land value of between £240,000 and £480,000, giving an indication of values for large greenfield sites in the mid and low value areas.
- 2.8 There is less information on which to base a suitable benchmark for the high value areas as an uplift on alternative use values does not appear to fulfil the 'sense check' identified in Viability Testing Local Plans. Information is limited, but feedback from the consultation process described in the following paragraph indicates that a benchmark of between £800,000 to £1,000,000 per hectare is a realistic range to use for this study in the high value areas and £600,000 for the smaller sites in the mid value area.

- 2.9 In addition, information on land values has been provided by the council, based upon previous studies, and this has been used as the basis of a consultation. A range of stakeholders¹⁴ were consulted through various methods including a stakeholder event, email, interview (face to face and telephone). Values were adjusted following the consultation and recirculated for further comment. Few comments were received but those that replied broadly concurred with our findings. We also ‘sense checked’ against sites currently on the market, although there were few.
- 2.10 Furthermore, DCLG give a land value per hectare for unencumbered land in the district of £1.1m. When appraised¹⁵ it is suggested that a similar site (to that tested by DCLG) would produce a cost of £0.51m to bring it to a position equivalent to being policy compliant with Forest Heath. Hence providing some affirmation for a mid point land value of £0.6m for smaller sites.
- 2.11 We have therefore arrived at the benchmark land values given in figure 2.3 below:

Figure 2.3 Benchmark Land Values – per gross hectare

High Value Area	Mid Value Area	Low value Area
£800,000 (£1,200,000 for sites below 11 units - houses)	£600,000 (£450,000 for larger site above 150 units)	£400,000 (£300,000 for larger sites above 150 units)

- 2.12 The benchmark land values are an estimate of the lowest values that landowners may accept and where development is able to pay more then land will be transacted at higher prices.
- 2.13 Partly as a sense check to allow for fluctuations in values within areas and also because some of our testing suggested that for straightforward sites (of 11 dwellings or more) with relatively high net to gross ratios a higher land value may be more appropriate – this was especially so for the high value area, we have included a sensitivity benchmark which was applied to the 1 hectare tiles:
- High Value sensitivity benchmark = £1,000,000 per gross ha
 - Mid Value sensitivity benchmark = £750,000 per gross ha
 - Low Value sensitivity benchmark = £500,000 per gross hectare

Testing approach and assumptions

- 2.14 Two types of testing have been undertaken:
- A notional 1 hectare site/tile (at a range of densities from 25dph to 40dph);

¹⁴ Developers; estate/land agents; council officers

¹⁵ Using Three Dragons toolkit

- A series of 24 case studies ranging in size from 11 to 1,000 dwellings. The case studies are representative of development in Forest Heath, in particular the sites identified in the SALP, and are based on information provided by the Council.
- 2.15 Key assumptions in relation to costs and revenues used in the analysis of residual values for both the 1 hectare tile and case study sites can be found at annex I.
- 2.16 The cost assumptions are based upon a mix of publicly available data, e.g. BCIS for build costs, industry standard practice and information provided by the council, for example the value of S106 contributions.
- 2.17 Details of all S106 costs were provided by the council and, based on this, a representative cost of £5,000 per unit was concluded. For larger sites above 300 dwellings this was increased to £6,000 per unit. In the high value area only, an extra cost of £500 per unit was added for sites above 150 dwellings to take account of traffic mitigation for horse walks in Newmarket. The latter figure was based on evidence provided by the council from assessment of current sites.
- 2.18 Revenue assumptions are based upon a thorough interrogation of Land Registry price paid data taking into account new build sales and price per square metre. Prices fell into one of 3 distinct value zones, with prices generally getting lower moving northwards. Some comments received from estate agents and other stakeholders suggested Red Lodge and part of Icení ward should be in the high value zone but the published evidence suggested a distinction, albeit with these areas being at the upper end of the mid value. The value zones are illustrated in figure 2.2 above. The results were sense checked with local estate agents¹⁶.
- 2.19 Both cost and revenue assumptions were included in the consultation process described in para 1.17 above and amendments were made based on comments received, where a basis could be provided for the amendment. The amended version was then circulated. Both versions can be found at Appendix III – Stakeholder Workshops.
- 2.20 Requirements for affordable housing were modelled at 30% as per policy CS9, split 70/30 between rented and intermediate tenure as detailed in Affordable Housing SPD 2013¹⁷.
- 2.21 Dwelling mix for market housing was varied between densities, with the lower densities providing a higher level of detached units and bungalows and the higher densities including some flats as well as a greater number of terraced or semi-detached units.
- 2.22 The mix for affordable housing was similar in all development sizes to reflect housing need and past delivery. The affordable focus is on smaller units, largely 2 & 3 bed terraced properties.
- 2.23 In accordance with the approach taken in the SALP, sites over 100 dwellings were assumed to have a net to gross ratio of 60% to take account of recommendations of Natural England regarding the impact of development on Sites of Special Scientific Interest (SSSI) and the need for on site infrastructure provision. Approximately one

¹⁶ Abbots Countrywide; Jackson-Stops; Morris Armitage; Chilterns

¹⁷ Paragraph 4.9

third of the district comes under SSSI designation and almost half is designated for its nature conservation value. However for other sites the reduction of developable area is higher for medium-sized sites than we would normally test and for this reason some case studies have been sensitivity tested at lower ratios, notably sites over 100 dwellings in the low value areas.

2.24 A full set of assumptions is provided in Appendix I - Technical Appendix.

3 RESIDENTIAL VIABILITY ANALYSIS – NOTIONAL 1 HECTARE SITE

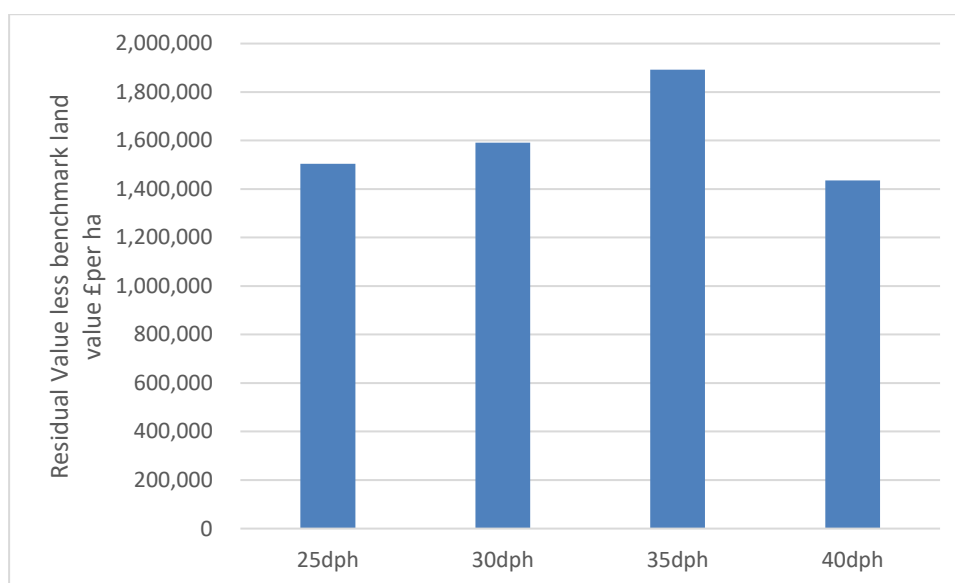
- 3.1 The results of the 1ha tiles are shown below. Each value area has been considered separately and has been tested at 25, 30, 35 & 40 dwellings per hectare (dph). The final chart shows the results of a sensitivity test at a higher benchmark land value. The full set of results are shown in table form at appendix IV.

Testing Results

Notional 1 hectare scheme – High Value Area

- 3.2 Testing in the high value area showed a strong market with sites financially viable at all densities. All sites demonstrated a balance of above £1.4m once the main benchmark land value was deducted from the residual value. The highest result was for 35dph scheme at £1.892m and the lowest for 40dph £1.435m.

Figure 3.1: Results for High Value Area at main benchmark land value (residual value less benchmark land value)

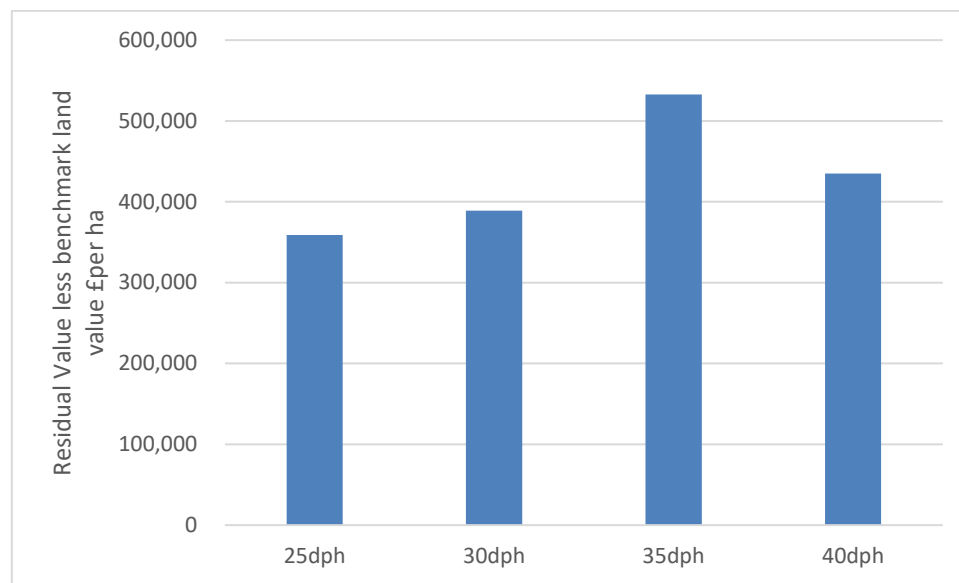


Main Benchmark Land Value = £800,000 per gross ha

Notional 1 hectare scheme – Mid Value Area

- 3.3 Results from the Mid Value area demonstrate a good general viability. All sites tested resulted in a surplus of above £300,000 per hectare once the main benchmark land value had been deducted from the residual value. The strongest results were for the 35dph scheme at £533,000 a hectare and the lowest for 25dph at £350,000 a hectare.

Figure 3.2: Results for Mid Value Area at main benchmark land value (residual value less benchmark land value)

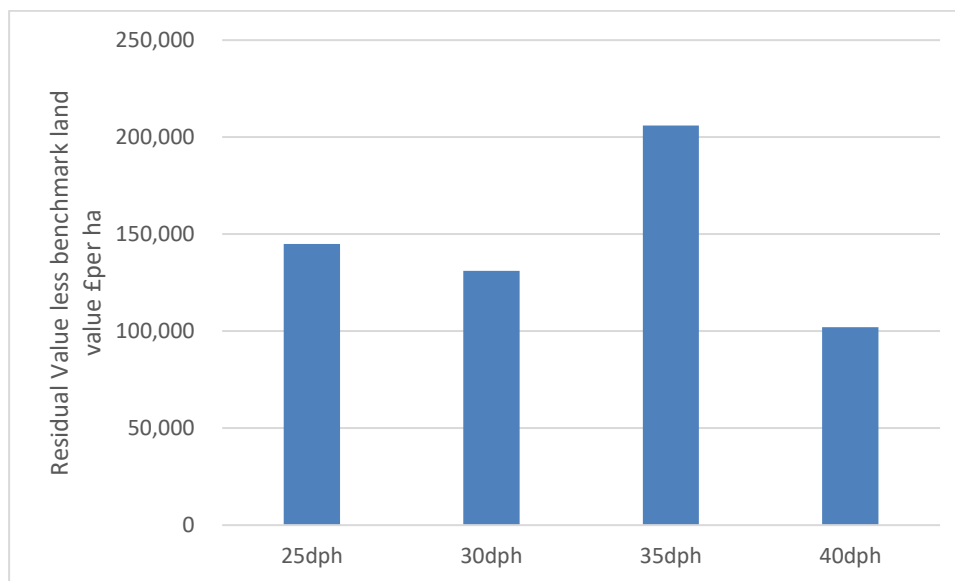


Main Benchmark Land Value = £600,000 per gross ha

Notional 1 hectare scheme – Low Value Area

- 3.4 Again, all sites tested show a positive balance once main benchmark land value is deducted from the residual value. All sites achieve a level above £100,000 per gross hectare with the most viable scheme being at 35dph with a result of £206,000 and the least viable is 40dph at £102,000.

Figure 3.3: Results for Low Value Area at main benchmark land value (residual value less benchmark land value)

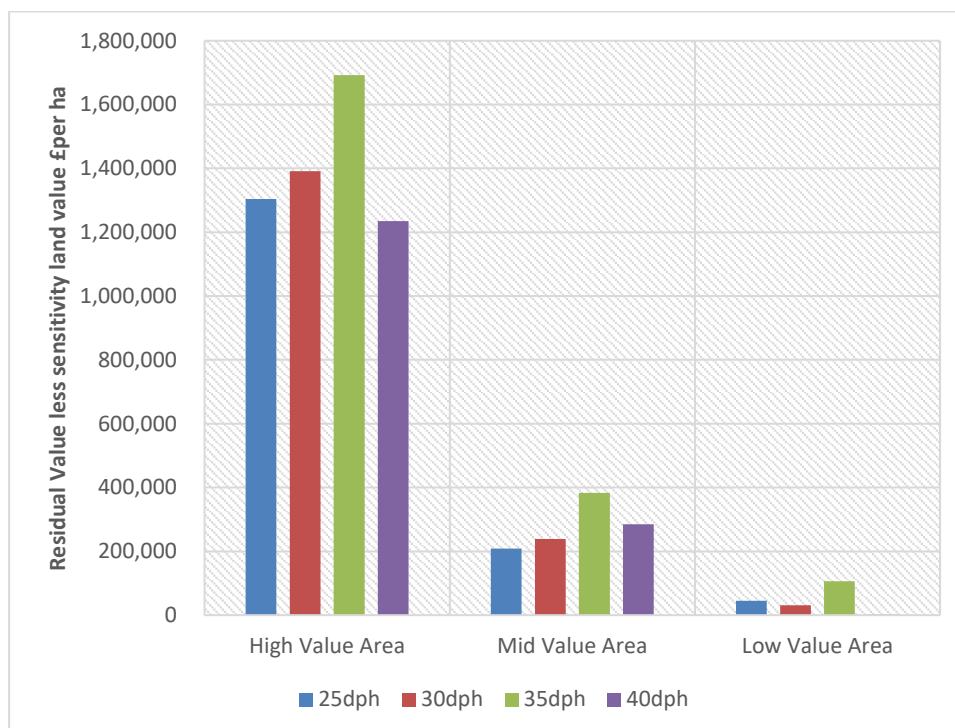


Benchmark land value £400,000 per gross ha

Notional 1 hectare schemes – all schemes at sensitivity benchmarks

- 3.5 All schemes were evaluated again at a higher, sensitivity, benchmark land value. This takes into account that sites of this nature and size are often the easiest to deliver as they are straightforward in terms of shape or remediation and are not encumbered by significant net to gross ratios. It also allows for any pockets of higher value/prices within each area which seems particularly important in the high value areas as they have demonstrated, through our modelling, the ability to attract higher land values. Apart from land value, all other factors remain the same.
- 3.6 Using the sensitivity benchmark land value, all schemes continued to show a viable balance with the high value area achieving surpluses above £1.2m once land value was deducted from residual value. Mid value schemes achieved resulting balances of between £209,000 and £383,000. The low value, whilst continuing to give viable results, was closer to the margins with balances of between £2,000 per gross ha for 40dph and £106,000 for 35dph.

Figure 3.4: Results for all areas shown against sensitivity benchmark land values



Sensitivity benchmark land values - High Value Area = £1,000,000 per gross ha

Mid Value Area = £750,000 per gross ha

Low Value Area = £500,000 per gross ha

Notional 1 hectare sites – Overview

- 3.7 The testing undertaken for the notional 1 ha sites provides a broad overview of the viability of the Single Issue Review and Site Allocation Local Plan.
- 3.8 At a 1 hectare site level a range of policy compliant residential densities can be delivered with a residual value in excess of both the main and sensitivity benchmark land values.
- 3.9 In all value areas the 35dph scenario is the most viable, although at 25; 30 & 40 dph the residual values are comfortably in excess of the main benchmark land value. For high and mid value areas this is repeated at the sensitivity benchmark and for the low value area residual values are closer to the benchmark, especially at 40dph, but remain above.
- 3.10 The results of the 1 ha tiles give an overview of good general development viability at a range of densities in all value areas.

4 RESIDENTIAL VIABILITY ANALYSIS – CASE STUDY SITES

Case study characteristics

- 4.1 In conjunction with the Council we have identified 35 case studies which reflect typical sites likely to be brought forward in Forest Heath. The case studies vary in size from 11 to 1,000 dwellings and in density from 30 to 65 dwellings per hectare. There are 8 basic scenarios which were tested in the value areas across the district, with some sensitivity testing in the low value area.
- 4.2 We have divided the case studies into two groups – smaller case studies of less than 100 dwellings and larger case studies of more than 100 dwellings and report on them separately below. The key characteristics of the case studies are shown in the table below; all other assumptions are the same as for the 1ha tiles. Appendix I provides details of the assumptions used for the testing and Appendix IV contains the results in tabular format.

Figure 4.1: Characteristics of the Case Studies

Case Study Ref	Type	Total dwgs	% AH	Density (dph)	Net Site area (ha)	Gross Site area (ha)	Gross to net	Opening up costs for strategic infrastructure
FH1	11 dwellings	11	30%	40	0.28	0.28	100%	Nil
FH1a	11 dwellings	11	30%	30	0.37	0.37	100%	Nil
FH2	14 dwellings	14	30%	65	0.22	0.22	100%	Nil
FH3	60 dwellings	60	30%	30	2.00	2.35	85%	£50,000 per net ha
FH4	90 dwellings	90	30%	30	3.00	3.53	85%	£50,000 per net ha
FH5	140 dwellings	140	30%	30	4.60	7.60	60%	£100,000 per net ha
FH5a	140 dwellings	140	30%	35	4.00	6.66	60%	£100,000 per net ha
FH6	200 dwellings	200	30%	30	6.70	11.16	60%	£150,000 per net ha
FH7	350 dwellings	350	30%	30	11.50	19.16	60%	£150,000 per net ha
FH7a	350 dwellings	350	30%	35	10.00	16.66	60%	£150,000 per net ha
FH8	1,000 dwellings	1,000	30%	30	33.00	55.00	60%	£200,000 per net ha

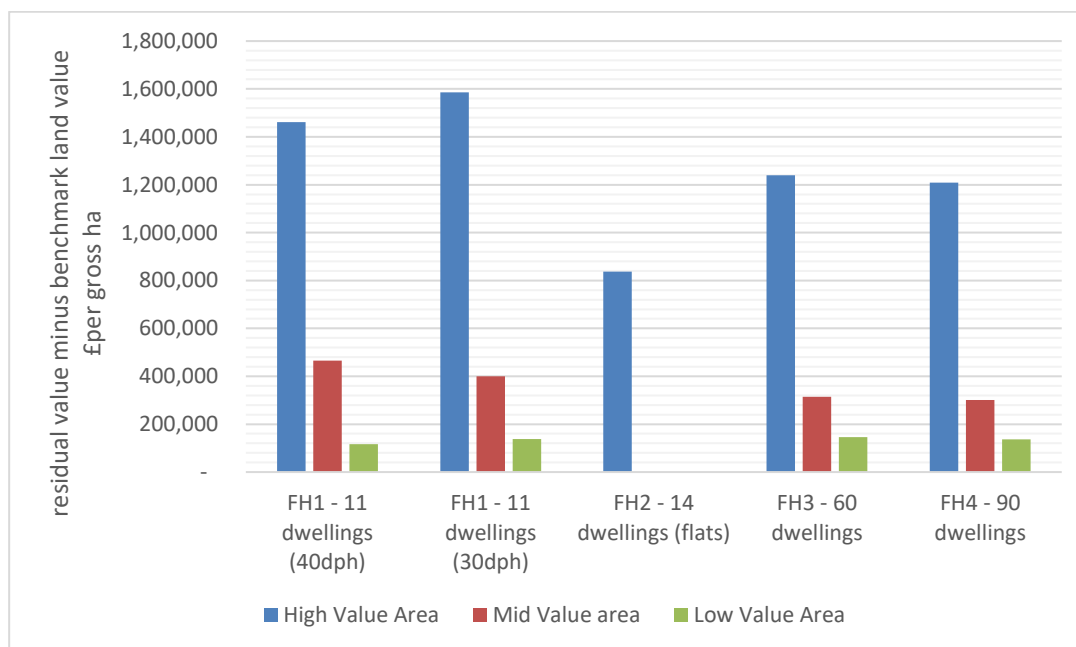
Smaller case studies (Case Studies 1 to 4)

- 4.3 For case studies 1 to 4, we assume that development occurs within one to three years, depending upon site size. We follow a similar approach to that used with the 1

hectare notional scheme, with the benchmark land value deducted from the residual value.

- 4.4 The smaller case studies vary in size from 11 to 90 dwellings. We have tested the smaller schemes at densities ranging from 30 to 65 dph as identified by the council as the densities most likely to come forward. The flatted scheme has been tested in the high value area only in consideration of where such a site is anticipated to come forward.
- 4.5 The results of the viability testing for the small case studies are set out in figure 4.1 below. Unsurprisingly the results show the highest level of viability in the high value area. All value areas do produce viable results with over £100,000 per hectare surplus at the lowest point.
- 4.6 Varying market factors mean that different schemes are the most/least viable in each area. Residual values in the high value area range from £1,586,486 for the 11 dwelling scheme at 30dph to £837,209 for the 14 flats at 65dph. In the mid value area, the most viable scheme is the 11 dwelling scheme at 40dph with a surplus of £465,455 and the lowest surplus is £300,627 for the 90 dwelling scheme. In the low value area the highest surplus of £145,881 per ha is reached for the 60 dwelling scheme and the lowest of £116,364 for the 11 dwelling scheme at 40dph.
- 4.7 All the smaller case studies have demonstrated that they are achievable financially.

Figure 4.1 Smaller Case Studies - Residual Value less Benchmark Land Value



Benchmark Land Value per gross ha -

High value area = £800,000

Mid value area = £600,000

Low value area = £400,000

Larger case studies (Case Studies 5 to 8)

4.8 The larger case studies account for higher strategic infrastructure costs, additional planning obligations in consideration of increased education contributions and, for the high value area (Newmarket in particular) additional planning obligations regarding traffic mitigation for any impact on horse walks:

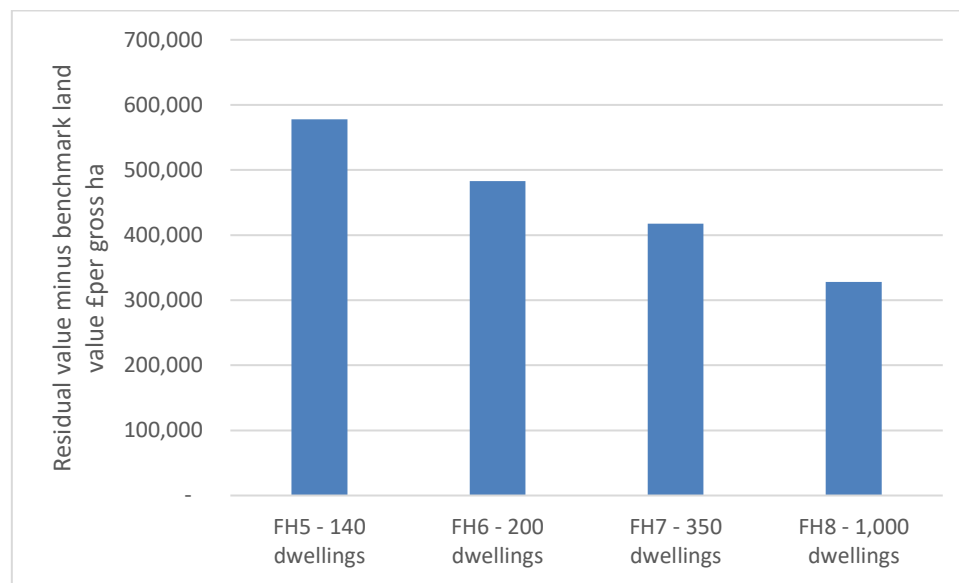
- The Advice for Planning Practitioners indicates that large scale schemes incur additional development costs that do not apply to smaller sites. We have already included a 15% uplift on build costs (identified by BCIS) for external works (local roads, pavements etc). For larger schemes, we make a further allowance to cover items such as ground remodeling and bringing utilities to the site. We have allowed such opening-up costs on a 'sliding scale' and recognise that these costs are an estimate of what will be required. The additional costs range from £50,000 per net hectare for sites above 50 dwellings up to £200,000 per net hectare for sites above 400 dwellings.
- We have also allowed for extra costs to account for an increased education contribution of £6,000 per dwelling on the largest 2 sites and on sites of more than 150 dwellings in the high value area we have allowed an extra £500 per dwelling to account for the potential need for traffic mitigation for any impact on horse walks in Newmarket.
- The developable area will be less than the gross area of the allocated site. This allows for, for example, strategic open spaces and land for community facilities. The percentages used have been discussed with the Council as a reasonable guide based on recent planning applications and in consideration of SSSIs and the Special Protection Area (SPA). In some cases, in the low value area, this has been subject to a sensitivity test.
- Completion of larger schemes can take a number of years and this is reflected in the modelling process. Residual values have been calculated using the discounted cash flow facility within the Toolkit, using an appropriate discount rate.

4.9 The larger case studies are considered below separately for each value area, to take account of the variations between areas.

High Value Area

4.10 Figure 4.2 below presents the additional residual value over the land value benchmark on a per gross hectare basis for the high value area. All the case studies produce a high surplus over benchmark land value despite the higher net to gross and opening-up costs. The highest result is for the 140 dwelling scheme at £577,780 per ha and lowest is for the 1,000 dwelling scheme at £328,235 per ha.

Figure 4.2 Larger case studies: additional residual values per gross ha – high value area

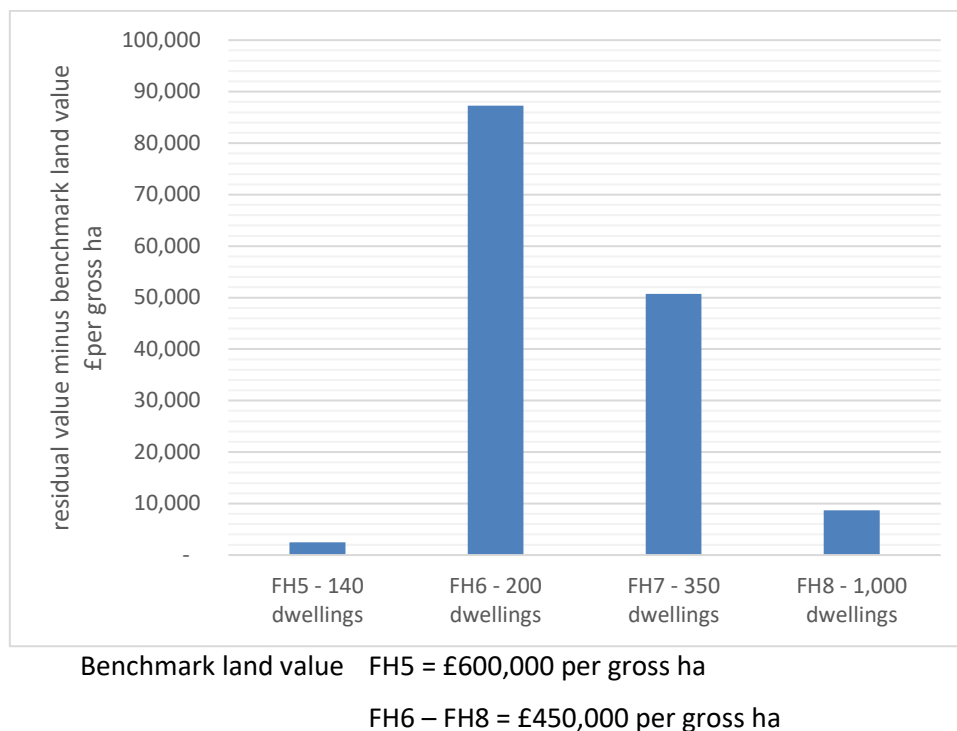


Benchmark land value = £800,000 per gross ha

Mid Value Area

- 4.11 Again, all case studies in the mid value area produce a surplus per gross hectare once the benchmark land value has been deducted from the residual value. The best results are achieved for the 200 dwelling scheme at £87,282. The lowest results are for the 140 dwelling scheme at £2,504, reflecting that the scheme has a high net to gross site area at 60% net but does not benefit from the lower benchmark land value that the larger schemes do. The 250 and 350 unit schemes are clearly viable whilst the schemes at 140 and 1,000 dwellings are marginal in the mid value area.

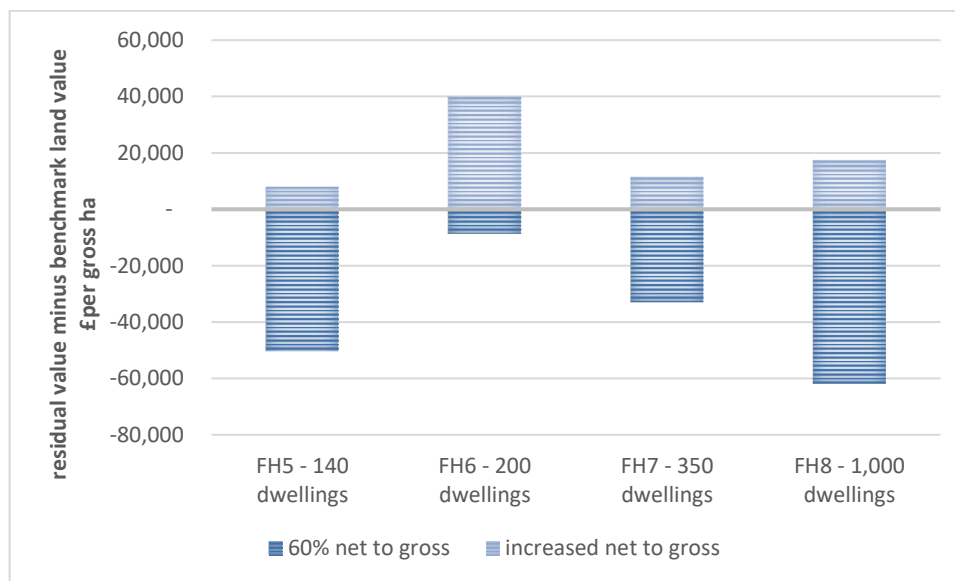
Figure 4.3 Larger case studies: additional residual value per gross ha – mid value area



Low Value Area

- 4.12 If the council's review process confirms that housing development in the district is to be delivered as per the SALP, there will be no need to viability test the larger sites in the low value area because most larger sites already have planning permission. However, in order to allow the council to have evidence in place should there be any changes, we have also tested these sites.
- 4.13 Figure 4.4 below shows the results of 2 sets of viability tests. The first, at 60% net to gross to take account of SSSIs did not produce any viable results, although no sites were so far out as to be considered totally unachievable. In view of this we also tested at a higher net to gross which was 70% for case studies 5 – 7 and 80% for case study 8. These produced viable results ranging from £7,996 to £39,901 per gross hectare and demonstrate the potential of these sites to be deliverable financially.

Figure 4.4 Larger case studies: additional residual value per gross ha – low value area

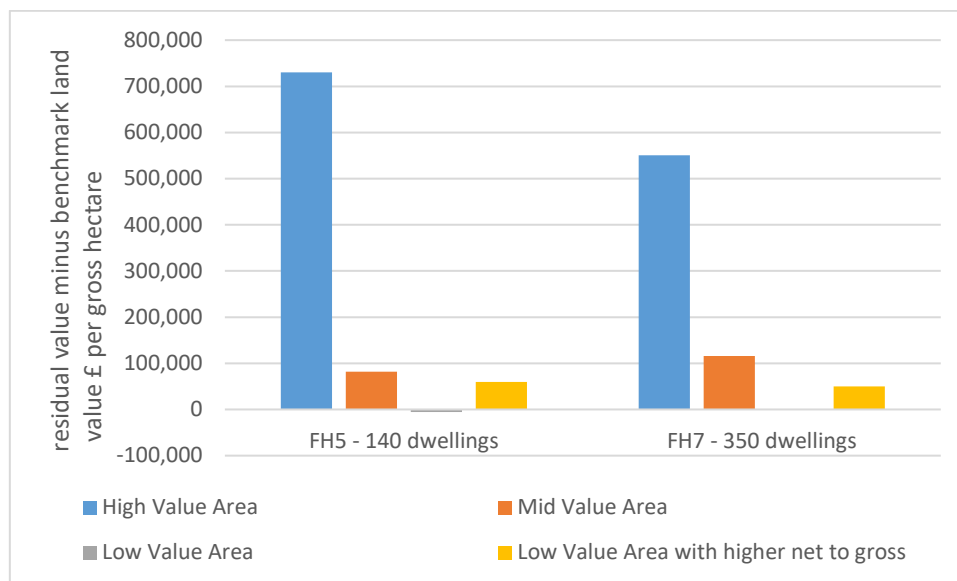


Benchmark land value per gross ha FH5 = £400,000
FH6-8 = £300,000

Larger Case Studies – Sensitivity Test at 35 dph

- 4.14 In order to account for the potential of future changes to delivery on sites allocated through the SALP and to plan for the possibility of achieving higher delivery on allocated sites we also ran a sensitivity test on case studies FH5 and FH7 where we increased the density to 35 dph.
- 4.15 The results of the sensitivity test are shown below in figure 4.5. In all cases the residual value increased compared to the testing at 30 dph. The largest increase was £152,740 for case study FH5 in the high value area.
- 4.16 With the exception of case study FH5 (140 dwellings) in the low value area, all case studies produced a positive residual value when tested at 35dph. In the low value area both schemes were marginal at -£5761 for the 140 dwellings case study and £35 for the 350 dwelling case study. When the net to gross was increased in the low value area these results also increased to £59,945 and £50,040 respectively.

Figure 4.5 Larger case studies: additional residual value per gross ha – sensitivity test at 35 dph – all value areas



Case Study Sites - Overview

- 4.17 The case studies generally reflect the findings from the notional 1 hectare testing in that viability increases moving further south across the district, with the high value area producing the greatest surpluses and the low value area the least. The picture is one that supports the sites identified in the SALP as financially achievable.
- 4.18 Smaller schemes of less than 100 dwellings are shown to generate the highest residual values. The larger case studies in the high and mid value areas also produce results that show a surplus once benchmark land value has been deducted from the residual value. The only sites that struggle are the larger schemes in the low value area (bar only just visible on graph above), although the testing demonstrates that a higher net to gross developable area is one way of ameliorating this. Also, only a small rise in house prices over time (4% in the case of the 1,000 dwelling scheme – the least viable of all the case studies) would bring these sites into viability. Site size and net to gross developable area will be critical in the mid and low value areas. Larger sites in the low value area may struggle at current costs and values and some schemes, such as those with sub-optimal density or site coverage may not be able to proceed.
- 4.19 Where tested, it was shown that an increase in density from 30 to 35 dph will increase the residual value and hence general viability.

5 NON-RESIDENTIAL DEVELOPMENT

Introduction

- 5.1 The SALP states that “Forest Heath District Council has an aspiration to grow jobs, employment and prosperity in the District over the next 10 – 20 years”.
- 5.2 The viability testing covers the office, industrial and warehouse development planned for Forest Heath.

Planned employment development in Forest Heath

- 5.3 The 2016 Site Allocations Local Plan (SALP) Preferred Options document includes the following proposed key employment sites:
- EM1 Mildenhall Academy and Dome Leisure Centre site, Mildenhall (4ha out of centre previously used site)
 - EM1(b) St Leger, Newmarket (1.6ha out of centre green field business park site)
 - EM1(c) Approach to Red Lodge (4.1ha out of centre green field site)
- 5.4 In addition, employment uses are also planned as part of mixed used development:
- N1(c) Hatchfield Farm, Newmarket (5ha of employment uses on greenfield land)
 - M1(a) Land west of Mildenhall (2.6ha of employment uses on greenfield land)
 - RL2(a) Kings Warren, Red Lodge (8ha of employment uses on greenfield land)
 - L1(a) Land west of High Street, Lakenheath general mixed use on a 1.86ha previously developed site
- 5.5 The SALP Preferred Options document also proposes an area north of the A11 near Red Lodge for further employment land.
- 5.6 All of the proposed employment locations are in addition to the existing protected general employment sites identified in the Forest Heath Employment Land Review 2009. These general employment sites are proposed for B1, B2 and B8 uses.

Non-residential Viability Testing

- 5.7 The non-residential viability assessments also use the residual value methodology, in which a scheme’s value is calculated using rents and yields; all of the costs of development (including developer’s profit and planning obligations) are then deducted from this capital value; leaving a residual value which is the amount the scheme is able to pay for land. This residual value is then compared to the threshold land value - if the residual value is higher than the threshold land value then the scheme can be expected to proceed (i.e. viable), if the residual value is lower, then the development is less likely to proceed.
- 5.8 We have tested the following generic employment uses:
- Out of centre office development of 1,500 sq m over two floors with sufficient land take for parking. We would expect this type of development to be located on a business park location.

- Town Centre offices of 2,000 sq m over 4 storeys. This would have little dedicated parking.
- Industrial/warehouse units of 1,600 sq m, split into four units on a business park location.
- Industrial/warehouse units of 5,000 sq m, on a large greenfield site.

Values and costs

- 5.9 The values and costs (including threshold land values) used in these viability assessments draw upon published data from recognised sources¹⁸.
- 5.10 It is likely that non-residential development will be required to provide some s106 /278 funds to mitigate direct site impacts. While this will vary considerably in line with site characteristics it is generally the case that this will be linked to transport impacts and we have made some appropriate estimates.
- 5.11 Our approach to setting non-residential threshold land values follows the recommendations in the Local Housing Delivery Group's 2012 report¹⁹. This reviews the use of market values and premiums on existing use values (EUV) and recommends that the threshold land value is based on a premium over current use values and credible alternative use values. The principle behind a benchmark land value is that it is an estimate of the *lowest* value a landowner may accept, rather than the best price that may be provided by the market. For the purposes of this exercise we assume a clean serviced site, rather than one with an existing productive use.
- 5.12 In considering the appropriate benchmarks for non-residential development we have taken into account the current uses for the SALP sites planned for employment development (a combination of edge of settlement greenfield land, previously developed land and land on existing business parks) as well as the discussion around the benchmark land values for residential land in section 2 of this report. We have also considered the evidence from land for sale in Forest Heath and the surrounding area based on land deals reported in CoStar Suite, and land for sale on estate agents and land listing websites, and other publish sources.
- 5.13 The information on land values shows:
- Commercial land deals in East Cambridgeshire and Suffolk vary widely, between £23,000/ha and £6.8m/ha. The smallest sites had the highest reported median values (£1.4m/ha) and there is a pattern of larger sites (over 5ha) having lower values (c.£200,000/ha). There is a cluster of sites with a value between £300,000 and £500,000/ha.
 - DCLG's Land Values for Policy Appraisal suggests industrial land in the East of England is £675,000/ha, rising to £1.1m/ha in South East England.

¹⁸ CoStar Focus for rents and yields, BCIS for construction costs and various published information as available for land values

¹⁹ Viability Testing Local Plans, 2012, Local Housing Delivery Group

- Section 2 refers to a generic agricultural value of £24,000/ha (although any sale of agricultural land for industrial uses would involve a substantial premium over this value).
- 5.14 Information made available by Forest Heath Council demonstrates that offers for land can be significantly below the higher values discussed above; and that robust offers for commercial land can be between £310,000/ha and £720,000/ha.
- 5.15 The residential land value benchmarks are between £400,000-£800,000/ha for standard sites.
- 5.16 Based on this information we have estimated the standard commercial land value benchmark is £550,000/ha. This assumes an accessible, serviced clear site²⁰. Where uses are able to pay more than this, we would expect higher values to be achieved. For large scale commercial developments, it is apparent that lower values may be appropriate and we use a benchmark of £350,000/ha (this lower benchmark applies to the 5,000 sq m industrial/warehouse generic case study).
- 5.17 The table below summarises the values and costs used in the viability testing

Table 5.1: Non-residential values and costs

	Out of centre offices	Town centre offices	Industrial units	Warehouse units
Floorspace sq m	1,500	2,000	1,600	5,000
Storeys	2	4	1	1
Site coverage	40%	75%	40%	40%
Rent per sq m	£145	£145	£59	£59
Yield	9.50%	9.50%	9.00%	9.00%
Purchaser costs % GDV	5.80	5.80	5.80	5.80
Build costs per sq m including environmental standards	£1,309	£1,849	£967	£459
External works % of base build costs	10%	10%	10%	10%
Professional fees % of construction	12.00%	12.00%	12.00%	12.00%
Sales and letting costs % of GDV	3%	3%	3%	3%
Allowance for s106 and s278 (not covered by CIL)	£20,000	£0	£20,000	£50,000
Finance costs	6.0%	6.0%	6.0%	6.0%
Build and void period (months)	46	50	20	32
Developer return % GDV	20%	20%	20%	20%
SDLT & agent fees per sq m (if viable)	£0	£0	£0	£0

Summary viability assessments

- 5.18 The tables below summarise the detailed assessments, and represent the net value per square metre, the net costs per square metre; including an allowance for land

²⁰ Where development is proposed for an occupied site, the existing use value of the development will be the benchmark.

cost and the balance between the two. We have also presented the threshold land value per sq m of development. This takes account of the different site coverage and the number of storeys for the notional developments. Full results are set out in Appendix V.

- 5.19 It is important to note that the analysis considers development that might be built for subsequent sale or rent to a commercial tenant. However, there will also be development that is undertaken for specific commercial operators, either as owners or pre-lets. In these circumstances the economics of the development relate to the profitability of the enterprise accommodated within the buildings rather than the market value of the buildings.

B Class Uses - Offices, industrial and warehouses

- 5.20 The viability assessments suggest that office, industrial and warehouse development is not viable in Forest Heath. The modelling suggests that none of these uses as modelled produce any positive residual value to pay for land. This is a similar situation to many parts of the country. However as also discussed above, this does not necessarily mean that there will be no new employment premises, as there will be businesses requiring new facilities in order to continue or grow the profitability of their commercial operations – even though the build may not produce a return in traditional property value terms.

Table 5.2: Offices

	Out of centre offices	Town centre offices
Value/sq m	£1,373	£1,373
Costs/sq m	£2,344	£3,210
Residual/sq m	-£971	-£1,837
Land benchmark/sq m	£69	£18
Viability 'headroom'	None	None

Table 5.3: Industrial and warehouse

	Industrial units	Warehouse units
Value/sq m	£590	£590
Costs/sq m	£1,479	£811
Residual/sq m	-£889	-£220
Land benchmark/sq m	£138	£88
Viability 'headroom'	None	None

- 5.21 If Forest Heath District Council chooses, it may be able to further incentivise new employment space development through funding support (such as grants or by setting up repayable rolling investment funds) or by acting as developer for some units to start the process off and generate more critical mass (which may then build clustering benefits etc.).

Sensitivity testing

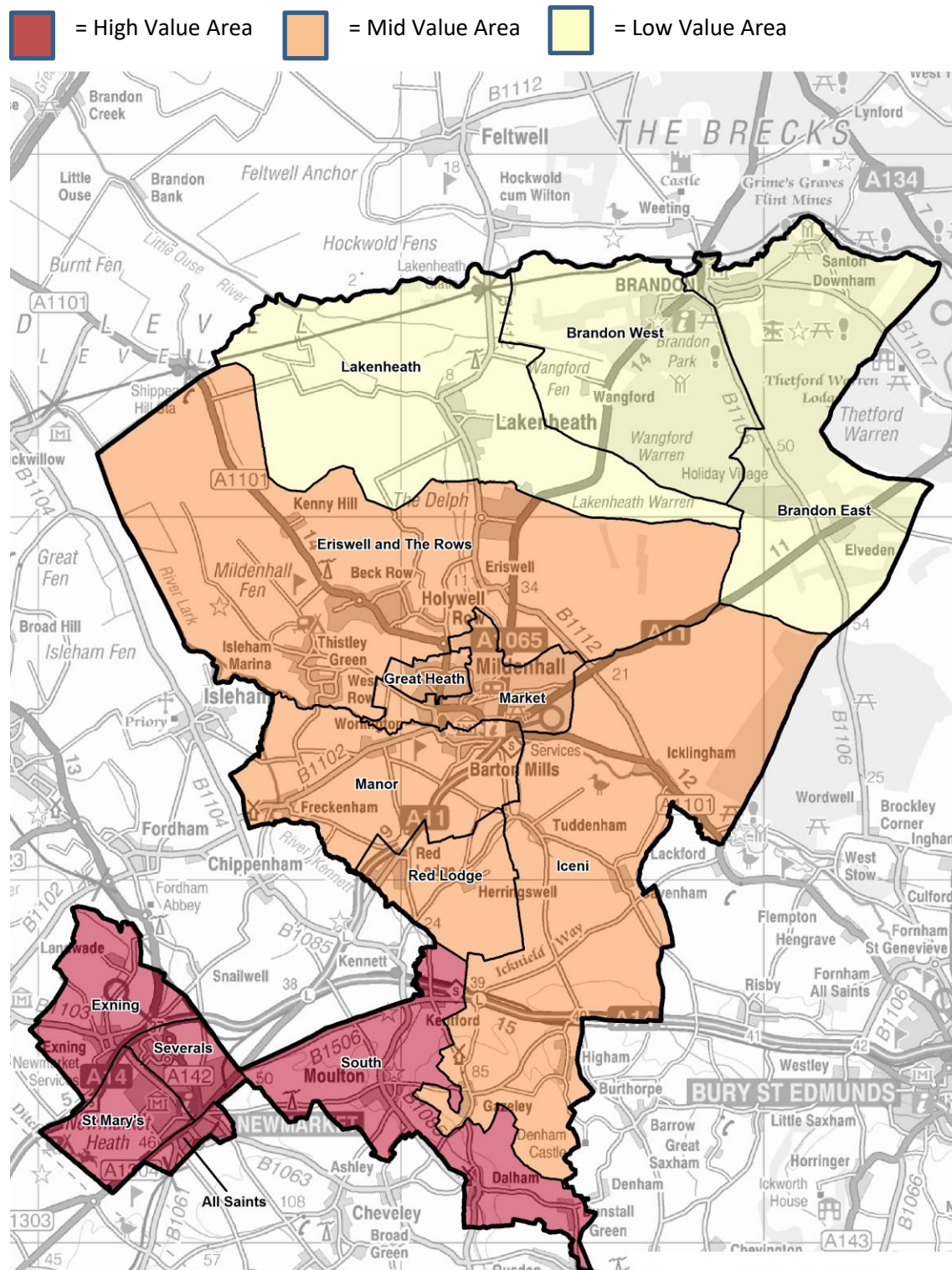
- 5.22 It is likely that costs and values will vary between actual schemes as well as change in the future, and a set of sensitivity tests have been run to determine at what point viability changes. This indicates that even increasing values by 20% would still result in a negative residual value.

APPENDIX I – TECHNICAL DETAIL FOR RESIDENTIAL TESTING

Forest Heath Testing Assumptions

1. Market Housing

Market areas – Forest Heath



House Prices

Market GIA SQ M	160	130	100	120	100	120	95	70	50	61	50	74	55
	Detached			Semi-detached		Terrace				Flats		Bungalows	
Market Value Area	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed	4 Bed	3 Bed	2 Bed	1 bed	2 Bed	1 Bed	2 bed	1 bed
High Value	522,823	424,793	326,764	317,520	264,600	302,520	239,495	176,470	126,050	180,743	148,150	317,520	264,600
Mid Value	376,640	306,020	235,400	282,480	235,400	268,320	212,420	156,520	111,800	158,356	129,800	282,480	235,400
Low Value	336,904	273,735	210,565	252,264	210,220	238,602	188,893	139,185	99,418	141,633	116,093	252,264	210,220
	Flats ground rent at £250/dwelling capitalised at 5%.												

Market Housing dwelling mix

Type	25dph – village site	30dph	35dph	40dph – urban area
1 bed flat				
2 bed flat				10%
2 bed bungalow	5%			
2 bed terrace	5%	10%	10%	15%
3 bed terrace	5%	10%	10%	15%
4 bed terrace				10%
3 bed semi	10%	15%	20%	20%
4 bed semi				
3 bed detached	15%	20%	20%	15%
4 bed detached	40%	35%	30%	15%
5 bed detached	20%	10%	10%	

2.Affordable Housing

30% affordable housing. All affordable housing comprises 70% rented and 30% shared ownership

- Rented is tested as 100% Affordable Rent
- Threshold of 11 dwellings or more

Affordable Housing Dwelling mix

Affordable Housing Development Mix House Type	Affordable Rent (70% of AH)	Intermediate (30% of AH)
1 bed flat	5%	
1 bed house	5%	
1 bed bungalow	3%	
2 bed bungalow	3%	5%
2 bed terrace	65%	45%
3 bed terrace	15%	45%
4 bed terrace	4%	5%

Affordable housing values

Net of service charge of £10 for flats and £5 for houses & based on 100% of LHA rates (rounded)

	Affordable Rent – low & medium value areas	Affordable Rent – High value areas
1 bedroom flat	£92	£116
2 bedroom flat	£116	£130
1 bedroom terrace	£97	£121

2 bedroom terrace	£121	£135
3 bedroom terrace	£145	£163
4 bedroom terrace	£211	£213

For rental properties.

Management and maintenance	£1,000
Voids/bad debts	3.00%
Repairs reserve	£600
Capitalisation	5%

For shared ownership

Share size	40%
Rental charge	2.75%
Capitalisation	5%

3.General costs and assumptions – all dwellings

Dwelling sizes

House type description	Affordable sq m	Market sq m
1 bedroom flat	50	50
2 bedroom flat	61	61
1 bedroom bungalow	55	55
2 bedroom bungalow	74	74
1 bedroom terrace	58	58
2 bedroom terrace	76	70
3 bedroom terrace	87	95
4 bedroom terrace	102	120
3 bed semi detached	87	100
4 bed semi detached	102	120
3 bed detached		100
4 bed detached		130
5 bed detached		160

Dwelling size compliant with Nationally Described Space Standards

An allowance of 10% of floor area will be added to the 1-2 storey flats used in the 1ha tile testing for circulation and common areas.

Other costs

Type	Cost	
Flats (1-2 storeys)	£1,297	sq m includes 15% for external works – all build costs for 5 year period until 31/12/15
Houses	£1,114	sq m includes 15% for external works
Bungalows	£1,327	sq m includes 15% for external works
Professional fees	8%-12%	10 units or less – 12% 11 – 50 units – 10% 51 – 100 units – 9% 101+ units – 8%

Type	Cost	
Finance	6%	of development costs (net of inflation)
Marketing fees	3%	of GDV
Developer return	20%	of GDV
Contractor return	6%	of affordable build costs
s106/278	£5,000 £6,000 £500	Per dwelling (average from last 2 years) Per dwelling for sites over 300 dwellings to take into account extra education provision EXTRA Per dwelling in high value area (Newmarket) for sites over 150 dwellings to take into account potential traffic mitigation for any impact on horse walks
Strategic infrastructure costs/ opening up	>50 units £50k/net ha >100 units £100k/net ha >200 units £150/net ha >400 units £200/net ha	net ha for larger sites
Agents and legal	1.75%	
Security	£320	Per dwelling (part q)
Water	£9	Per dwelling

Densities

1ha tiles tested at 25/30/35/40 dph

Main density for case studies of 30 dph for case studies except 14 dwelling high density scheme

Sites of over 100 units – 60% net to gross with sensitivity testing at lower net to gross ratios in low value areas

Benchmark Land Values

	Value per gross hectare (sites 11 – 149 dwellings)	Sites over 150 dwellings (to take account of higher net to gross)	Sensitivity test @ 1ha tiles (to take account of any variations in value across the area and sites are straightforward)
Low Value area	£400,000	£300,000	£500,000
Mid value area	£600,000	£450,000	£750,000
High value area	£800,000 – 11 units or more & all flatted schemes	£800,000	£1,000,000

APPENDIX II – LOCAL PLAN POLICIES

Local Plan policy viability implications

This Annex forms part of the Forest Heath District Council Whole Plan Viability Appraisal for Forest Heath District Council's Single Issue Review and Site Allocations Local Plan documents. It reviews the policies in the adopted Forest Heath Core Strategy (May 2010) along with the Forest Heath and St Edmundsbury Joint Development Management Policies Document (February 2015) and other related Supplementary Planning Documents and identifies viability implications that need to be considered as part of the viability study. The Annex also takes account of policies in the emerging Single Issue Review of Core Strategy Policy CS7 (Overall Housing Provision and Distribution) (Preferred Option April 2016) Forest Heath Site Allocations Local Plan (Preferred Options April 2016) where these indicate different outcomes in terms of future development costs.

The Annex is summarised in the body of the Viability Report.

No	Title	Policy requirements	Viability implications
CS1	Spatial Strategy	<p>This policy provides the broad framework for the direction of a range of development types (including residential, employment, retail and leisure) across the Settlement Hierarchy identified for the District and also taking account of the spatial priorities and other key considerations for a range of individual settlements (e.g. ecological constraints) taken into account as part of delivering the overall strategy.</p> <p>Specific aspects of its application will be affected by the emerging Core Strategy Single Issue Review of policy CS7 in relation to the overall quantum and distribution of residential development.</p> <p>Greater detail on the requirements necessary to deliver individual aspects of the policy (e.g. infrastructure contributions) is provided by other development plan policies.</p>	Range of schemes tested in viability study to cover development scenarios and the different scales of delivery likely to come forward across the settlement hierarchy.

No	Title	Policy requirements	Viability implications
CS2	Natural Environment	<p>A significant proportion of Forest Heath District is affected by a range of environmental designations including the Breckland Special Protection Area (which also comprise a variety of Site of Special Scientific Interest components) and several Special Areas of Conservation in addition to a wider range of Local and County Wildlife Sites and Local Nature Reserves etc.</p> <p>The policy seeks appropriate management of these assets including preventing fragmentation and the promotion of Green Infrastructure.</p> <p>Development may not be allowed within prescribed distances from Special Protection Areas and will be subject to a project level Habitats Regulation Assessment to demonstrate that specific mitigation or avoidance is provided to avoid adverse effects on the integrity of the SPA.</p>	<p>There is little development that will be affected by this policy and so it has not been included in area wide viability testing.</p> <p>Specific proposals may be associated with additional requirements and cost implications associated with providing additional open space or off-site mitigation for ecological compensation or enhancement or reductions to developable area.</p> <p>It is assumed that any strategic sites identified for development will have been subject to relevant HRA testing</p>

No	Title	Policy requirements	Viability implications
CS3	Landscape Character and the Historic Environment	<p>The quality, character, diversity and local distinctiveness of the District's landscape and historic environment shall be protected, conserved and, where possible, enhanced. Proposals for development will take into account the local distinctiveness and sensitivity to change of distinctive landscape character types, and historic assets and their settings. Landscape types are described in the Forest Heath Landscape Character Assessment (LCA). The Landscape Character Assessment will inform detailed assessment of individual proposals. All schemes should protect and seek to enhance overall landscape character, taking account of the key characteristics and distinctiveness of the landscape and the landscape setting of settlements.</p>	<p>No viability implications identified.</p> <p>Gross to net assumptions to identify developable areas from total site area typically allow for adequate provision of landscaping and buffers</p> <p>Where proposals do come forward there may be viability implications for additional landscaping if in sensitive areas</p>
CS4	Reduce Emissions, Mitigate and Adapt to future Climate Change	<p>The Council promotes and encourages all development proposals to deliver high levels of sustainability to manage the District's ecological footprint and mitigate against and adapt to climate change</p> <p>The Council will support the development proposals that avoid areas of current and future flood risk, and which do not increase flooding elsewhere, adopting the precautionary principle to development proposals. The Council seeks the implementation of SuDS techniques on all developments where technically feasible. Development in areas of increased Flood Risk (Zones 2 and 3) will be avoided unless fully justified by the relevant exception and sequential tests and the risks can be fully mitigated by engineering and design measures.</p> <p>Development must conform to Code 3 of the [now revoked] Code for Sustainable Homes and consider sustainable construction techniques such as maximising solar gain, greywater recycling and high levels of insulation. Protecting and enhancing ecological networks and enhancing biodiversity as part of adapting to climate change is also a requirement for new development.</p>	<p>No viability implications identified.</p> <p>The policy is part-superseded by subsequent revisions to National and Regional policy and national housing standards.</p> <p>SUDS part of normal development costs</p>

No	Title	Policy requirements	Viability implications
Policy CS5	Design Quality and Local Distinctiveness	All new development should be designed to a high quality and reinforce local distinctiveness. Design that does not demonstrate it has regard to local context and fails to enhance the character, appearance and environmental quality of an area will not be acceptable. Innovative design addressing sustainable design principles will be encouraged, if not detrimental to the character of the area. Regard should be taken of current good practice concerning design, and any local design guidance adopted by the Council.	No viability implications identified
CS6	Sustainable Economic and Tourism Development	The policy sets out the requirement for job creation and associated requirement for new employment land associated with meeting needs identified in the Core Strategy and seeks to direct development in association with the overall spatial strategy and Settlement Hierarchy. Specific sites are to be identified in the Site Allocations Development Plan Document and will take account of relevant considerations such as infrastructure capacity, travel patterns, market demand and availability and the additional objectives of confirming the cultural and natural assets of the District	Non-residential viability testing for retail, office and hotel uses takes account of location type. No other viability implications identified. Specific policy requirements and potential cost implications are deferred to subsequent site allocations policies.
CS7	Overall Housing Provision	This policy was subject to a successful Legal Challenge and the Core Strategy Single Issue Review will provide replacement provisions.	Range of schemes tested in viability study to cover development scenarios to take account of variations in terms of scale, mix and development values associated with different locations across the District.
CS8	Provision for Gypsy and Travellers	The policy seeks to address the accommodation needs of Gypsies and Travellers within the District with suitable sites identified with reference to relevant criteria including accessibility, proximity to settled communities and landscape and ecological impacts.	No viability implications identified

No	Title	Policy requirements	Viability implications
CS9	Affordable Housing Provision	<p>Planning permission for the erection of new dwellings or conversion of existing buildings to dwellings will be permitted provided that, where it is viable to do so, the scheme provides affordable housing in accordance with the following:</p> <ul style="list-style-type: none"> On all schemes of 10 or more dwellings or sites of more than 0.33 hectares a target of 30% of the number of net new dwellings will be sought as affordable; On sites in Primary Villages and Secondary Villages only, for schemes of 5 to 9 units or on sites larger than 0.1 hectares a target of 20% of the number of net new dwellings will be sought as affordable housing; The targets specified are subject to the viability of the affordable housing being demonstrated, using whatever public subsidy may be available in the case. If the target cannot be achieved, the affordable housing provision should be the maximum that is assessed as being viable; The mix of tenure and size of the affordable housing units will take account of the identified housing needs identified locally and by an up to date Strategic Housing Market Assessment; Where 'key worker' housing is justified, this shall be included as an element within the intermediate affordable housing tenure; The affordable housing provided is made available solely to people in housing need at an affordable cost for the life of the property (The Council will ensure that any planning permission granted is subject to appropriate conditions and/or planning obligations to secure its affordability in perpetuity). <p>Where this policy would result in a requirement that part of a dwelling should be affordable a financial contribution of equivalent value will be required.</p> <p>Affordable Housing in the Countryside: Proposals for affordable housing development within the area designated as Small Settlements and Countryside will be permitted only where:</p> <ul style="list-style-type: none"> The proposal would help to meet a proven local housing need for affordable housing as demonstrated in a Local Housing Needs Assessment and waiting list information, and The affordable housing provided is made available to people in local housing need at an affordable cost for the life of the property (the Council will ensure that any planning permission granted is subject to appropriate conditions and/or planning obligations to secure its affordability in perpetuity). <p>For the purposes of this policy 'local housing need' means the need in the Parish and adjacent Parishes as evidenced by the Council's waiting list, or a Local Housing Needs Survey or other relevant study.</p>	<p>Viability testing has taken account of the council's Affordable Housing Policy.</p> <p>The viability testing also takes account of the alternative thresholds for affordable housing (excluding sites of 10 or fewer dwellings) following the Written Ministerial Statement of November 2014 and its effects on the Council's application of the policy.</p> <p>The mix for affordable housing has an impact on viability when there are differences between the dwelling types sought and a market focussed mix. Dwelling mixes used for viability tests have been provided by FHDC to reflect the types of development likely to be sought and achieved.</p> <p>The Council's Supplementary Planning Advice confirms that affordable housing should provide a mix of 70% Affordable Rent and 30% Shared-Ownership accommodation.</p> <p>Viability implications exist</p>

No	Title	Policy requirements	Viability implications
CS10	Sustainable Rural Communities	<p>The policy sets out that the majority of development to meet requirements in the Local Plan will be directed towards the Towns and Key Service Centres, with residential and commercial land uses in other Primary Villages, Secondary Villages and Small Settlements focused within settlement boundaries or towards schemes specifically seeking to meet local affordable housing needs.</p> <p>The loss of important local services will normally be resisted. The diversification of existing rural enterprises is supported where a rural location is environmentally or operationally justified.</p>	<p>No viability implications.</p> <p>The testing of schemes within the viability study takes account of the scale of development which may be associated with lower-order settlements in the overall hierarchy.</p>
CS11	Retail and Town Centre Strategy	<p>The policy seeks to provide requirements for comparison and convenience retail floorspace and leisure development in accordance with local assessments of need and requirements indicated through (now revoked) Regional guidance and following the spatial strategy for the plan as a whole to support the hierarchy of the main towns including Newmarket, Mildenhall and Brandon.</p> <p>The vitality, viability and distinctiveness of these centres will be retained and enhanced and take account of the role and function and specific requirements of these centres including highways capacity and the need for additional improvements such as pedestrian access.</p>	<p>Non-residential viability testing for retail, office and hotel uses takes account of location type. No other viability implications identified.</p> <p>Residual S106 sums are allowed for any non-residential scenarios tested</p>

No	Title	Policy requirements	Viability implications
CS12	Strategic Transport Improvement and Sustainable Transport	<p>The District Council will work with partners including Suffolk County Council, the Highways Agency and developers to secure the necessary transport infrastructure and sustainable transport measures to facilitate the regeneration of the market towns, support the local economy, improve access to services and facilities, particularly in rural areas, and minimise the impact of traffic on the environment.</p> <p>The Local Development Framework will support the delivery of the following strategic transport proposals:</p> <ul style="list-style-type: none"> • Schemes to relieve the adverse impacts of traffic in Brandon, Mildenhall and Newmarket, • Dualling of the A11 between Thetford and Barton Mills and improvements to Fiveways roundabout, • Improvements to the rail infrastructure within the District, • National cycle network (Route 51 through the District), Improvements to the A14/A142 junction at Newmarket, plus other relevant measures recommended by the Newmarket to Felixstowe • Corridor Study 2005, • Improvements to the rights of way in the District required to achieve the objectives of the Suffolk Rights of Way Improvement Plan including consideration of any cross boundary issues arising. 	<p>Residual allowances for S106 planning obligations are incorporated within testing assumptions and take account of typical development costs associated with access, highway works, pedestrian accessibility and contributions to sustainable transport measures. Opening up costs for larger sites include allowances for additional on-site infrastructure provision and increased provision of S106 obligations associated with the potential delivery of strategic highways infrastructure projects. Therefore there are no viability assumptions (except to the larger sites, where viability modelling includes appropriate allowances for opening up costs and transport requirements where necessary).</p>

No	Title	Policy requirements	Viability implications
CS13	Infrastructure and Developer Contributions	<p>The release of land for development will be dependent on there being sufficient capacity in the existing local infrastructure to meet the additional requirements arising from new development. Suitable arrangements will be put in place to improve infrastructure, services, and community facilities, where necessary, to mitigate the impact of development. New development will be required to demonstrate that it will not harm the District's ability to improve the educational attainment, the accessibility to services, jobs, health and community safety, the biodiversity and well-being of Forest Heath communities. The main areas to be addressed will be:</p> <ul style="list-style-type: none"> a. Providing for health and social care facilities, in particular, a new healthy living centre at Brandon and improved primary health care facilities and services at Mildenhall, Newmarket, Lakenheath and Red Lodge; b. Provide the education, skills, and life-long learning requirements for the District in communication with Suffolk County Council; including the provision of a new primary school in Red Lodge as part of the Red Lodge Master Plan; c. Continued partnership with Suffolk County Council, Highways Authority and other relevant partners to implement Strategic Transport Improvements, as per policy CS12; d. Providing for additional strategic waste water treatment capacity in accordance with Strategic Flood Risk Assessment and Water Cycle Study. This waste water infrastructure will be upgraded as required and operational in time to meet the demands of the development; e. Providing for strategic enhancement of the energy supply network (electricity) identified through continued working with EDF Energy; f. Ensuring access and safety concerns are resolved within all new developments and the associated area, particularly Newmarket, Mildenhall and Brandon where large scale urban extensions are planned; g. Provide the Open Space, Sport and Recreation need throughout the District in accordance with the Forest Heath PPG17 Audit, Built Facilities Study and Green Space Strategy; h. Taking account of the need for stronger and safer communities including features of safe design in association with the new development and appropriate provision for new police facilities and infrastructure. <p>Developer Contributions</p> <p>Arrangements for the provision, or improvement of infrastructure, including in terms of access to facilities, to the required standard will be secured by planning obligation or, where appropriate, via conditions attached to a planning permission. This will ensure that the necessary improvements can be completed prior to occupation of development, or the relevant phase of a development and its maintenance during the initial period of operation.</p> <p>All development in the plan area will be accompanied by appropriate infrastructure to meet site specific requirements and create sustainable communities. The infrastructure will be provided in tandem with the development and where appropriate arrangements will be made for its subsequent maintenance.</p>	<p>The Council presently seeks sums for the items identified as part of the requirements for this policy from S106 planning obligations where these satisfy the relevant tests for seeking contributions under CIL Regulation 122. Allowances for typical S106 amounts per dwelling secured in association with providing these requirements are included as part of the viability testing assumptions. These are derived from records of recent development activity and using the Council's published guidance for calculating relevant contributions.</p> <p>In addition, opening up costs for larger sites include allowances for on-site infrastructure provision and assumptions for S106 amounts take account of additional contributions towards strategic highways infrastructure and other bespoke projects.</p>

No	Title	Policy requirements	Viability implications
Policy DM1	Presumption in Favour of Sustainable Development	Standard policy according with Paragraph 14 of the NPPF	No viability implications.
Policy DM2	Creating Places - Development Principles and Local Distinctiveness	This is a general policy covering broad criteria for creating high quality places having regard to local circumstances for matters such as heritage, appearance, materials, key features and local distinctiveness. The policy requires accordance with detailed provisions set out in subsequent policies where these are specifically relevant for controlling development (e.g. open space and construction measures)	No viability implications.
Policy DM3	Masterplans	Masterplans should be prepared for sites allocated in subsequent Local Plans or exceptionally on any sites which by virtue of size, location or proposed mix of uses is justified by the Local Planning Authority to require a masterplanning approach and typically following submission of a Concept Statement. The details to be provided will cover specific development management matters such as the incorporation of landscaping, open space and biodiversity.	<p>No specific viability implications.</p> <p>The scenarios tested adopt typical assumptions for density and developable area for a variety of different scales and development typologies.</p> <p>In addition, opening up costs for larger sites include allowances for on-site infrastructure provision and the additional development requirements associated with larger projects.</p>
Policy DM4	Development Briefs	The policy provides a detailed framework for development of a site where a full master-planning approach is not required but covers similar matters to those listed under Policy DM3 in terms of setting out the mix of uses, requirements for achieving acceptable outcomes and matters such as the mix of affordable housing.	<p>No specific viability implications.</p> <p>(See response to Policy DM3 above)</p>
Policy DM5	Development in the Countryside	This is a general policy looking to protect the countryside from unsustainable development and setting out specific circumstances in which different types and scales of typically small-scale development will be acceptable.	No viability implications

No	Title	Policy requirements	Viability implications																
Policy DM6	Flooding and Sustainable Drainage	Proposals for all new development will be required to submit schemes appropriate to the scale of the proposal detailing how on-site drainage will be managed so as not to cause or exacerbate flooding elsewhere. Examples include: rainwater harvesting and greywater recycling, and run-off and water management such as Sustainable Urban Drainage Systems (SUDS) or other natural drainage systems.	No specific viability implications. SUDS part of normal development costs																
Policy DM7	Sustainable Design and Construction	<p>The policy requires development proposals to achieve water efficiency measures limiting consumption to no more than 110 litres per person per day and ensure that no single water fitting exceeds the following values (or any subsequent replacement):</p> <table><tr><td>Water Fitting</td><td>National Base Level</td></tr><tr><td>WC</td><td>6/4 litres dual flush or 4.5 litres single flush</td></tr><tr><td>Shower</td><td>10 l/min</td></tr><tr><td>Bath</td><td>185 litres</td></tr><tr><td>Basin Taps</td><td>6 l/min</td></tr><tr><td>Sink Taps</td><td>8 l/min</td></tr><tr><td>Dishwasher</td><td>1.25 l/place setting</td></tr><tr><td>Washing Machine</td><td>8.17 l/kilogram</td></tr></table> <p><i>Table 1: fittings-based specification from DCLG (2014) Housing Standards Review: Approved Document G: Requirement G2 Water efficiency</i></p> <p>Non-residential developments over 1000sqm will be expected to achieve the BREEAM excellent standard unless this would compromise the viability of the development or specific constraints on the site prevent achieving these standards and the equivalent number of credits can be achieved by targeting other standards.</p> <p>New development proposals will be expected to provide an Energy Statement demonstrating how they comply with the standards set out in Building Regulations and seek to demonstrate how conflict with any of requirements of the development plan will be resolved.</p>	Water Fitting	National Base Level	WC	6/4 litres dual flush or 4.5 litres single flush	Shower	10 l/min	Bath	185 litres	Basin Taps	6 l/min	Sink Taps	8 l/min	Dishwasher	1.25 l/place setting	Washing Machine	8.17 l/kilogram	Extra costs per dwelling allowed for water efficiency – in line with EC Harris report 2014 ²¹
Water Fitting	National Base Level																		
WC	6/4 litres dual flush or 4.5 litres single flush																		
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Dishwasher	1.25 l/place setting																		
Washing Machine	8.17 l/kilogram																		

²¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/353387/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

No	Title	Policy requirements	Viability implications
Policy DM8	Low and Zero Carbon Energy Generation	This policy addresses proposals for generation or recovery of low carbon or renewable energy, such as wind turbines, biomass, and combined heat and power	Not relevant to testing through the viability study.
Policy DM9	Infrastructure Services and Telecommunications Development	This policy is relevant to power generation, supply and telecommunications development.	Not relevant to testing through the viability study.
Policy DM10	Impact of Development on Sites of Biodiversity and Geodiversity Importance	<p>The overall aim of the policy is to conserve and enhance the biodiversity.</p> <p>“When considering development proposals which may have an adverse impact on nature conservation sites or interests, the local planning authority will have regard to the expert nature conservation advice provided by Natural England, the Suffolk Wildlife Trust and other specialist sources and the following criteria:</p> <p>[...]</p> <p>g. the extent to which the imposition of conditions or planning obligation:</p> <p>i. would mitigate the effects of the development and/or protect the geological or nature conservation value of the locality;</p> <p>[...]</p> <p>Proposals for development which would adversely affect the integrity of areas of international nature conservation or geological importance, as indicated on the Policies Map, will be determined in accordance with the Conservation of Habitats and Species Regulations 2010 (as amended).</p> <p>Proposed development likely to result in adverse effects to a SSSI will not be permitted unless the benefits of the development, at this site, clearly outweigh both the impacts that it is likely to have on the features of the site that take it of special scientific interest and any broader impacts on the national network of SSSIs.</p> <p>Proposals which would result in significant harm to biodiversity, having appropriate regard to the ‘mitigation hierarchy’, will not be permitted.</p> <p><i>Note: With respect to criterion g) the provision of replacement habitat or features is viewed as a last resort, rather than a regular development tool. Where compensation has been established as an acceptable approach, it will be necessary to provide replacement areas of at least equivalent value to the lost habitats. The local planning authority will normally expect new habitats to be in place to a satisfactory standard before the original habitats are lost.”</i></p>	Policy requirements and potential cost implications for some developments: compensation as provision of replacement habitat or features (viewed as a last resort)

No	Title	Policy requirements	Viability implications
Policy DM11	Protected Species	<p>The overall aim of the policy is to ensure that the conservation status of protected species is not harmed by developments.</p> <p><i>“Note: Developers should take into account separate legislation, Acts, regulations, case law, planning guidance and any subsequent replacement Supplementary Planning Documents and laws preventing interference with protected species, and should be aware of the need to undertake relevant assessments, studies and surveys as required prior to the submission of planning and related applications.”</i></p>	<p>Most developments will be required to provide additional information. These amounts are provided within typical assumptions for professional fees.</p>
Policy DM12	Mitigation, Enhancement, Management and Monitoring of Biodiversity	<p>The policy requires development proposals to protect the biodiversity, mitigate any adverse impacts and include ecological benefits in their design.</p> <p>In addition to, or as part of the requirements of other policies in this DPD, measures should be included, as necessary and where appropriate, in the design for all developments for the protection of biodiversity and the mitigation of any adverse impacts. Additionally, enhancement for biodiversity should be included in all proposals, commensurate with the scale of the development. For example, such enhancement could include watercourse improvements to benefit biodiversity and improve water quality, habitat creation, wildlife links (including as part of green or blue infrastructure) and building design which creates wildlife habitat (e.g. green roofs, bird and/or bat boxes).</p> <p>All new development (excluding minor household applications) shown to contribute to recreational disturbance and visitor pressure within the Breckland SPA and SAC will be required to make appropriate contributions through S106 agreements towards management projects and/or monitoring of visitor pressure and urban effects on key biodiversity sites.</p>	<p>Need to include enhancement for biodiversity in all proposals, commensurate with the scale of the development. Testing assumptions take account of the typical gross and net land requirements for development associated with providing satisfactory mitigation through this policy and also typical levels of S106 planning obligations associated with management and / or monitoring.</p>

No	Title	Policy requirements	Viability implications
Policy DM13	Landscape Features	<p>“The policy sets out the authorities’ aims to preserve each area’s landscape features”</p> <p>“Areas of particular landscape sensitivity, including Special Landscape Areas (as defined on the Policies maps) have been identified. These areas, and other valued landscapes such as The Brecks and the Stour Valley (subject of a management and delivery plan through the Dedham Vale AONB and Stour Valley Project) have, by reason of their landform, historic landscape importance and/or condition, a very limited capacity to absorb change without a significant material effect on their character and/or condition. However, individual proposals within or adjacent to these areas will be assessed based on their specific landscape and visual impact.</p> <p>All proposals for development should be informed by, and be sympathetic to, the character of the landscape. Landscape Character Types are identified in the Suffolk Landscape Character Assessment. [...]</p> <p>All development proposals should demonstrate that their location, scale, design and materials will protect, and where possible enhance the character of the landscape, including the setting of settlements, the significance of gaps between them and the nocturnal character of the landscape.</p> <p>Developers/applicants will be required to submit, where appropriate, landscaping schemes with applications for planning permission and for the approval of reserved matters.</p> <p>Where any harm will not significantly and demonstrably outweigh the benefit of the proposal, development will be permitted subject to other planning considerations.</p> <p>However, it is essential that commensurate provision must be made for landscape mitigation and compensation measures, so that harm to the locally distinctive character is minimised and there is no net loss of characteristic features.</p> <p>Where this is not possible development will not be permitted.”</p>	<p>No specific viability implications.</p> <p>Exceptional cases may have viability implications for developments that need to protect or enhance the character of the landscape and cannot achieve this through typical considerations of site location, layout and design.</p>

No	Title	Policy requirements	Viability implications
Policy DM14	Protecting and Enhancing Natural Resources, Minimising Pollution and Safeguarding from Hazards	<p>The policy requires that all new developments should minimise all emissions and other forms of pollution (including light and noise pollution) and ensure no deterioration to either air or water quality.</p> <p>“Proposals for all new developments should minimise all emissions and other forms of pollution”</p> <p>Proposals for development on or adjacent to land which is known to be or potentially affected by pollution will be required to submit an appropriate assessment of the risk levels, site investigations and other relevant studies, and remediation proposals and implementation schedule prior to or as part of any planning application. In appropriate cases, the local planning authority may impose planning conditions or through a legal obligation secure remedial works and/or monitoring processes.”</p>	<p>No specific viability implications.</p> <p>Where developments will be required to provide additional information these amounts are provided within typical assumptions for professional fees.</p>
Policy DM15	Listed Buildings	<p>The policy provides specific requirements for granting permission for the proposals that alter, extend or change the use of a listed building, or development affecting its setting.</p> <p>Key principles and limitations must be considered in designing the proposals that have an impact on listed buildings.</p>	<p>No specific viability implications.</p>
Policy DM16	Local Heritage Assets and Buildings Protected by an Article 4 Direction	<p>The overall aim of the policy is to ensure that Local Heritage Assets and Buildings Protected by an Article 4 Director have their character and visual qualities protected from unsympathetic changes.</p> <p>Key principles and limitations must be considered in case of demolition, extension or alteration of buildings identified as being Local Heritage Assets and Buildings Protected by an Article 4 Direction.</p>	<p>No specific viability implications.</p>

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No	Title	Policy requirements	Viability implications
Policy DM17	Conservation Areas	<p>The overall aim of the policy is to preserve or enhance the special character and appearance of the Conservation Areas.</p> <p>Key design principles and requirements must be considered in designing the proposals that are adjacent, visible from or included in the Conservation Areas.</p>	<p>No specific viability implications.</p> <p>Typical requirements for layout, landscaping and open space incorporated within assumptions for gross and net developable site areas</p>
Policy DM18	New Uses for Historic Buildings	<p>The overall aim of the policy is to protect the special significance, character, appearance, design elements and context of historic buildings.</p> <p>For adaptations of historic buildings to sustain a new use - new uses must adapt to the building, not the other way around.</p>	No specific viability implications
Policy DM19	Development Affecting Parks and Gardens of Special Historic or Design Interest	The overall aim of the policy is to protect the character, setting, or views into and/or out of parks and gardens of special historic or design interest.	No specific viability implications
Policy DM20	Archaeology	Policy referring to developments that would have a material adverse effect on Scheduled Ancient Monuments or other sites of archaeological importance, or their settings.	<p>No specific viability implications.</p> <p>Testing assumptions allow for a variety of professional fees associated with typical site preparation and promotion</p>

No	Title	Policy requirements	Viability implications
Policy DM21	Enabling Development	Policy referring to requirements regarding enabling development that would secure the future of a listed building or other heritage asset.	<p>No specific viability implications.</p> <p>Any proposals seeking to enhance heritage significance or secure optimum viable use for heritage assets likely to be considered on a site-by-site basis and not reflect typical development assumptions</p>
Policy DM22	Residential Design	The overall aim of the policy is to maintain or create a sense of place and/or character for all residential development, establishing a set of criteria for accessibility and architecture.	<p>No specific viability implications.</p> <p>Typical requirements for layout, landscaping and open space incorporated within assumptions for gross and net developable site areas</p>

No	Title	Policy requirements	Viability implications
Policy DM23	Special Housing Needs	<p>Policy referring to the increasing need for specialist accommodation, such as nursing homes and communal housing for elderly people, with a changing emphasis towards community rather than hospital care, that will be permitted on sites deemed appropriate for residential development by other policies contained within this and other adopted Local Plans, provided that such schemes meet the following criteria:</p> <ul style="list-style-type: none"> a. the proposed development is designed to meet the specific needs of residents including requirements for disabled persons where appropriate; and b. includes appropriate amenity space for residents of an acceptable quantity and quality; and c. the location of the development is well served by public transport, community and retail facilities; and d. the proposed development does not create an over concentration of similar accommodation in any one street or area. <p>Proposals for extensions to existing specialist accommodation outside areas otherwise suitable for residential development will be permitted providing a need can be clearly demonstrated and the proposals meet criteria a., b., c. and d. above.†</p>	<p>No specific viability implications.</p> <p>Developments comprising extra-care or specific specialist accommodation are not covered as part of the testing scenarios.</p> <p>Various scenarios test the implications for including bungalows.</p>
Policy DM24	Alterations or Extensions to Dwellings, including Self Contained Annexes and Development within the Curtilage	The overall aim of the policy is to preserve a balanced growth that respect the character, scale and design of existing dwellings, and the character and appearance of the immediate and surrounding area.	No viability implications. Not relevant to testing scenarios
Policy DM25	Extensions to Domestic Gardens within the Countryside	<p>“Extensions to domestic gardens within the countryside will not normally be permitted. Small, unobtrusive extensions of residential curtilages into the surrounding countryside, which will not adversely affect the character and rural amenities of the site and wider countryside will be permitted where the following criteria are met:</p> <ul style="list-style-type: none"> a. the development will not involve the loss of the best and most versatile agricultural land; b. the proposal will not involve the loss of an important hedgerow or other important landscape feature; c. there will be no significant detrimental effect upon biodiversity interests; and d. that provision is made for suitable landscaping to ensure boundary treatment is of an appropriate rural character and appearance.” 	No viability implications. No viability implications. Not relevant to testing scenarios

No	Title	Policy requirements	Viability implications
Policy DM26	Agricultural and Essential Workers Dwellings	<p>“New dwellings in the countryside, related to and located in the immediate vicinity of a rural enterprise, will only be permitted where:</p> <ul style="list-style-type: none"> a. evidence has been submitted to the satisfaction of the local planning authority that there is an existing agricultural, forestry or other commercial equine business-related functional need for a full time worker in that location; b. there are no suitable alternative dwellings available, or which could be made available, in the locality to serve the identified functional need; c. it can be demonstrated that the enterprise is, or will be in the case of new businesses, a viable business with secure future prospects; d. the size and nature of the proposed dwelling is commensurate with the needs of the enterprise concerned; e. the development is not intrusive in the countryside, is designed to have a satisfactory impact upon the character and appearance of the area, and is acceptable when considered against other planning requirements. <p>In addition to the above requirements, if a new dwelling is essential to support a new agricultural or forestry or other commercial equine business-related enterprise it will normally, for the first three years, be provided temporarily by a caravan, a wooden structure which can easily be dismantled, or other temporary accommodation. Successive extensions to any temporary permission will not normally be granted beyond three years, and any subsequent proposals to provide permanent accommodation at any site will be considered using the criteria above.</p> <p>Planning permission will be subject to an appropriate occupancy condition, which will only be waived or varied where it can be demonstrated that there is no long term need for such a dwelling associated with the enterprise and which demonstrates that it has been offered for sale and to let to other relevant interests, for a period of at least 12 months, at a price to reflect the occupancy condition.”</p>	<p>No viability implications. Not relevant to testing scenarios</p>

No	Title	Policy requirements	Viability implications
Policy DM27	Housing in the Countryside	<p>a) “Proposals for new dwellings will be permitted in the countryside subject to satisfying the following criteria:</p> <p>a. the development is within a closely knit ‘cluster’ of 10 or more existing dwellings adjacent to or fronting an existing highway;</p> <p>b. the scale of development consists of infilling a small undeveloped plot by one dwelling or a pair of semi detached dwellings commensurate with the scale and character of existing dwellings within an otherwise continuous built up frontage.</p> <p>Permission will not be granted where a proposal harms or undermines a visually important gap that contributes to the character and distinctiveness of the rural scene, or where development would have an adverse impact on the environment or highway safety.”</p>	<p>No specific viability implications.</p> <p>The scale of development sought by the policy is not directly linked to the type of scenarios applied through the viability testing.</p>
Policy DM28	Residential Use of Redundant Buildings in the Countryside	Policy referring to specific requirements for planning permission of the proposals for the conversion of redundant or disused barns or other buildings in the countryside into dwellings.	No specific viability implications.
Policy DM29	Rural Housing Exception Sites in St Edmundsbury	Policy referring to specific requirements for planning permission of the proposals of rural affordable housing schemes in St Edmundsbury Borough adjoining but outside a Housing Settlement Boundary or built up area.	Policy not applicable to Forest Heath District
Policy DM30	Appropriate Employment Uses and Protection of Employment Land and Existing Businesses	<p>The overall aim of the policy is to secure the economic growth and to enable urban regeneration and mix of uses.</p> <p>Proposals for change of use will take account of any provision of benefits to the community and a site’s role in meeting local business and employment needs.</p>	Non-residential uses not covered within the viability testing scenarios.
Policy DM31	Farm Diversification	Policy referring to diversified farming activities that are sensitive to the character of their setting that must be protected and enhanced, in order to enable sustainable, efficient and competitive agricultural businesses.	No specific viability implications. The scale of development covered by the policy is not directly related to the scenarios covered by the viability testing.
Policy DM32	Business and Domestic Equine Related Activities in the Countryside	The policy provides requirements for developments regarding Business and Domestic Equine Related Activities in the Countryside.	No viability implications

No	Title	Policy requirements	Viability implications
Policy DM33	Re-Use or Replacement of Buildings in the Countryside	Policy referring to design, structural and accessibility requirements for Re-Use or Replacement of Buildings in the Countryside.	No specific viability implications. The scale of development covered by the policy is not directly related to the scenarios covered by the viability testing.
Policy DM34	Tourism Development	Policy referring to design and accessibility requirements for tourism developments.	The types of development covered by the policy are not covered within typical testing scenarios.
Policy DM35	Proposals for Main Town Centre Uses	Policy defining town centre uses and the requirements of balance between uses.	Non-residential development and proposals for town centre uses are not included within the range of viability testing scenarios.
Policy DM36	Local Centres	Policy referring to mix of uses and accessibility requirements for local centres.	No specific viability implications.

No	Title	Policy requirements	Viability implications
Policy DM37	Public Realm Improvements	<p>“Proposals for major development or redevelopment in the towns and Key Service Centres will, where reasonable and necessary to the acceptability of the development, be required to provide or contribute towards public realm improvements appropriate to the scale and nature of the proposal.</p> <p>Proposals in the Primary Shopping Areas should also provide active street frontages to create attractive and safe street environments.”</p>	<p>Testing assumptions take account of typical design requirements and gross and net developable site areas.</p> <p>Larger sites include additional allowances for opening up costs. Typical contributions are captured within allowances for S106 planning obligations per dwelling within the scenarios tested.</p> <p>Additional costs emerged from the requirement to provide improvements of public realm that are appropriate to the scale and nature of the proposal.</p>
Policy DM38	Shop Fronts and Advertisements	Proposals to alter an existing shop front or create a new shop front, including the installation of external security measures, advertisements or canopies, or advertisements proposed in any other location, must preserve or enhance the character and appearance of the building or location of which it forms a part, and the street scene in which the proposal is located, and must not adversely affect amenity and/or public safety.	No viability implications.
Policy DM39	Street Trading and Street Cafes	Proposals for street trading and street cafés in defined Primary Shopping Areas will be permitted unless there would be a significantly adverse impact on amenity and/or the movement and safety of pedestrians, prams, wheelchairs, emergency and other vehicles would be obstructed.	No viability implications.

No	Title	Policy requirements	Viability implications
Policy DM40	Ancillary Retail Uses	<p>Proposals for extensions and/or change of use to provide ancillary retail sales facilities attached to petrol filling stations or garages, farms, market gardening and horticultural centres, manufacturers (Classes B1 and B2), craft workshops and similar establishments will, in addition to the policies and proposals elsewhere in this Plan, be considered against the following criteria:</p> <p>a. the sale of goods should be small in scale in relation to the primary use or activity; and</p> <p>b. in the case of manufacturers (Classes B1 and B2) and craft workshops, the sale of goods should relate to products manufactured on site.</p>	No viability implications.
Policy DM41	Community Facilities and Services	<p>“The provision and enhancement of community facilities and services will be permitted where they contribute to the quality of community life and the maintenance of sustainable communities.</p> <p>Proposals that will result in the loss of valued facilities or services which support a local community (or premises last used for such purposes) will only be permitted under specific circumstances.</p> <p>“where necessary to the acceptability of the development the local planning authority will require developers of residential schemes to enhance existing community buildings, provide new facilities or provide land and a financial contribution towards the cost of these developments proportional to the impact of the proposed development in that area, through the use of conditions and/or planning obligations.”</p>	<p>Testing assumptions take account of a range of typical S106 planning obligations per dwelling dependent on the size of development in the scenarios tested and allowances for difference between gross and net developable area.</p> <p>Additional opening up costs are also allowed for larger schemes. Typical testing assumptions therefore take account of examples where facilities may need to be provided as part of development.</p>

No	Title	Policy requirements	Viability implications
Policy DM42	Open Space, Sport and Recreation Facilities	<p>“Proposals for the provision, enhancement and/or expansion of amenity, sport or recreation open space or facilities will be permitted subject to compliance with other Policies in this and other adopted Local Plans. [...]</p> <p>Where necessary to the acceptability of the development, the local planning authority will require developers of new housing, office, retail and other commercial and mixed development to provide open space including play areas, formal sport/recreation areas, amenity areas and where appropriate, indoor sports facilities or to provide land and a financial contribution towards the cost and maintenance of existing or new facilities, as appropriate. These facilities will be secured through the use of conditions and/or planning obligations.</p> <p>Clubhouses, pavilions, car parking and ancillary facilities must be of a high standard of design and internal layout, and be in accordance with other policies in this Plan. The location of such facilities must be well related and sensitive to the topography, character and uses of the surrounding area, particularly when located in or close to residential areas. Proposals which give rise to intrusive floodlighting will not be permitted.”</p>	<p>Testing assumptions take account of a range of typical S106 planning obligations per dwelling dependent on the size of development in the scenarios tested and allowances for difference between gross and net developable area.</p> <p>Additional opening up costs are also allowed for larger schemes.</p> <p>Typical testing assumptions therefore take account of the provision for open space and recreation to be provided as part of development.</p>
Policy DM43	Leisure and Cultural Facilities	<p>The policy gives support to the provision of leisure and cultural facilities within the authorities’ boundaries that can be accessed by a variety of modes of transport and offer increased opportunities for linked trips, increasing their overall sustainability.</p>	<p>No specific viability implications. Development sought by the policy not covered within the typical scenarios tested.</p>

No	Title	Policy requirements	Viability implications
Policy DM44	Rights of Way	<p>“Development which would adversely affect the character of, or result in the loss of existing or proposed rights of way, will not be permitted unless alternative provision or diversions can be arranged which are at least as attractive, safe and convenient for public use. This will apply to rights of way for pedestrian, cyclist, or horse rider use.</p> <p>Improvements to such rights of way will be sought in association with new development to enable new or improved links to be created within the settlement, between settlements and/or providing access to the countryside or green infrastructure sites as appropriate and to achieve the objectives of the Suffolk Rights of Way Improvement Plan.”</p> <p>“Proposals for development should aim to have a positive effect on the rights of way network. The Green Infrastructure policy specifically <u>requires developers to provide for and maintain good access to sites and areas of green infrastructure interest.</u> This policy seeks to reinforce and ensure that <u>any negative impacts are adequately mitigated by alternative provision.</u> <u>Development should also contribute to proposals to provide for the missing links in the network,</u> based on relevant studies the authorities have produced.”</p>	<p>Viability testing takes account of typical requirements for site layout and design including landscaping and typical assumptions for density and gross-to-net developable area.</p> <p>Testing scenarios allow for typical levels of S106 planning obligations which may be associated with these facilities.</p>

No	Title	Policy requirements	Viability implications
Policy DM45	Transport Assessments and Travel Plans	<p>The overall aim of the policy is to align the objectives of the The Suffolk Local Transport Plan 2011 – 2031 (LTP) and the Transport Strategy for the county with the new developments.</p> <p>“For major development and/or where a proposal is likely to have significant transport implications, the Council requires the applicant to submit the following documents alongside their planning applications:</p> <ul style="list-style-type: none"> a. a Transport Assessment* appropriate to the scale of development and the likely extent of transport implications; b. a Travel Plan that identifies the physical and management measures necessary to address the transport implications arising from development.” <p>“where a Transport Assessment and/or Travel Plan does not demonstrate that the travel impacts arising from the development will be satisfactorily mitigated or that adequate measures are in place to promote the use of more sustainable modes of transport, then planning permission will not be granted. The developer will be expected to provide the necessary funding to deliver any travel plan agreed in writing with the local planning authority.</p> <p>Where it is necessary to negate the transport impacts of development, developers will be required to make a financial contribution, appropriate to the scale of the development, towards the delivery of improvements to transport infrastructure or to facilitate access to more sustainable modes of transport.”</p>	<p>Testing scenarios take account of a range of different levels of development and include an allowance for typical planning obligations per dwelling. These take account of scenarios where contributions based on the provision of sustainable transport are likely to be required based on comparison with recent examples and typical contribution levels.</p>

No	Title	Policy requirements	Viability implications
Policy DM46	Parking Standards	<p>The overall aim of the policy is to reduce over-reliance on the car and to promote more sustainable forms of transport and sharing (parking and car-pooling).</p> <p>“All proposals for redevelopment, including changes of use, will be <u>required to provide appropriately designed and sited car and cycle parking, plus make provision for emergency, delivery and service vehicles</u>, in accordance with the adopted standards current at the time of the application.</p> <p>In the town centres and other locations with good accessibility to facilities and services, and/or well served by public transport, <u>a reduced level of car parking may be sought in all new development proposals</u>. Proposals for new mixed use sites will be expected to <u>minimise the provision of car parking where achievable, for example by providing shared use parking and/or car pooling</u> as part of a Travel Plan.</p> <p>Exceptions may be made to parking standards in rural areas where satisfactory evidence and justification is included along with a Transport Assessment and/or Travel Plan that demonstrates why an exception ought to be made given the nature and location of the specific development proposal. “</p>	<p>Testing assumptions take account of typical development layouts including the requirement to provide parking provision.</p> <p>Testing scenarios include typical allowances for planning obligations and cover examples where contributions are likely to be required as part of a Travel Plan.</p>
Policy DM47	Development Relating to the Horse Racing Industry	<p>“The policy set out aims to safeguard the HRI and enhance the unique character that the sport of horse racing has created both in Newmarket and on the surrounding landscape.”</p>	<p>No viability implications. Proposals related to new equine uses are not directly covered within the scenarios tested.</p>
Policy DM48	Development Affecting the Horse Racing Industry	<p>“Any development within or around Newmarket which is likely to have a material adverse impact on the operational use of an existing site within the Horse Racing Industry (such as noise, volume of traffic, loss of paddocks or other open space, access and/or servicing requirements), or which would threaten the long term viability of the horse racing industry as a whole, will not be permitted unless the benefits would significantly outweigh the harm to the horse racing industry.”</p>	<p>No viability implications.</p>
Policy DM49	Re-development of Existing Sites Relating to the Horse Racing Industry	<p>Policy seeks to respond to the NPPF whilst protecting the underlying importance to the unique character of the town and surrounding area enabled by the racing industry.</p>	<p>No viability implications.</p>

Forest Heath Council – Single Issue Review and Site Allocation Local Plan - Whole Plan Viability Assessment Three Dragons / Troy Planning & Design – October 2016

No	Title	Policy requirements	Viability implications
Policy DM50	Horse Walks	The District Council will encourage the retention and improvement of existing horse walks in Newmarket and Exning. It will support the extension or the provision of new facilities by traffic management proposals, parking restrictions, signing, reserving the land for the purpose as part of new development proposals or by direct provision by horse racing interests or by developers through a legal agreement under Section 106 of the 1990 Planning Act where necessary to the acceptability of the development.	<p>Viability testing assumptions take account of typical requirements for planning obligations to address policy requirements.</p> <p>Specific allowance is made for the typical level of contributions required to satisfy this policy based on recent experience of sites within Newmarket, leading to an increase in the expected requirement for contributions in this location.</p>

APPENDIX III – STAKEHOLDER WORKSHOP PRESENTATION & NOTES

Forest Heath Development Industry Viability Workshop

1st August 2016

Laura Easton



Jon Goodall



Approach to viability testing

- Residual value approach
- Generic testing and case studies based around the planned development

Total development value
Minus
Development costs (incl. build costs and return to developer)
=
Gross residual value
Minus
Planning Obligations (including AH) + CIL (if applicable)
=
Net residual value (available to pay for land)

Benchmark* land values

Benchmark Land Values taken from a previous study (2015) – adjusted to gross value per hectare

High Value Area	Mid Value Area	Low value Area
£800,000 (£1,200,000 for sites below 11 units - <i>houses</i>)	£600,000	£400,000

DCLG estimates that land for small – medium sized site in Forest Heath is £1.1m/ha with £0 CIL/s106 and no affordable housing (*served clean site with lower than average build costs and reduced developer profit*). (Dec 2015)

*Benchmark – lowest value for land – not *best* price

Residential Testing - TBC

- 1 ha schemes at different densities – standard land value benchmarks @ 25 / 30 / 35 / 40 / dph
- Case studies
 - Small schemes 1/3/5/9/11/ dwellings @ various densities
 - Sheltered scheme in high value area
 - High density 14 dwelling @ 65 dph
 - Medium sized schemes 60/90/140/200 dwellings
 - Larger schemes 350 / 1,000 dwellings
 - Policy compliant land budgets
 - Infrastructure costs
 - Opening up costs
 - Strategic land value benchmarks

Residential Testing – dwelling sizes

*Compliant with
national space
standards*

House type description	Affordable sq m	Market sq m
1 bedroom flat	50	50
2 bedroom flat	61	61
1 bedroom bungalow	55	55
2 bedroom bungalow	74	74
1 bedroom terrace	50	50
2 bedroom terrace	70	70
3 bedroom terrace	85	95
4 bedroom terrace	97	120
3 bed semi detached	85	100
4 bed semi detached	97	120
3 bed detached		100
4 bed detached		130
5 bed detached		160

Residential Testing – market dwelling mix

Type	25dph village site	30dph	35dph	40dph urban area
1 bed flat				
2 bed flat				10%
2 bed bungalow	5%			
2 bed terrace	5%	10%	10%	15%
3 bed terrace	5%	10%	10%	15%
4 bed terrace				10%
3 bed semi	10%	15%	20%	20%
4 bed semi				
3 bed detached	15%	20%	20%	15%
4 bed detached	40%	35%	30%	15%
5 bed detached	20%	10%	10%	

Affordable Housing Dwelling Mix

House Type	Rent	Intermediate
1 bed flat	5%	
1 bed house	5%	
1 bed bungalow	3%	
2 bed bungalow	3%	5%
2 bed terrace	65%	45%
3 bed terrace	15%	45%
4 bed terrace	4%	5%

Current position is 30% AH on schemes 10 dwellings or more (or over 0.33ha) split 70/30 between rented & intermediate

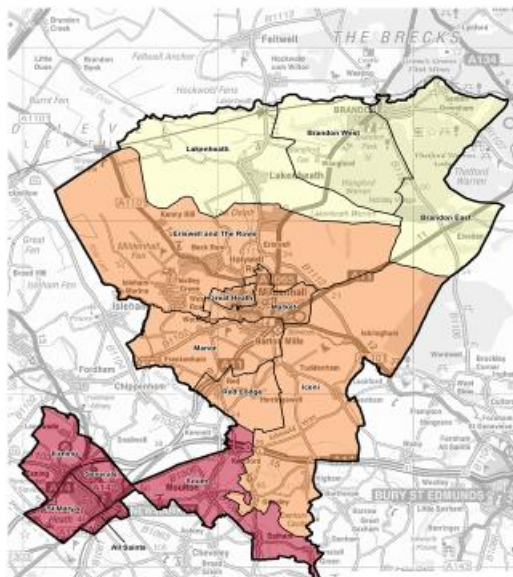
Build Cost (BCIS median 5 yr) and new Building Regs

Type	Cost	
Flats (1-2 storeys)	£1,297	sq m includes 15% for external works
Flats (3-5 storeys)	£1,358	sq m includes 15% for external works
Houses	£1,114	sq m includes 15% for external works
One-off houses	£1,916	sq m includes 15% for external works
2-3 houses	£1,170	sq m includes 15% for external works
Bungalows	£1,327	Sq m includes 15% for external works
Agents and legal	1.75%	
Security	£320	Per dwelling (part Q)
Water	£9	Per dwelling
Delivery Rates – around 50 units per developer per year – any comments?		

Build Cost (BCIS median 5 yr) and new Building Regs

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Delivery Rates – around 50 units per developer per year – any comments?		

Market Areas



- Market areas as mapped by house price
- Shows 3 distinct market areas
- Are they meaningful to developers?
- Similar to a previous study, but not exactly the same

Market Values

	Detached			Semi-detached	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed
High Value Area	£458,700	£417,000	£375,300	231,000	£210,000
Mid value area	£286,000	£260,000	£234,000	173,800	£158,000
Low Value Area	£233,200	£212,000	£190,800	170,500	£155,000

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On developments of 1-3 units 5% added to selling prices for 'exclusivity'

Market Values

	Terrace				Flats	
	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed
High Value Area	£288,650	£263,550	£238,450	£225,900	£235,000	£213,850
Mid value area	£170,200	£155,400	£140,600	£133,200	£133,000	£121,000
Low Value Area	£195,500	£178,500	£161,500	£153,000	£103,000	£93,730

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On development of 1-3 units + 5% added to selling price

Affordable Housing rents

Affordable Rent (including service charge) per week	Low & Mid value areas	High value areas
1 bedroom flat / house	£102	£126
2 bedroom flat	£126	£141
2 bedroom terrace/bungalow	£126	£141
3 bedroom terrace	£150	£168
4 bedroom terrace	£216	£218
<u>Service Charges</u> <ul style="list-style-type: none"> • Flat - £10 • House - £5 		

Gross to nett rental factors

- For rental properties.
- Management and maintenance £1,000
- Voids/bad debts 3.00%
- Repairs reserve £600
- Capitalisation 5%
- For shared ownership
- Share size 40%
- Rental charge 2.75%
- Capitalisation 5%
-

Next steps

- Workshop notes/slides to be circulated – another opportunity for input to the study
- Follow up interviews with RPs
- Follow up interviews with other stakeholders if appropriate, or if need for confidential discussion
- Testing undertaken
- Produce report based on findings of testing

NOTES OF MEETING - FOREST HEATH DISTRICT COUNCIL WHOLE PLAN VIABILITY APPRAISAL

Development Industry and Affordable Housing Stakeholder Workshop: 1st August 2016

Follow-up actions in ***Bold Italics***

Present (Client and Consultant Team)

David Burkin	Development Implementation and Monitoring Officer, West Suffolk
Boyd Nicholas	Principal Planning Officer, West Suffolk
Laura Easton	Three Dragons
Jon Goodall	Troy Planning

Delegates were invited to sign the register of attendees.

BN: List of attendees and contact details to be circulated

Presentation: Forest Heath Development Industry Viability Workshop

Presentation delivered by Laura Easton of Three Dragons with opportunity to raise queries during the presentation and for questions and comments following the slides.

BN: Copy of Slides to be circulated (already complete)

Key points emphasised during the presentation:

- Stakeholder workshop offers a genuine opportunity for consultation and engagement. Findings presented on presentation slides remain in draft and may be amended as part of further evidence gathering and input from the session.
- Selling Prices and Market Areas included in the slides may also be subject to further alteration. There is a strong indication that market conditions may have changed and boundaries may change between different studies and datasets.
- The data for New Build Activity are affected by relatively small sample sizes and require further analysis to accurately reflect trends such as the sale of RAF Properties at RAF Lakenheath.
- The identification of different Market Areas (i.e. High / Medium / Low) indicates potentially different market activity but does not automatically indicate that some areas are viable whilst others are not.
- The starting point for land prices is based on a previous study but will also be subject to further assessment. The values shown in the presentation are based on gross land values. Attendees are invited to share any evidence they have on details of recent prices paid for land. Three Dragons intend to review a sample of Land Registry transactions to increase sample size.
- Three Dragons and TROY Planning are working closely with Officers from West Suffolk so that the Viability Assessment accurately reflects development costs associated with the requirements of planning obligations and other planning policy requirements as well as taking into account other emerging evidence-base documents.
- The sites subject to testing as part of the viability assessment are notional sites based upon sites expected to come forward during the plan period.

Delegates were invited to provide questions and comments. The following was raised:

Suggestion that BCIS data tended to have a time-lag and do not take account of recent increases in development costs associated with the supply of labour and materials, in-particular the high demand for sub-contractors leading to competitive tendering and increased costs. BCIS has not reflected a rapidly moving market and values tend to be too low.

LE: Welcomed the comments and highlighted that BCIS data are adjusted for local conditions and form the main input into viability assessment across the country. Whilst it is not typical to adjust the BCIS data further, Three Dragons would welcome receipt of information demonstrating increased costs in terms of labour and materials.

Comment on the floorspace sizes quoted for properties in the Affordable Housing Mix. It was felt that these were too small and Registered Providers locally have requested increased floorspace to ensure properties are delivered that better meet residents' needs. There was no comment in terms of the mix of units in terms of bedroom number, bungalows etc.

LE: Was grateful for the comments and confirmed that follow-up surveys would be conducted with a range of RPs as well as further analysis of planning application details. Viability considerations in studies in some areas have indicated a preference for smaller units to reduce development costs but Three Dragons appreciate that circumstances are not the same everywhere and that some RPs want to maximise dwelling size in response to welfare reform as well as space standards.

Query over the assumptions on the threshold between 'Medium' and 'Large' sites in terms of allowance for opening up costs (£k/ha) and whether the assumption of £5,000 S106/dwelling is likely to be robust or accurate. The point relates in-particular to development in Newmarket, which in terms of scale might be classed as 'Medium' (i.e. 300-400 units) however evidence is not yet complete in terms of infrastructure requirements, mitigation for the Horse Racing industry and other abnormal development costs. The use of historic planning obligations data may also not accurately reflect the costs of medium/large scale development in Newmarket

because there has not been significant growth in Newmarket in recent years and also because infrastructure costs were previously less well understood. For example, assumptions of £5k/dwelling would be unlikely to take account of traffic mitigation associated with Horse Walks and the Horse Racing industry. considers that fully taking these costs into account may make various sites appear less capable of delivery.

LE: Confirmed that work was ongoing to review the Council's Development Management policies to accurately reflect potential additional costs for development and ensure that testing scenarios look at examples which may have abnormal costs. This is an important part of work in addition to reviewing the historic record of obligations.

DB: to Provide 3D with Copy of Draft Hatchfield Farm S106 and CIL Compliance Statement

BN: Confirmed that a study of transport infrastructure requirements for Newmarket was being prepared by AECOM and its findings would be shared with Three Dragons to consider as a further input to viability testing if they indicated greater development costs.

Comments on allowances for marketing: Sites typically spending not less than 3.5 - 4% therefore slightly higher than testing assumptions

Developer Return: developer commented that it seeks a 25% Developer Return (on Gross Dev Value) and that this standard was applied by most peers in the industry (Three Dragons advised to review Trading Statements for other major housebuilders)

LE: Thanked developer for his comments and would welcome further details on Marketing or any other professional costs. Developer Return is frequently debated at Local Plan and CIL Examinations with Inspectors frequently basing findings on a 20% Return, however these comments would be taken into account. It is also important not to test up to the margins of viability.

In terms of Indicative Value Areas, what impact will the potential closure of RAF facilities have and is this taken into account? Generally expecting a negative impact on prices due to the vacancy and release of large amounts of stock currently rented to / owned by personnel.

LE: Confirmed that Three Dragons was aware of potential factors affecting the market, however it is important not to speculate too greatly regarding demand and ensure that the Viability Assessment is based on current evidence.

JG: Confirmed that the team is aware of further evidence being prepared by West Suffolk to explore the potential effects on the market in greater detail.

Query the relationship between the Whole Plan Viability Assessment and potential introduction of CIL

BN: Confirmed that scoping work for CIL was ongoing but that it was not expected to be in place for the foreseeable future and that S106 remains an appropriate framework for seeking obligations. Any introduction of CIL is at least 18months away and unlikely to affect the early part of the plan period.

DB: Confirmed that there is still additional policy work to do to underpin any CIL Charging Schedule and determine whether it is the most appropriate basis for collecting contributions. This includes work on contributions to Public Open Space and the Infrastructure Delivery Plan.

Questioned whether the amount of research to underpin data for land values and selling prices was comparable to studies and viability exercises elsewhere. For example, viability negotiations in Cambridge City led to the production of detailed, site-specific appraisals as a large appendix to support results.

LE: Sought to explore with stakeholder whether this evidence related to testing for an individual site. The Three Dragons methodology been used to support numerous Local Plans and CIL Charging Schedules across the country and **LE** explained that these typically look to avoid site specific judgements and focus on notional or typical development outcomes but accept that there will be variation across any area and between sites.

Question, therefore, whether the Value Areas highlighted were useful or representative of real development circumstances. Would it generally be preferable to focus on the main towns?

LE: Attempted to clarify that the purpose of the Whole Plan Viability Assessment is different to a CIL Study as the Value Areas do not form the basis of different charging levels and therefore the distinction is somewhat less relevant, however it is important to capture variations in development parameters as inputs to viability testing. Some studies have more or less areas for testing.

JG: Reiterated that there may still be changes to the Value Areas shown based on further analysis but that data indicates different values should be taken into account. However, planning application evidence across the District shows that sites across Forest Heath are broadly meeting policy requirements. Conclusions have to be drawn from where development is currently taking place (e.g. Red Lodge, Beck Row) and which centres might generate similar outcomes. This supports testing of the distribution of development based on the total requirements of the Plan.

Further questioned whether the Whole Plan Viability Assessment results would form a single basis for future viability appraisal?

BN / LE: Both confirmed that this was not the case; the Whole Plan Viability Assessment aims to show that policies are generally viable and that the required quantum of development can be delivered. It will not necessarily become policy or the benchmark to justify whether any other requirements or development costs might justify a departure from other aspects of policy.

Are Existing Use Values taken into account as part of Land Value benchmarks?

LE: Confirmed that these could be used as comparator benchmarks, for example when looking at previously developed sites.

How are abnormal development costs factored into testing?

LE: Confirmed that the testing was not site-specific but that the review of planning application evidence, policy requirements and the likely distribution of development will identify where abnormal costs are expected to be a factor for development. Allowances for abnormal costs can then be applied to a reasonable proportion of testing scenarios.

Stakeholder replied stating that the development climate across Forest Heath should be considered to impose abnormal costs in most scenarios e.g. due to Horse Racing or remediation of PDL. This is considered to make general testing general costings more difficult.

Another generally agreed with these sentiments and queried why the Viability Assessment would not test specific locations in the Site Allocations Local Plan?

LE: Confirmed that Three Dragons' instructions were to test the general type and distribution of sites expected to come forward as part of the overall Strategy. Three Dragons are happy to be steered by Officers at West Suffolk on any further work, if required.

Is the latest evidence in the Infrastructure Delivery Plan taken into account and has Suffolk County Council been involved in discussing infrastructure costs?

LE: Confirmed that the study is informed by recent trends in S106 obligations, which will have been informed by negotiation with the County Council. Officers at West Suffolk have also provided thorough information on the most recent evidence base, including the IDP.

Suggestion that Market Values seem on the low side based on the recent experience of Registered Providers negotiating provision on site

LE: Welcomed the comments and will follow up as part of discussions with RPs to further inform sales values.

Sought clarification on the reporting outputs to be produced by the Whole Plan Viability Assessment?

LE: Confirmed that the Viability Assessment would be similar in format to those presented as part of the evidence base of numerous Local Plans across the country. In-particular, results from a range of typical development scenarios, based on a robust range of inputs to reflect development costs, values and conditions across the District, should provide general confidence to an Inspector that the scale, type and range of sites proposed as part of the preferred distribution across the District are deliverable and capable of securing policy compliant contributions towards affordable housing and other policy requirements.

BN / LE: Thanked all attendees for coming to the session and providing inputs. Copies of the slides will be circulated and attendees welcomed to make contact by phone or email to discuss further or provide additional evidence.

Workshop Closed: 11:45am

(Slides and information were amended following the workshop and subsequent discussions. Revised slides were circulated to participants – no further comments were received)

Revised slides:

Residential Testing – dwelling sizes <i>Compliant with national space standards</i>	House type description	Affordable sq m	Market sq m
	1 bedroom flat	50	50
	2 bedroom flat	61	61
	1 bedroom bungalow	55	55
	2 bedroom bungalow	74	74
	1 bedroom terrace	58	50
	2 bedroom terrace	76	70
	3 bedroom terrace	87	95
	4 bedroom terrace	102	120
	3 bed semi detached	87	100
	4 bed semi detached	102	120
	3 bed detached		100
	4 bed detached		130
	5 bed detached		160

Other costs		
Professional fees	8-12%	Of build costs
Finance	6%	Of development costs
Marketing fees	3%	Of GDV
Developer return	20%	Of GDV
Contractor return (for affordable)	6%	Of affordable build costs
S106	£5,000 £6,000 £500	Per dwelling Per dwelling large sites Per dwelling - Equine Newmarket only
Opening up	>50 units £50k/net ha >100 units £100k/net ha >200 units £150/net ha >400 units £200/net ha	

Market Values

	Detached			Semi-detached	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed
High Value Area	£522,823	£424,793	£326,764	£317,520	£264,600
Mid value area	£376,640	£306,020	£235,400	£282,480	£235,400
Low Value Area	£336,904	£273,735	£210,565	£252,264	£210,220

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On developments of 1-3 units 5% added to selling prices for 'exclusivity'

Market Values

	Terrace				Flats		Bungalows	
	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed	2 bed	1 bed
High Value Area	£302,520	£239,495	£176,470	£126,050	£180,743	£148,150	£317,520	£264,600
Mid value area	£268,320	£212,420	£156,520	£111,800	£158,356	£129,800	£282,480	£235,400
Low Value Area	£238,602	£188,893	£139,185	£99,418	£141,633	£116,093	£252,264	£210,220

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On development of 1-3 units + 5% added to selling price

APPENDIX IV – RESULTS TABLES

1 hectare tiles – full results

Area/ DPH/ SR-AR split/ %AH					RESULTS					
Housing Market Area	DPH	Rented/Intermediate	%AH		Total Mkt Sq m	Residual Value	Benchmark values		RV less main benchmark	RV less sensitivity benchmark
			Market %	Affordable %			Main Benchmark	Sensitivity Benchmark		
High Value	25	70%/30%	70%	30%	2,116.60	2,304,000	800,000	1,000,000	1,504,000	1,304,000
High Value	30	70%/30%	70%	30%	2,373.00	2,391,000	800,000	1,000,000	1,591,000	1,391,000
High Value	35	70%/30%	70%	30%	2,731.80	2,692,000	800,000	1,000,000	1,892,000	1,692,000
High Value	40	70%/30%	70%	30%	2,742.90	2,235,000	800,000	1,000,000	1,435,000	1,235,000
Mid Value	25	70%/30%	70%	30%	2,116.60	959,000	600,000	750,000	359,000	209,000
Mid Value	30	70%/30%	70%	30%	2,373.00	989,000	600,000	750,000	389,000	239,000
Mid Value	35	70%/30%	70%	30%	2,731.80	1,133,000	600,000	750,000	533,000	383,000
Mid Value	40	70%/30%	70%	30%	2,742.90	1,035,000	600,000	750,000	435,000	285,000
Low Value	25	70%/30%	70%	30%	2,116.60	545,000	400,000	500,000	145,000	45,000
Low Value	30	70%/30%	70%	30%	2,373.00	531,000	400,000	500,000	131,000	31,000
Low Value	35	70%/30%	70%	30%	2,731.80	606,000	400,000	500,000	206,000	106,000
Low Value	40	70%/30%	70%	30%	2,742.90	502,000	400,000	500,000	102,000	2,000

Forest Heath Council – Single Issue Review and Site Allocation Local Plan - Whole Plan Viability Assessment
Three Dragons / Troy Planning & Design – October 2016

Case studies – full results

Case Study Ref	Type	HMA	Total dwgs	% AH	Density (dph)	Net Site area (ha)	Gross Site area (ha)	Gross to net	Residual Value per toolkit - net (NPV)	Residual Value per gross ha	DCF applied	Main Benchmark	RV less main benchmark £
FH1	11 dwellings	HV	11	30%	40	0.28	0.28	100%	622,000	2,261,818	no	800,000	1,461,818
FH1a	11 dwellings	HV	11	30%	30	0.37	0.37	100%	883,000	2,386,486	no	800,000	1,586,486
FH2	14 dwellings	HV	14	30%	65	0.22	0.22	100%	352,000	1,637,209	no	800,000	837,209
FH3	60 dwellings	HV	60	30%	30	2.00	2.35	85%	4,798,410	2,039,324	2yrs	800,000	1,239,324
FH4	90dwellings	HV	90	30%	30	3.00	3.53	85%	7,091,414	2,009,234	3yrs	800,000	1,209,234
FH5	140 dwellings	HV	140	30%	30	4.60	7.60	60%	10,562,983	1,377,780	4yrs	800,000	577,780
FH5	140 dwellings	HV	140	30%	35	4.00	6.66	60%	10,203,465	1,530,520	4yrs	800,000	730,520
FH6	200 dwellings	HV	200	30%	30	6.70	11.16	60%	14,328,771	1,283,174	5yrs	800,000	483,174
FH7	350 dwellings	HV	350	30%	30	11.50	19.16	60%	23,332,984	1,217,373	9yrs	800,000	417,373
FH7	350 dwellings	HV	350	30%	35	10.00	16.66	60%	22,507,550	1,350,453	9yrs	800,000	550,453
FH8	1,000 dwellings	HV	1,000	30%	30	33.00	55.00	60%	62,052,926	1,128,235	12yrs	800,000	328,235
FH1	11 dwellings	MV	11	30%	40	0.28	0.28	100%	293,000	1,065,455	no	600,000	465,455
	11 dwellings	MV	11	30%	30	0.37	0.37	100%	370,000	1,000,000	no	600,000	400,000
FH2	14 dwellings	MV	14	30%	65	0.22	0.22	100%	132,000	613,953	no	600,000	13,953
FH3	60 dwellings	MV	60	30%	30	2.00	2.35	85%	2,152,960	915,008	2yrs	600,000	315,008
FH4	90dwellings	MV	90	30%	30	3.00	3.53	85%	3,178,682	900,627	3yrs	600,000	300,627
FH5	140 dwellings	MV	140	30%	30	4.60	7.60	60%	4,619,195	602,504	4yrs	600,000	2,504
FH5	140 dwellings	MV	140	30%	35	4.00	6.66	60%	4,543,973	681,596	4yrs	600,000	81,596
FH6	200 dwellings	MV	200	30%	30	6.70	11.16	60%	5,999,654	537,282	5yrs	450,000	87,282
FH7	350 dwellings	MV	350	30%	30	11.50	19.16	60%	9,597,148	500,721	9yrs	450,000	50,721
FH7	350 dwellings	MV	350	30%	35	10.00	16.66	60%	9,428,108	565,686	9yrs	450,000	115,686
FH8	1,000 dwellings	MV	1,000	30%	30	33.00	55.00	60%	25,227,361	458,679	12yrs	450,000	8,679
FH1	11 dwellings	LV	11	30%	40	0.28	0.28	100%	142,000	516,364	no	400,000	116,364
	11 dwellings	LV	11	30%	30	0.37	0.37	100%	199,000	537,838	no	400,000	137,838
FH2	14 dwellings	LV	14	30%	65	0.22	0.22	100%	3,000	13,636	no	400,000	-386,364
FH3	60 dwellings	LV	60	30%	30	2.00	2.35	85%	1,284,426	545,881	2yrs	400,000	145,881
FH4	90dwellings	LV	90	30%	30	3.00	3.53	85%	1,894,319	536,724	3yrs	400,000	136,724
FH5	140 dwellings	LV	140	30%	30	4.60	7.60	60%	2,681,118	349,711	4yrs	400,000	-50,289
FH5	140 dwellings	LV	140	30%	30	4.60	6.57	70%	2,681,118	407,996	4yrs	400,000	7,996
FH5	140 dwellings	LV	140	30%	35	4.00	6.66	60%	2,628,257	394,239	4yrs	400,000	-5,761
FH5	140 dwellings	LV	140	30%	35	4.00	5.71	70%	2,628,257	459,945	4yrs	400,000	59,945
FH6	200 dwellings	LV	200	30%	30	6.70	11.16	60%	3,253,342	291,344	5yrs	300,000	-8,656
FH6	200 dwellings	LV	200	30%	30	6.70	9.57	70%	3,253,342	339,901	5yrs	300,000	39,901
FH7	350 dwellings	LV	350	30%	30	11.50	19.16	60%	5,117,991	267,026	9yrs	300,000	-32,974
FH7	350 dwellings	LV	350	30%	30	11.50	16.40	70%	5,117,991	311,530	9yrs	300,000	11,530
FH7	350 dwellings	LV	350	30%	35	10.00	16.66	60%	5,000,578	300,035	9yrs	300,000	35
FH7	350 dwellings	LV	350	30%	35	10.00	14.29	70%	5,000,578	350,040	9yrs	300,000	50,040
FH8	1,000 dwellings	LV	1,000	30%	30	33.00	55.00	60%	13,094,074	238,074	12yrs	300,000	-61,926
FH8	1,000 dwellings	LV	1,000	30%	30	33.00	41.25	80%	13,094,074	317,432	12yrs	300,000	17,432

Please note that there will be some variation when comparing net to gross areas as a consequence of rounding.

APPENDIX V – NON-RESIDENTIAL VIABILITY TESTING

Non-residential Viability Assessment Model						
Office development of two storeys out of town (a/c multiple units)						
	Size of unit (GIA)	1500 sq m				
	Ratio of GEA to GIA	100.0%				User input cells
	GEA	1500 sq m				Produced by model
	NIA as % of GIA	95%				Key results
	NIA	1425 sq m		GEA	Gross external area	
	Floors	2		GIA	Gross internal area	
	Site coverage	40%		NIA	Net internal area	
	Site area	0.19 Hectares				
SCHEME REVENUE						
	Headline annual rent (in £s per sq m)				£145	
	Rent premium				0%	
	Headline annual rent (in £s per sq m) with premium				£ 145	
	Annual rent for assesment (total) - NIA				£ 206,996	
	Yield				9.50%	
	(Yield times rent)				£ 2,178,900	
	Less purchaser costs	5.80 % of yield x rent				
	Gross Development Value					£ 2,059,452
SCHEME COSTS						
	Build costs	£ 1,309 per sq m			£ 1,963,500	
	Additional build costs	£ - per sq m			£ -	
	Water efficiency	0.00% of base build costs			£ -	
	External costs	10% of base build costs			£ 196,350	
	Total construction costs					£ 2,159,850
	Professional fees	12.00% of construction costs			£ 259,182	
	Sales and lettings costs	3% of GDV			£ 61,784	
	S106 costs (not covered by CIL)				£ 20,000	
	Total 'other costs'					£ 340,966
	Finance costs	6.0% Interest rate				
	Build period	10 Months				
	Finance costs for 100% of construction and other costs				£ 125,041	
	Void finance/rent free period (in months)	36 Months			£ 450,147	
	Total finance costs					£ 575,188
	Developer return	20% Scheme value				£ 411,890
	Total scheme costs					£ 3,487,893
RESIDUAL VALUE						
	Gross residual value					-£ 1,428,442
	Less purchaser costs	0.00 % Stamp duty land tax				£ -
		2.00 % Agent/legal purchase fees				£ -
	Residual value	For the scheme				-£ 1,457,011
		Equivalent per hectare				-£ 7,770,723
						Not viable

Non-residential Viability Assessment Model						
Office development of four storeys town centre (a/c)						
	Size of unit (GIA)	2000	sq m			
	Ratio of GEA to GIA	100.0%				User input cells
	GEA	2000	sq m			Produced by model
	NIA as % of GIA	95%				Key results
	NIA	1900	sq m	GEA	Gross external area	
	Floors	4		GIA	Gross internal area	
	Site coverage	75%		NIA	Net internal area	
	Site area	0.07	Hectares			
SCHEME REVENUE						
Headline annual rent (in £s per sq m)					£145	
Rent premium					0%	
Headline annual rent (in £s per sq m) with premium				£	145	
Annual rent for assesment (total) - NIA				£	275,994	
Yield					9.50%	
(Yield times rent)				£	2,905,200	
Less purchaser costs		5.80	% of yield x rent			
Gross Development Value					£	2,745,936
SCHEME COSTS						
Build costs		£ 1,849	per sq m	£	3,698,000	
Additional build costs		£ -	per sq m	£	-	
Water efficiency		0.00%	of base build costs	£	-	
External costs		10%	of base build costs	£	369,800	
Total construction costs					£	4,067,800
Professional fees		12.00%	of construction costs	£	488,136	
Sales and lettings costs		3%	of GDV	£	82,378	
S106 costs (not covered by CIL)				£	-	
Total 'other costs'					£	570,514
Finance costs		6.0%	Interest rate			
Build period		14	Months			
Finance costs for 100% of construction and other costs				£	324,682	
Void finance/rent free period (in months)		36	Months	£	834,897	
Total finance costs					£	1,159,579
Developer return		20%	Scheme value			
Total scheme costs					£	6,347,080
RESIDUAL VALUE						
Gross residual value					-£	3,601,144
Less purchaser costs		0.00	% Stamp duty land tax		£	-
		2.00	% Agent/legal purchase fees		£	-
Residual value		For the scheme			-£	3,673,167
		Equivalent per hectare			-£	55,097,503
Not viable						

Non-residential Viability Assessment Model						
Four industrial/warehouse units in a block of 1,600 sqm edge of town						
	Size of unit (GIA)	1600	sq m			
	Ratio of GEA to GIA	100.0%				User input cells
	GEA	1600	sq m			Produced by model
	NIA as % of GIA	95%				Key results
	NIA	1520	sq m	GEA		Gross external area
	Floors	1		GIA		Gross internal area
	Site coverage	40%		NIA		Net internal area
	Site area	0.40	Hectares			
SCHEME REVENUE						
	Headline annual rent (in £s per sq m)				£59	
	Rent premium				0%	
	Headline annual rent (in £s per sq m) with premium				£ 59	
	Annual rent for assesment (total) - NIA				£ 89,954	
	Yield				9.00%	
	(Yield times rent)				£ 999,484	
	Less purchaser costs	5.80	% of yield x rent			
	Gross Development Value					£ 944,692
SCHEME COSTS						
	Build costs	£ 967	per sq m		£ 1,547,200	
	Additional build costs	£ -	per sq m		£ -	
	Water efficiency	0.00%	of base build costs		£ -	
	External costs	10%	of base build costs		£ 154,720	
	Total construction costs					£ 1,701,920
	Professional fees	12.00%	of construction costs		£ 204,230	
	Sales and lettings costs	3%	of GDV		£ 28,341	
	S106 costs (not covered by CIL)				£ 20,000	
	Total 'other costs'					£ 252,571
	Finance costs	6.0%	Interest rate			
	Build period	8	Months			
	Finance costs for 100% of construction and other costs				£ 78,180	
	Void finance/rent free period (in months)	12	Months		£ 117,269	
	Total finance costs					£ 195,449
	Developer return	20%	Scheme value			£ 188,938
	Total scheme costs					£ 2,338,879
RESIDUAL VALUE						
	Gross residual value					-£ 1,394,186
	Less purchaser costs	0.00	% Stamp duty land tax		£ -	
		2.00	% Agent/legal purchase fees		£ -	
	Residual value					-£ 1,422,070
		For the scheme				-£ 3,555,175
		Equivalent per hectare				
			Not viable			

Non-residential Viability Assessment Model						
Warehouse/industrial unit of 5,000 sqm edge of town, accessible location						
	Size of unit (GIA)	5000	sq m			
	Ratio of GEA to GIA	100.0%				User input cells
	GEA	5000	sq m			Produced by model
	NIA as % of GIA	95%				Key results
	NIA	4750	sq m	GEA		Gross external area
	Floors	1		GIA		Gross internal area
	Site coverage	40%		NIA		Net internal area
	Site area	1.25	Hectares			
SCHEME REVENUE						
Headline annual rent (in £s per sq m)					£59	
Rent premium					0%	
Headline annual rent (in £s per sq m) with premium				£	59	
Annual rent for assesment (total) - NIA				£	281,105	
Yield					9.00%	
(Yield times rent)				£	3,123,389	
Less purchaser costs		5.80	% of yield x rent			
Gross Development Value					£	2,952,163
SCHEME COSTS						
Build costs		£ 459	per sq m	£	2,295,000	
Additional build costs		£ -	per sq m	£	-	
Water efficiency		0.00%	of base build costs	£	-	
External costs		10%	of base build costs	£	229,500	
Total construction costs					£	2,524,500
Professional fees		12.00%	of construction costs	£	302,940	
Sales and lettings costs		3%	of GDV	£	88,565	
S106 costs (not covered by CIL)				£	50,000	
Total 'other costs'					£	441,505
Finance costs		6.0%	Interest rate			
Build period		8	Months			
Finance costs for 100% of construction and other costs				£	118,640	
Void finance/rent free period (in months)		24	Months	£	355,921	
Total finance costs					£	474,561
Developer return		20%	Scheme value			
Total scheme costs					£	4,030,998
RESIDUAL VALUE						
Gross residual value					-£	1,078,835
Less purchaser costs		0.00	% Stamp duty land tax	£	-	
		2.00	% Agent/legal purchase fees	£	-	
Residual value		For the scheme			-£	1,100,412
		Equivalent per hectare			-£	880,329
Not viable						