APPENDIX A

EAST LINDSEY DISTRICT COUNCIL - ECONOMIC VIABILITY ASSESSMENT

Local Plan Viability Assessment

February 2021

Three Dragons

FINAL REPORT

This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and is based on local data supplied by East Lindsey 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. East Lindsey District Council (ELDC) is currently reviewing its Local Plan. The new Local Plan will set out the opportunities for development within the District and the policies to support that development. As part of this process, the council needs evidence to demonstrate which policies are deliverable, including what balance of affordable and market housing is viable and how this varies between settlements and value areas. This Viability Assessment provides that evidence.

2. The Viability Assessment has been prepared in consultation with the development industry and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework.

3. In summary, the viability testing undertaken demonstrates mixed viability across the district. We have identified 3 value areas: High, Inland and Coastal – viability is strongest in the High value areas and weakest in the Coastal value areas with variation within each area relevant to site size and density.

4. The **High Value Areas** gives strong results and is able to support levels of affordable housing of up to 50% on all but the largest sites. Our larger case studies, in this case over 200 dwellings, were able to demonstrate delivery of affordable housing but the percentage decreased as site size increased. The 350-unit case study was viable with 40% affordable housing, as per current policy, but sites larger than this demonstrated around 20-25% affordable housing as a maximum. It is however recognised that sites of this size are unlikely to come forward in the High value area.

5. **The Inland Areas** show good general viability with delivery of around 20% - 25% affordable housing on sites of up to and including 120 dwellings. If the government's proposed environmental reforms are not implemented then maintaining the policy of 30% affordable housing could be possible. On larger sites, our case studies show that affordable housing delivery would need to reduce to produce a viable scheme and that on the largest schemes it might not be possible to secure any affordable housing. Viability was also weaker at lower densities, such as in the villages. In all cases in the Inland Value Area there needs to be flexibility within affordable housing policy to accommodate weaker viability on lower density and / or larger residential schemes.

6. In **the Coastal Areas**, viability is marginal at best and it is unlikely that schemes here would be able to deliver any affordable housing through S106. ELDC may wish to consider taking commuted sums from the High Value Areas to assist with provision in the Coastal Value Areas.

7. Rural Exception Sites (RES) are likely to require market housing alongside affordable tenures to enable delivery. The make-up of units on these sites will vary depending upon local need and there will be many permutations, but we consider that around half the units would need to be open market sale if RES are to be brought forward. (This would likely be just under half of units as market tenure in the Higher Value Area and just over half in the Inland Value Area.) RES are unlikely to be deliverable in the Coastal Value Area unless subsidy was available.

8. Developer led retirement housing schemes were only viable in the High Value Area when modelled. If the council wants to bring these forward in other areas then other incentives would be required such as the release of publicly owned land at nominal value or additional funding.

9. We have carried out a range of sensitivity tests including looking at the impact of additional environmental measures, differing densities or affordable tenures, additional s106, and market fluctuations. Viability in East Lindsey is sensitive to changing costs & values but was improved by small increases in density and by inclusion of bungalows in the housing mix.

10. This report sets out key facts from the evidence collected and the testing results, including the sensitivity testing. **A full discussion of the implications for housing policy can be found in chapter 4**.

Testing Principles

11. Consistent with Planning Practice Guidance, the testing undertaken uses a standard residual value approach. The residual value of development is the total value less all development and policy costs, including planning obligations, land and land acquisition costs. If the residual value is positive the scheme is said to be viable, but if it is negative the scheme is not viable.

12. For the testing, we used the Three Dragons Toolkit for residential development.

1 INTRODUCTION

Purpose of the Economic Viability Assessment

1.1 East Lindsey District Council (ELDC) is currently reviewing its Local Plan. The new Local Plan will set out the opportunities for development within the District and the policies to support that development. As part of this process, the council needs evidence to demonstrate that its draft policies are deliverable, including what balance of affordable and market housing is viable and how this varies between settlements and value areas. This Viability Assessment provides that evidence.

1.2 The Viability Assessment has been prepared in consultation with the development industry [1]and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework.

National and local planning context

National Framework

1.3 For the purposes of Local Plan viability testing the 2019 revised National Planning Policy Framework and associated revisions within the National Policy Practice Guidance will apply.

1.4 The National Planning Policy Framework (NPPF) recognises the importance of positive and aspirational planning but states that this should be done *'in a way that is aspirational but deliverable'*[2].

1.5 The NPPF advises that cumulative effects of policy should not combine to render plans unviable:

'Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.'[3]

1.6 The NPPF also states that:

1.7 '*All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.'*[4]

Planning Practice Guidance

1.8 Planning Practice Guidance[5] (PPG) provides further detail about how the NPPF should be applied. PPG contains general principles for understanding viability. The

[1] Development industry workshop held on 26th June 2020 supplemented by interviews with agents, developers, and RPs with experience of developing in district.
[2] MHCLG, 2019 NPPF Para 16
[3] MHCLG, 2019 NPPF Para 34
[4] MHCLG, 2019 NPPF Para 57
[5] MHCLG, Planning Practice Guidance

approach taken reflects the latest version of PPG (at time of writing), which was last updated in September 2019 for both viability and CIL.

1.9 Viability assessments should be supported by appropriate available evidence and follow the government's recommended approach in respect of being proportionate, simple, transparent and publicly available[6]. Assessing the viability of Plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability, however in some circumstances more detailed assessment maybe necessary for particular areas or key sites on which the delivery of the plan relies[7].

1.10 Generally, values should be based on comparable market information, using average figures and informed by specific local evidence. For an area wide viability assessment a broad assessment of costs is required, based on robust evidence which is reflective of local market conditions. All development costs should be taken into account, including within setting of benchmark land values, in particular para 012 within the PPG Viability section states that:

'Costs include

- *Build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return'*

1.11 Land values[8] should be defined using a benchmark land value that is established on the basis of Existing Use Value plus a reasonable incentive for the landowner. The premium should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The benchmark should reflect the

[6] PPG Paragraph: 010 Reference ID: 10-010-20180724
[7] PPG Paragraph: 003 Reference ID: 10-003-20190724
[8] PPG Paragraph: 013-016 Reference ID: 10-20190509

implications of abnormal costs, site specific infrastructure and fees. It can be informed by market evidence including current costs and values but that this should be based on development that is compliant with policies, where evidence is not available adjustments should be made to reflect policy compliance.

1.12 PPG states that developer return should be 15 – 20% of gross development value and that where affordable housing is provided a lower figure is more appropriate[9].

Other guidance on viability testing for development

1.13 There is other guidance available that identifies viability testing principles and of particular note is "Viability Testing Local Plans - Advice for planning practitioners"[10]. The foreword to the Advice for planning practitioners includes support from DCLG, the LGA, the HBF, PINS and POS[11]. PINS and the POS state that:

'The Planning Inspectorate and Planning Officers Society welcome this advice on viability testing of Local Plans. The use of this approach will help enable local authorities to meet their obligations under NPPF when their plan is examined.'

1.14 The approach to viability testing adopted for this study 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.'

1.15 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'.[12]

1.16 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'[13]

Specific Guidance on Land Value Benchmarks

1.17 Planning Practice Guidance sets out the principles that area wide viability studies should follow when taking land values into account:

'To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other

[9] PPG Paragraph: 018 Reference ID: 10-018-20190509

[10] The guide was published in June 2012 and is the work of the Local Housing Delivery Group, chaired by Sir John Harman, which is a cross-industry group, supported by the Local Government Association and the Home Builders Federation.

[11] Acronyms for the following organisations - Department of Communities and Local Government (now MHCLG – Ministry of Housing Communities & Local Government), Local Government Association (Environment and Housing Board), Home Builders Federation, Planning Inspectorate, Planning Officers Society

[12] Harman Guidance, p26

[13] IBID

options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).' [14]

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees'*[15]

1.18 PPG goes on to define a 'premium' for a landowner as being:

'…reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements'[16]

1.19 Advice for Planning Practitioners is similar to that contained within the PPG and states:

'We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values…….).'

1.20 Advice for Planning Practitioners also notes that reference to market values can still provide a useful 'sense check' on the benchmark values that are being used for testing, but it is not necessarily recommended that these are used as the basis for the input to a model. Therefore, land value benchmarks used to test plan policies can be less than the value at which land is being traded in the market. This point was highlighted in the London Mayoral CIL examiner's report (also from 2012) which, sets out important principles in the treatment of benchmark land value:

'Finally, the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges'

1.21 RICS research also highlights the drawback in using market evidence to set land value benchmarks:

'If market value is based on comparable evidence without proper adjustment to reflect policy compliant planning obligations, this introduces a circularity, which

[14] PPG Paragraph 013 Reference ID: 10-013-20190509
[15] PPG Paragraph 014 Reference ID: 10-014-20190509
[16] PPG Paragraph 016 Reference ID: 10-016-20190509

encourages developers to overpay for sites and try to recover some or all of this overpayment via reductions in planning obligations'.[17]

Government Consultations

1.22 Whilst this report was being compiled, the government issued a White Paper on, ***'Planning For The Future'***, on 6th August. The White Paper was accompanied by a consultation document, ***'Changes to the current planning system'*** [18]. Although still at consultation stage, it is likely that these documents will have some implications on economic viability for the Local Plan, in the short term in relation to widening the definition of affordable housing to include First Homes, and increasing the threshold for affordable housing provision to 40-50 dwellings. In the longer term, if the White Paper becomes law, seeing government setting a series of national standard rates for a standard levy to cover infrastructure provision and affordable housing.

1.23 Of significance are three government consultation documents, of which the potential effects of the costs of implementing have been tested as an important sensitivity test as part of our assessment:

- The Future Homes Standard Consultation which suggests changes to building regulations to secure a carbon reduction of 20-31% on new buildings[19] - the Government preferred option is for a 31% improvement and has now published its response to this consultation[20];
- The Environment Bill[21] which requires development to provide a net gain for biodiversity impact – the cost of which can vary between types of development;
- Electric Vehicle Charging in Residential & Non-residential Buildings[22] – this government consultation suggests that all new development may be required to provide electric vehicle charging points[23].

Local Policy Context

1.24 The Authority's Local Plan Core Strategy, adopted July 2018 sets out the strategic objectives for housing up until 2031 (notwithstanding the current review), including plans to deliver 7819 new homes over the period 2017 to 2031. Policies in the new Local Plan will be informed by this Viability Assessment and the Local Housing Needs Assessment (LHNA) carried out alongside. It is noted that overall need identified in the draft LHNA 2020 is above that of the Core Strategy and over half of that need is

[17] RICS, 2015, Financial Viability Appraisal in Planning Decisions: Theory and Practice
[18] https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework
[19] Para 3.9 Future Homes Standard consultation https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings
[20] Ibid January 2021
[21] https://www.gov.uk/government/publications/environment-bill-2020
[22] https://www.gov.uk/government/consultations/electric-vehicle-chargepoints-in-residential-and-non-residential-buildings
[23] Based on passive cabling to all units

likely to be for affordable homes[24]. A higher proportion than previously was found to be required for affordable home ownership. Other notable findings from the draft LHNA that are taken account of in our study include the significant need for older persons housing, especially for owner occupation, and the need for smaller affordable housing units.

1.25 The viability testing has also taken account of the policies in the current Local Plan Core Strategy. There are no draft policies yet written for the new Local Plan. The main policy with impact upon viability is Strategic Policy 7 (SP7): Affordable and Low Cost Housing, which states that

"The Council will support the delivery of affordable housing in the towns and large villages across the District. In the Medium and High Value Areas, on sites of 15 or more houses the Council will seek a 30% developer contribution towards the provision of affordable housing. This will rise to 40% in the Very High Value area (Woodhall Spa parish) but there will be no requirement in the Coastal Flood Hazard zone".

1.26 In testing this policy we have assessed whether it is still supported by viability evidence and if not, what level of affordable housing the assessment supports.

[24] LHNA 2020 is not published at time of writing and is still in draft form – therefore exact figures are not quoted

2 VIABILITY TESTING – APPROACH & ASSUMPTIONS

Principles and Approach

2.1 As is set out in Viability Testing Local Plans and adopted by PPG[25], 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

Total development value (market & affordable)
Minus
Total development costs (incl. build costs, return to developer, CIL, planning obligations)
=
gross residual value
Minus
Benchmark land value (+ land acquisition costs & related interest)
=
net residual value

2.2 Assumptions on costs and values have been presented to the development industry at a workshop in June 2020, supplemented by further correspondence with some attendees and further circulation of detail to all attendees, and further amendments have been made to account for comments. The workshop notes are appended at Annex I.

Case Study Selection

2.3 To test viability, we devised a number of case studies which reflect the type of sites likely to be come forward, in light of the policies and allocations in the current Local Plan and historic patterns of development. In the selection we take account of the expectation that most development will occur in the towns, followed by the large villages and that in the villages densities will be lower. The initial focus is on testing

[25] 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*." And PPG Paragraph: 010 Reference ID: 10-010-20180724

the levels of affordable housing that can be delivered on these typologies. Working with the district council, we drew up the following types of site for testing:

- Small to medium sites of up to 120 dwellings, sites of this size are likely to be the mainstay of ELDC's delivery going forward;
- Larger sites of more than 120 dwellings and up to 1,000, reflecting current allocations and applications as well as potential future land allocations;
- Rural Exception Sites - examples of potential Rural Exception Sites (RES) where the assumption is that 100% of units will be affordable but if this is not viable then a proportion of market homes may be allowed to facilitate delivery of affordable units;
- Specialist housing for older people – both sheltered and extra care.

2.4 The key characteristics of the case studies are shown in the table below. Annex II gives further detail of the mix and site size.

Table 2.1: Sites Tested

Dwellings	Type	Net densities tested
9	Residential	19 / 25 dph
10	Residential	19 / 25 dph
15	Residential	19 / 25 / 30 / 35 dph
35	Residential	19 /25 / 30 / 35 dph
75	Residential	19 / 25 / 30 dph
120	Residential	25 / 30 dph
200	Residential	25 / 30 dph
200	Residential – bungalows only	20 dph
350	Residential	25 / 30 / 35 dph
600	Residential	25 / 30 / 35 dph
1,000	Residential	25 / 30 dph
75	Extra care apartments	100 dph
75	Sheltered apartments	100 dph
7	Rural Exceptions Site	n/a

2.5 Based on the Housing Trajectory and past delivery patterns, the sites are cashflowed to achieve a delivery rate of 30 market dwellings per outlet, per annum.

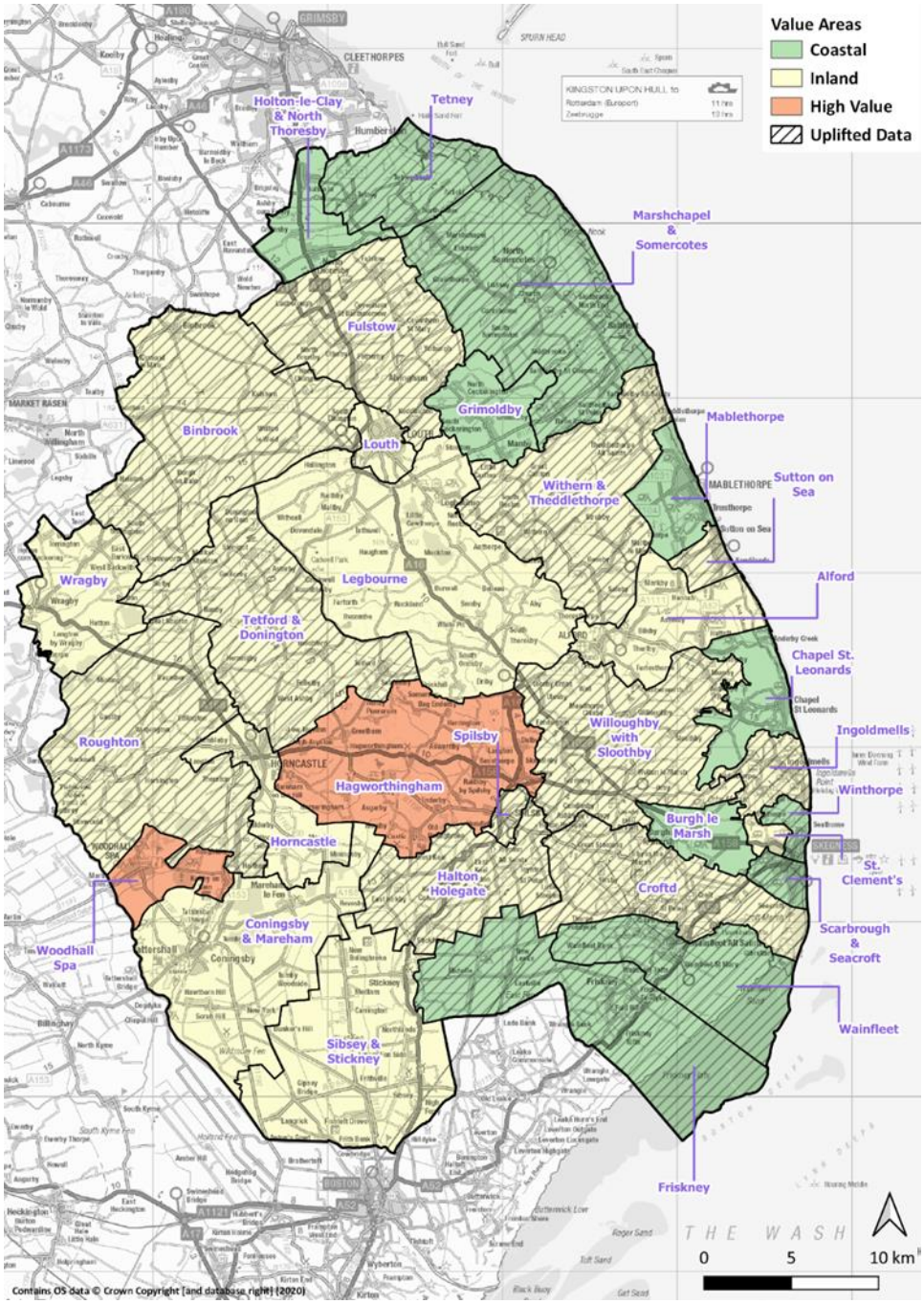
Value Areas

2.6 Three value areas were identified within the district and have been used for the testing[26]. These are based on ward level analysis of sales recorded by Land Registry[27]. The division into Coastal, Inland and High Value was largely supported at the development industry workshop, with some suggestions for refinement of the boundaries. House prices are highest in the High Value Area, followed by Inland, then lowest in the Coastal Area. (Note that for the purposes of this study some coastal market areas have more in common with inland areas and for this reason have been categorised as such.)

[26] Division into 3 housing market areas broadly mirrors analysis in previous viability studies. The most recent study in 2016 identified 4 market areas and the one before that in 2013 three market areas

[27] HM Land Registry as available at June 2020

Figure 2.2: Value areas



Assumptions used in the Testing

Land Value Benchmarks

2.7 As with previous Viability Assessments for East Lindsey[28], we have used the same benchmark land value for each of the value areas and we have arrived at realistic benchmark values through review of a number of data sources. These include

[28] Review and update of the East Lindsey Economic Viability Assessment 2015 GVA; Coastal Lincolnshire Economic Viability Assessment 2013 Three Dragons

- Previous viability studies, both area-wide and site specific[29]
- Existing use values[30]
- Review of MHCLG published land values[31] against costs of likely obligations[32]
- Consultation with developers, land-owners and agents at the stakeholder workshop and subsequent follow-up discussion
- Review of the market through Rightmove[33].

2.8 At the development industry workshop a figure of £70,000-£140,000 per acre (£173,000 - £346,000 per hectare) was quoted based on a multiple of 10-20 times agricultural value. This figure was not disputed although subsequent stakeholder interviews suggest a range from £100-125k per acre was appropriate for greenfield sites. We have taken 12.5 x existing agricultural value[34] to give £105,000 per acre (or £250,000 per ha). We have not found any evidence that values should be different for brownfield sites, although for sites of less than 10 dwellings we have assumed a benchmark land value of £300K per ha to reflect the lower policy expectations. Thus the land value benchmark in this study is slightly lower than that in the previous, 2015, study where a figure of £410,000 per ha[35] was used, noting there has been a considerable fall in agricultural land values, down from £24,000/ha to £20,000/ha in 2019.

2.9 Benchmark land values for the RES sites have been derived on a slightly different basis. They are based on a value per plot (for the market and affordable housing) and need to be set above a bare agricultural value, to encourage a willing land owner to sell, but will be significantly below full development value as RES are an exception to planning policy and would be unlikely to gain planning permission for a market led scheme. There is no set value in East Lindsey for RES but we have assumed that plots need to achieve at least £5,000 per plot, very roughly this is about £150,000 a hectare, to come forward. This is just over half of land value for smaller sites and represents an uplift of 7.5 x existing agricultural use which could incentivise landowners to sell land not likely to be policy compliant for market homes.

[29] Review and update of the East Lindsey Economic Viability Assessment 2015 GVA; Coastal Lincolnshire Economic Viability Assessment 2013 Three Dragons and a number of smaller site specific appraisals provided by the Authority (5 in total)

[30] MHCLG Land value estimates for policy appraisal 2019

[31] IBID

[32] MHCLG land values do not include costs of policy compliance and other costs such as developer profit differ from the costs used in this study

[33] Rightmove 24th July 2020

[34] Land Value estimates for Policy Appraisal 2019 MHCLG

[35] Para 1.4 Review and update of the East Lindsey Economic Viability Assessment 2015 GVA

Figure 2.3: Benchmark Land Values

ELDC	Value per gross hectare 1-10 units	Medium Sites 11 – 499 units	Larger sites – over 500 units	RES
All value areas	£300,000	£250,000	£250,000	C£5K per plot

2.10 Notes of the development industry workshop are available as Annex I.

House Prices

2.11 House prices are based on Land Registry data[36], adjusted for new build values and compared to Energy Performance Certificates to arrive at a value per sqm. We have adjusted values of existing property sales for new build values in the areas where there were not enough new build sales – these areas are shown as hatched on the map at figure 2.2 above. The 'Jenks Natural Breaks[37]' method was used to identify the 3 value areas and this was then adjusted to a 'real life' position through comments received in the consultation and further examination of new build prices.

2.12 For specialist retirement housing, in this case both sheltered and Extra Care, we have made use of the Retirement Housing Group CIL Viability Appraisal Guide[38] which says that the value of such housing is linked to the value of a second-hand 3 bed semi-detached house.

2.13 In all cases we have sense-checked our information against the advertised asking price for properties available in the local market[39]. Asking prices were higher than those drawn from Land Registry data. However we would expect this to be the case as Land Registry shows the values achieved and property websites shows the 'asking price'. We have therefore not made any amendments in response to the market information.

Policy Cost and Implications for affordable housing

2.14 As outlined in chapter 1, the testing has taken account of policies in the current Core Strategy Local Plan and will also inform the policies in the new draft Local Plan. In particular affordable housing has been tested at varying levels to assist the council in deciding on a suitable affordable housing policy.

2.15 The current affordable housing policy varies from 0% in the costal flood hazard areas to 40% in Woodhall Spa. For our case study sites, to help identify a suitable level of affordable housing, we have tested a range between 0% and 50% affordable housing. The affordable housing mix we have used is 70% affordable rented (using 100% of Local Housing Allowance for Wolds and Coast BRMA) and 30% shared ownership (assuming that a 40% share is purchased).

[36] As available June 2020
[37] Jenks Natural Breaks is a data sorting method which uses a 'category mean' to identify natural groupings
[38] P8 CIL Viability Appraisal Issues Retirement Housing Group 2016 https://retirementhousinggroup.com/
[39] Rightmove at 24th July 2020

2.16 We note that the draft LHNA has identified a significant need for social rented homes. On advice from housing associations and the council about what is deliverable in the district we have however tested Affordable Rent as the main affordable rented product in East Lindsey.

2.17 All testing undertaken was in line with the policies in the adopted Local Plan and a full analysis of all policies and their relevance to this Viability Assessment can be found at Annex VI.

Housing Mix (affordable and market)

2.18 To test each of the case studies we drew up a notional mix of dwellings which best reflected a 'typical development' of that scale and location. This was tempered with:

- Information on the affordable housing mix that would best meet housing association requirements for manageable and viable schemes and that would also meet housing need;
- Views of the development industry (at the workshop and in follow up interviews) on the mixes they would seek to develop for the market housing;
- Information provided by the council on past delivery patterns;
- The findings in the LHNA and implications.

2.19 Rent levels and affordable housing costs were verified at the developer workshop and through interviews with local Registered Providers and are shown in Annex III.

2.20 It has been assumed that no grant is available to subsidise the affordable housing provided on S106 sites. We know that grant is available for free standing sites developed by housing associations in the area. In practice, some grant may be available in the future for S106 sites but it is not possible to say how much and in what circumstances. Testing with nil grant is therefore prudent but does mean we are reporting a 'worse case' picture.

2.21 During production of this study 'Changes to the Current Planning System' was released for consultation. This document gives additional weight to inclusion of First Homes as an affordable tenure. Full details of delivery and funding mechanisms are not available but we have made an estimate of the likely impact on scheme viability.

Build Costs

2.22 Development costs have been based on standard industry published sources such as Building Costs Information Service (BCIS). As in the previous study the costs used are based on lower quartile BCIS costs to reflect the standard of development prevalent in the district. Feedback from stakeholders suggests that the exception to this should be for apartments and, where tested, these are based on the BCIS median index. The index has been localised for East Lindsey. Plot costs, contingency, site infrastructure and opening up costs are in addition to the BCIS rates. It is assumed that infrastructure and opening up costs range from £5,000 to £25,000 per unit and are significantly higher on larger sites than smaller ones.

2.23 Specialist older persons housing uses the standards for costs, values and circulation space recommended by the Retirement Housing Group UK[40]. The methodology was also recommended by stakeholders during follow up consultation.

2.24 Densities and housing mix are based on past delivery as well as the council's aspirations for future development in the district, noting the densities set out in the Settlement Proposals[41] which are assumed to be per gross hectare and differentiate between towns and different sized villages. Most development is planned for the towns followed by the large villages[42]. Past delivery shows that sites are developed at a wide range of densities – on the sites we looked at in our research, densities in the towns ranged from 17 to 32 dwellings per net hectare (average 25) and densities in the large villages from 8 to 28 dwellings per net hectare (average 19). The densities employed in our case studies reflect this range and are based on the net area.

2.25 The net to gross ratios are on advice from the council and take into account requirements for open space. Coverage ranges from 100% to 60% depending on site size.

s106 / s278

2.26 To take account of typical s106/s278 payments we allowed £3,500 per dwelling on sites up to 250 units (with a sensitivity test at a higher rate of £6,000 per dwelling) and £10,000 per dwelling on sites of 250 or more. This reflects historic collection and is confirmed by the council's expectations going forward. There is no CIL charge, in line with current plan policy. Flood resilience costs of £11,870 per dwelling have been applied as a sensitivity in the coastal hazard zone only[43].

2.27 A range of environmental sensitivity tests have been carried out as shown in Figure 2.4 below to take account of potential for increased environmental policy requirements at national and/or local level, as described in Chapter 1. The greatest viability burden, per dwelling, is that required to achieve a 31% carbon reduction – we have taken a cautious approach and not factored in a corresponding increase in house prices, although in practice this may occur.

[40] CIL Viability Appraisal Issues RHG 2016 https://retirementhousinggroup.com/rhg-publications/
[41] Para 2.6 East Lindsey Settlement Proposals Development Plan Document Pt1 2018
[42] Analysis of a sample of just over 2000 (2018) recent planning consents shows that 56% of new development took place in towns at an average density of 24.6 dwellings per net ha, 41% of development was in large villages at an average density of 18.6 units per net ha and 3% of development was in small villages at an average density of 12.5 dwellings per net ha. – some outliers removed
[43] Premium resilience, medium band, table 1.3, Cost estimation for household flood resistance and resilience measures – summary of evidence, Environment Agency March 2015 (consultation comments from development industry confirmed these figures, which, if anything, have reduced since publication by EA

Figure 2.4: Environmental Sensitivity Tests

Environmental sensitivity testing	i) ii) iii)	£18,329 ha £3,130 – houses / £2,260 – flats £750	i) ii) iii)	Bio-diversity net gain[44] 31% carbon reduction[45] Electric vehicle charging (passive per unit)[46]

2.28 A full list of the assumptions used in the testing can be found at Annex III. Details of the case studies can be found at Annex II and are also discussed in chapter 3 below.

[44] Government Net Gain Impact Assessment https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf

[45] Para 3.9 Future Homes Standard consultation https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings

[46] https://www.gov.uk/government/consultations/electric-vehicle-chargepoints-in-residential-and-non-residential-buildings - shows requirements, also of use cost estimates by Ward Williams for passive cabling for GLA London Plan Economic Viability Assessment 2018 https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/examination-public-draft-new-london-plan

3 RESIDENTIAL VIABILITY ANALYSIS

Case Study Characteristics

3.1 To test the viability of residential development, we devised a number of case studies which reflect the type of sites likely to be come forward, in light of the allocations in the adopted Local Plan, current permissioned sites and historic patterns of development.

3.2 The selection of case studies is discussed in chapter 2 above but to assist the reader, the key characteristics of the case studies are repeated in the table below. Annex II gives further detail, Annex III provides details of all the assumptions used for the testing and Annex IV contains the results in tabular format.

Table 3.1: Case Study Characteristics

Dwellings	Type	Net densities tested
9	Residential	19 / 25 dph
10	Residential	19 / 25 dph
15	Residential	19 / 25 / 30 / 35 dph
35	Residential	19 /25 / 30 / 35 dph
75	Residential	19 / 25 / 30 dph
120	Residential	25 / 30 dph
200	Residential	25 / 30 dph
200	Residential – bungalows only	20 dph
350	Residential	25 / 30 / 35 dph
600	Residential	25 / 30 / 35 dph
1,000	Residential	25 / 30 dph
75	Extra care apartments	100 dph
75	Sheltered apartments	100 dph
7	Rural Exceptions Site	n/a

Residential Viability Findings

Overall Viability Findings

3.3 The charts below show the residual value per gross hectare for the case study sites. Results are scaled up to give residual values on a per hectare basis, for ease of comparison. The case studies are labelled showing the number of units and the density.

3.4 The findings are summarised on an area-by area basis below for the main residential schemes, starting with the High Value Area. For each value area there are separate charts for - small to medium studies up to 120 dwellings; larger studies of 200 – 1,000 dwellings and village sites up to 75 dwellings. Rural Exception Sites, retirement housing, sensitivity testing, are shown on a district wide basis in the second part of the chapter.

Findings – Higher Value Areas

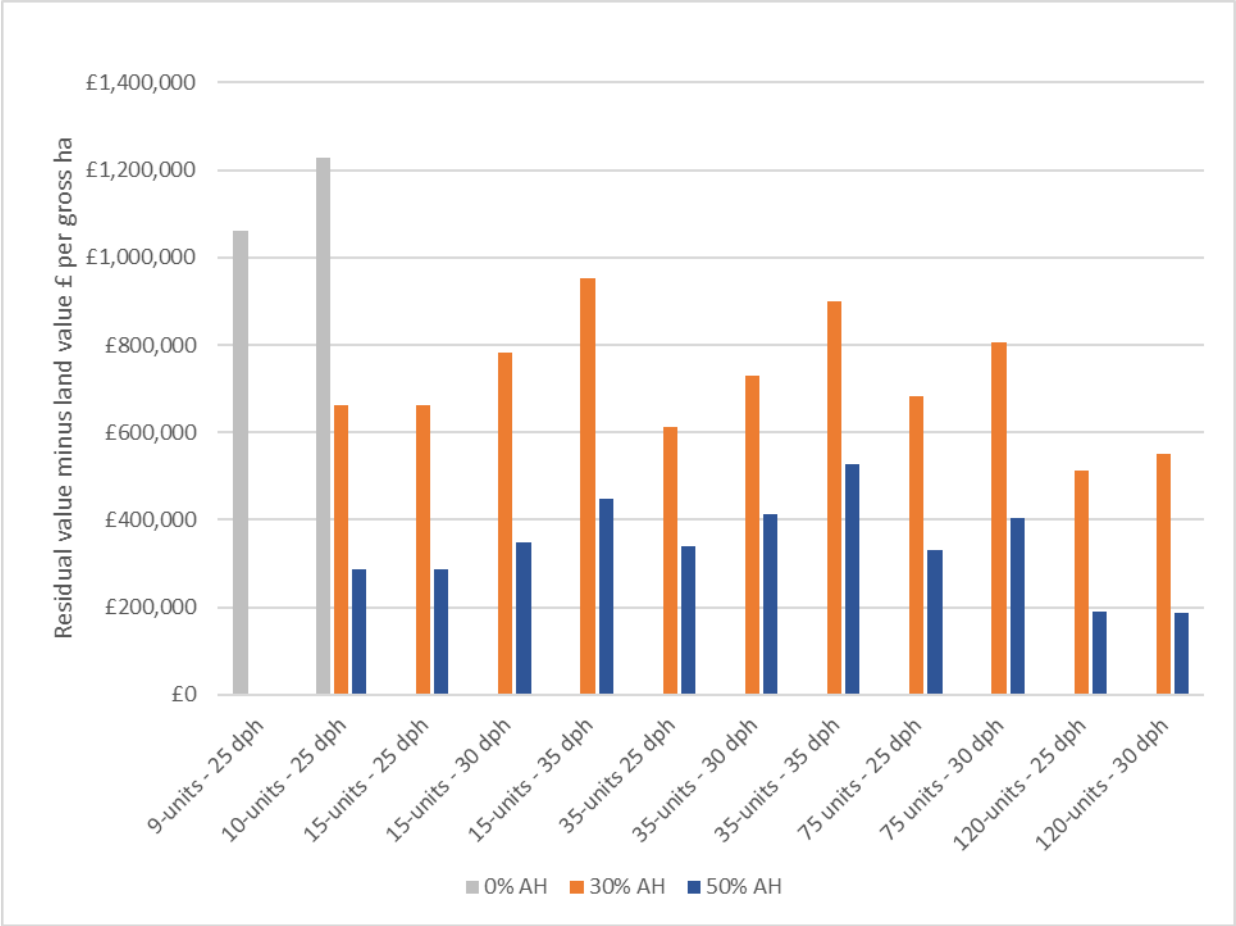
Small-medium Higher Value Area case studies (9-120 dwellings)

3.5 Our research found the parts of the district covered by the wards of Woodhall Spa and Hagworthingham attracted higher house prices than elsewhere and we have tested these as a 'High Value Area'. The case studies are theoretical only and we note that in Hagworthingham ward in particular, delivery is likely to come forward at a much lower level than we have tested here.

3.6 We have split our findings into small to medium studies, larger schemes and village schemes. The results for the small to medium sites of 9-120 dwellings are shown in the chart below at varying levels of affordable housing, with 30% used as the starting point. The 9-unit scheme is below the current national threshold for affordable housing[47] and therefore we have not tested its capacity to deliver affordable housing. Testing has taken account of policy and infrastructure requirements appropriate to the size of development. Results are shown on a per gross hectare basis for easier comparison and the benchmark land value has already been deducted from the results.

[47] Paragraph: 023 Reference ID: 23b-023-20190901 PPG

Figure 3.2: Residual value showing results for small-medium case studies for the high value area of district – with differing levels of affordable housing



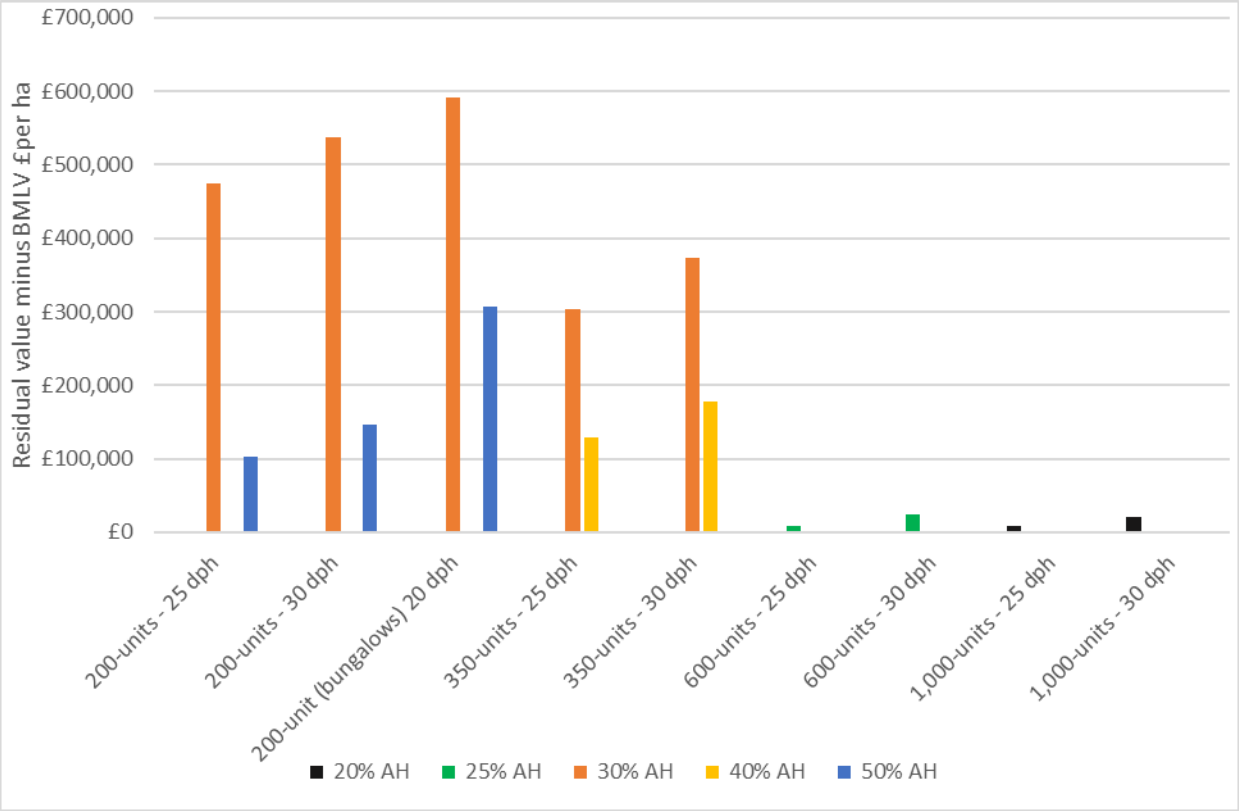
3.7 Unsurprisingly the small-medium case studies in the High Value Areas give viable results. The case studies tested here show that sites are likely to be viable even with 50% affordable housing, with viability headroom at 50% affordable housing ranging from just under £200,000/gross ha for the 120 unit scheme to over £400,000/gross ha for the 15-unit higher density scheme (35 dph). Reflecting on the current affordable housing threshold of 15 dwellings, the 10-unit scheme shows as much viability headroom as the 15-unit with the same level of affordable housing – both with just over £286,000 headroom with 50% affordable.

3.8 The results demonstrate that higher densities improve viability. The 30 dph studies give consistently higher results than for the 25 dph studies and, where tested (15 and 35 dwellings), the 35 dph schemes are a further improvement.

Larger high value area case studies (200-1,000 dwellings)

3.9 The larger case studies have increasingly higher infrastructure and s106 costs and these need to be countered by higher revenues to give a viable result. We tested the larger High Value Area case studies at varying levels of affordable housing and the results are shown below on a per gross hectare basis.

Figure 3.3: Residual value minus benchmark land value showing results for larger studies in the high value area at differing levels of affordable housing



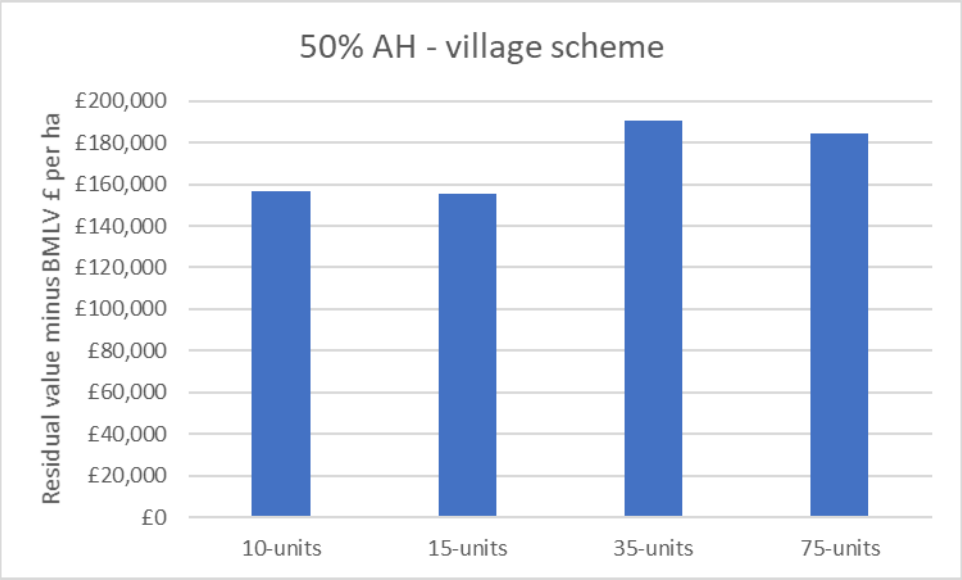
3.10 In the High Value Area, the larger case studies of 200 units upwards were all viable but able to deliver decreasing levels of affordable housing as site size increases. Whilst the 200-unit case studies were viable with 50% affordable housing, the 350-unit case study was marginal at 50% affordable housing but could deliver 40% affordable. Perhaps hard to see on the chart, the 600-unit study could deliver 25% affordable housing and the 1,000 unit 20%, albeit these results are marginal.

3.11 Again there is greater viability headroom at 30 dph than at 25 dph. However, the 200-unit bungalow scheme at 20 dph is more viable than the 200-unit housing scheme at 25 or 30 dph, the higher selling prices for bungalows making up for the loss of viability arising from the lower density.

Village case studies – High value area

3.12 We tested a series of village case studies at lower density – 19 dph (net) and the results, with 50% affordable housing, are shown in the chart below.

Figure 3.4: Residual value minus benchmark land value showing results for village studies in the High Value Area at 50% affordable housing



3.13 The village case studies show that, in the High Value Area, sites are viable and able to provide at least 50% affordable housing at 19 dph. It is however noted that the examples here show that schemes are not as viable at this lower density as for similar sized sites at 25 or 30 dph.

Findings – Inland areas

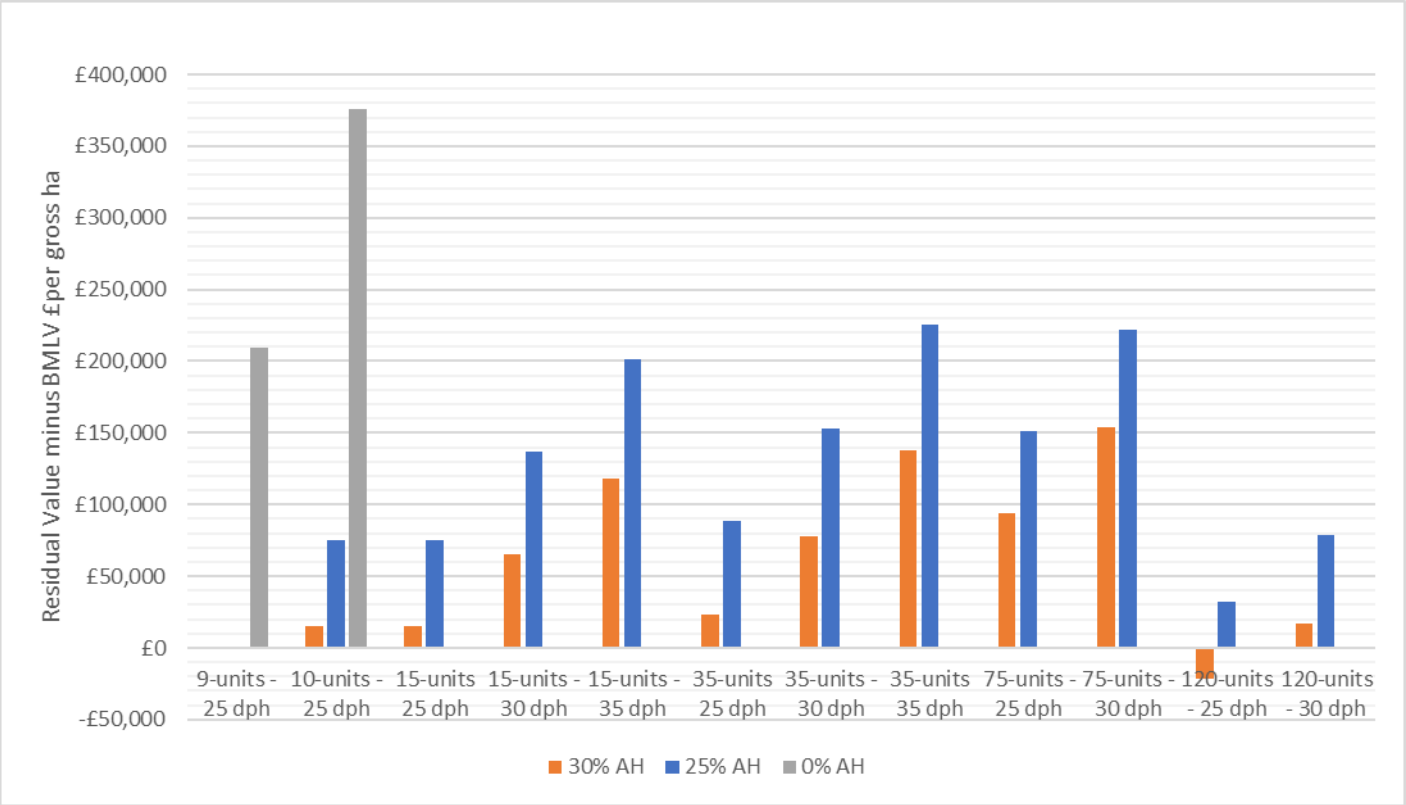
Small – medium inland value area case studies (9-120 dwellings)

3.14 In the Inland Value Area, we have again split the results into 3 sections: small-medium (9-120units), larger (120 units+) and village (up to 75 units).

3.15 The first chart in this section shows the results for the small to medium sites at different levels of affordable housing delivery. The 9-unit scheme is below the current national threshold for affordable housing[48] and therefore we have not tested its capacity to deliver affordable housing. For all other schemes we show the results for both 25% and 30% affordable housing delivery. Testing has taken account of policy and infrastructure requirements appropriate to the size of development. Results are shown on a per gross hectare basis for easier comparison and the benchmark land value has already been deducted from the results.

[48] Paragraph: 023 Reference ID: 23b-023-20190901 PPG

Figure 3.5: Residual value showing results for small-medium case studies for the inland value area of district – with differing levels of affordable housing



3.16 The testing has produced viable results for these inland case studies including for delivery of either 25% or 30% affordable housing. The exception to this is the 120-unit lower density (25 dph) scheme which has negative viability at 30% affordable housing. The highest viability headroom is found on the 35-unit and 75-unit case studies where the benefit of economy of scale is captured without the higher infrastructure costs attributable to larger case studies.

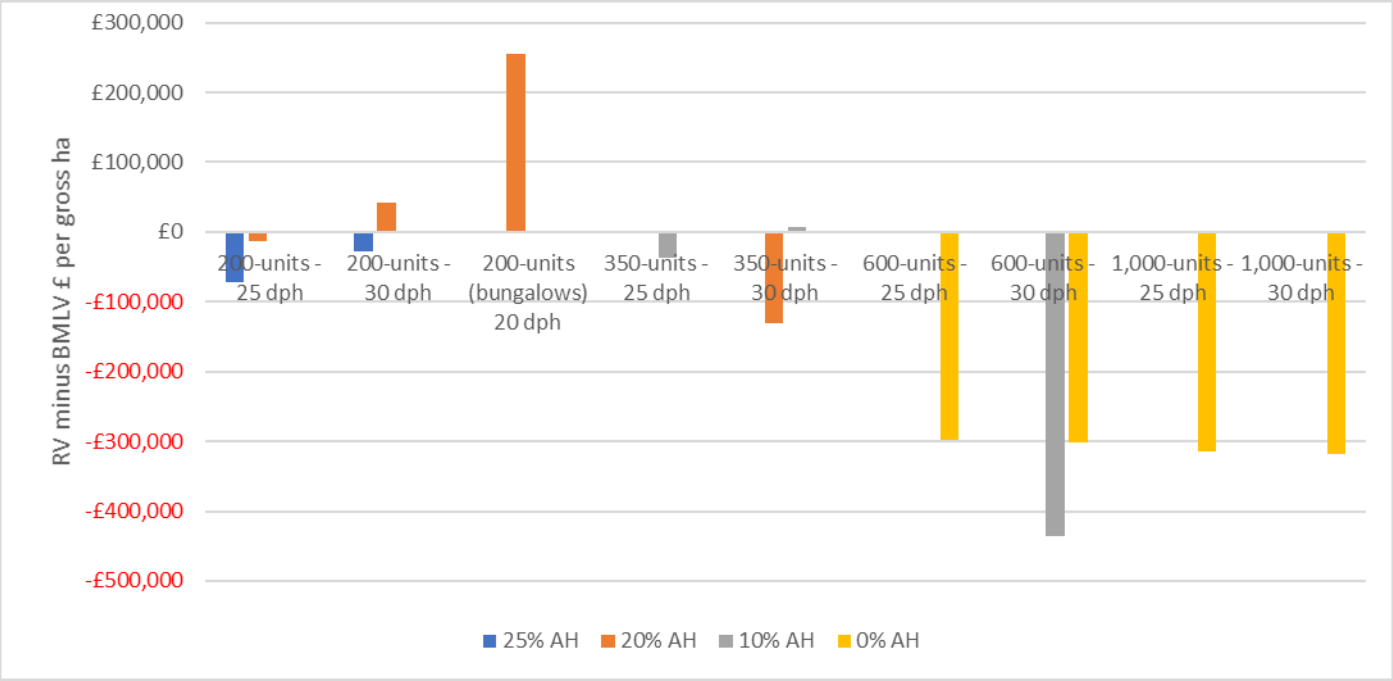
3.17 The results demonstrate that higher densities improve viability. The 30 dph studies give consistently higher results than for the 25 dph studies and, where tested (15 and 35 dwellings), the 35 dph schemes are a further improvement.

3.18 Looking at current policy thresholds for affordable housing in East Lindsey, the 10-unit scheme is shown as no less viable than the 15-unit scheme with the same amount of affordable housing. In fact viability headroom is slightly greater for the 10-unit scheme.

Larger inland value area case studies (200 – 1,000 dwellings)

3.19 The larger case studies have increasingly higher infrastructure and s106 costs and would need higher revenues to give a viable result. We also tested the larger inland case studies at varying levels of affordable housing and the results are shown below on a per gross hectare basis.

Figure 3.6: Residual value minus benchmark land value showing results for larger studies in the Inland value area at differing levels of affordable housing



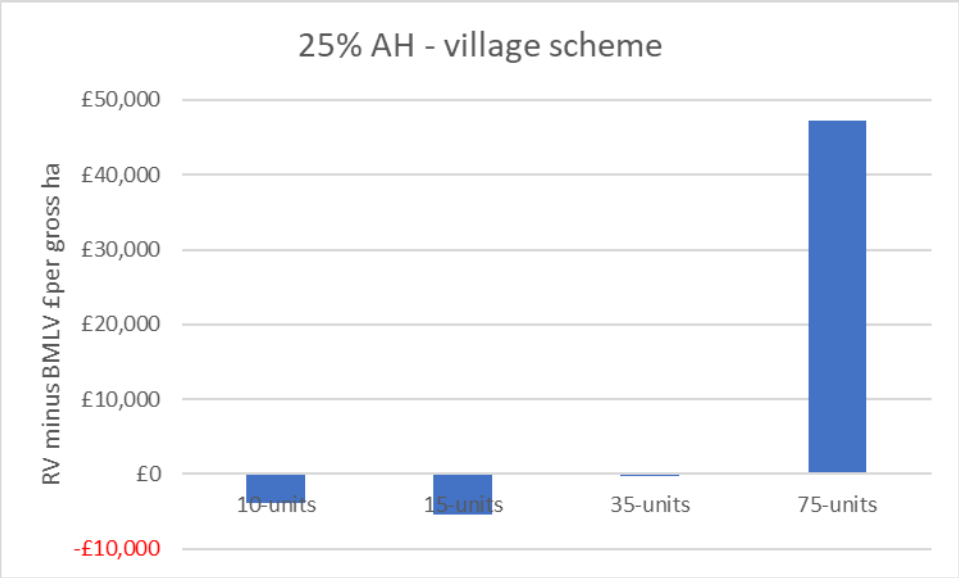
3.20 The picture for the larger case studies is more mixed compared to the small-medium studies and the viable results at 30% affordable housing are not maintained. The 200-unit scheme is viable with 20% affordable housing (viability headroom just over £40,000/gross ha) at 30 dph but is marginally unviable at 25 dph, although when the units are delivered as bungalows viability headroom increases to over £250,000/ gross ha – reflecting the higher selling prices achieved for bungalows which improve overall viability, even though the density is lower (20 dph).

3.21 The 350-unit scheme can be described as marginal with 10% affordable (viability headroom just over £7,000/gross ha at 30 dph but is not viable (-£37,000) at 25 dph. The 600- and 1,000-unit schemes are not viable even without any affordable units. Again, viability headroom is greater at 30 dph than at 25 dph.

Village case studies – inland value area

3.22 We tested a series of village case studies at lower density – 19 dph (net) and the results, with 25% affordable housing, are shown in the chart below.

Figure 3.7: Residual value minus benchmark land value showing results for village studies in the Inland Value Area at 50% affordable housing



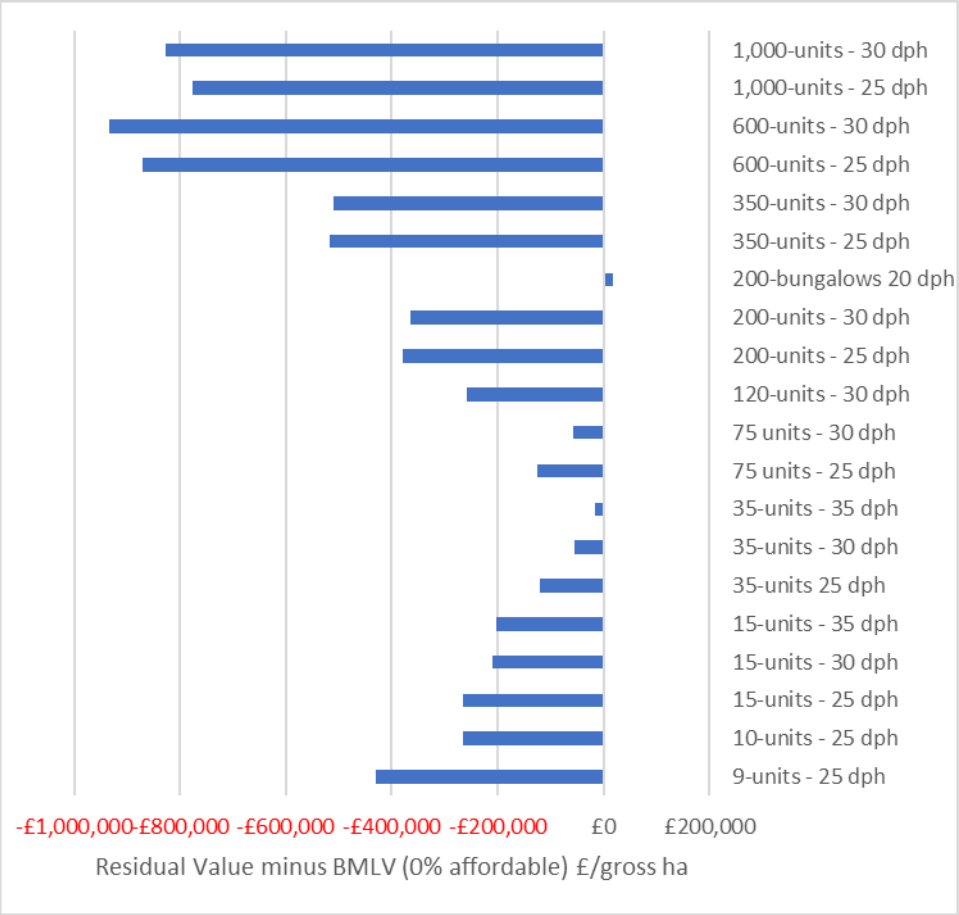
3.23 The village case studies show that, in the Inland Value Area, smaller sites are marginal at 19 dph, with 25% affordable housing delivery. The 75-unit study has the most viability headroom, benefitting from economies of scale. It is however noted that the examples here show that schemes are not as viable at this lower density as they were for similar sized sites at 25 or 30 dph

Findings – Coastal areas

All case studies (9-1,000 dwellings)

3.24 In the Coastal Value Area, house prices are lower than in other areas of the district but the cost of development is similar, if not higher to take account of the risk of flood. This combination means that the viability of development is marginal at best, the majority of sites do not work financially and are unlikely to be able to deliver affordable housing without subsidy. We started our testing of case studies in the area with a low level of affordable housing but results were so poor that we have not shown them here. The figure below shows testing with zero affordable housing and without full allowance for flood mitigation but taking account of infrastructure requirements appropriate to the size of development – all sizes of site are shown on one chart to better demonstrate the pattern of viability. Results are shown on a per gross hectare basis for easier comparison and land value has already been deducted from the results.

Figure 3.8: Residual value showing results for coastal value area of district – without affordable housing



3.25 The chart shows a series of negative results on a per hectare basis. The schemes with the least viability headroom are the 600-unit and the 1,000-unit schemes at close to -£900,000/gross ha and -£800,000/gross hectare.

3.26 The most viable schemes are the 35-unit scheme which at 35 dph gives negative viability headroom of C -£16,000/gross ha and the 200-unit bungalow scheme, which is the only scheme to give a positive result: £17,000 gross ha.

3.27 What these results do show, by looking at the variations in density, is that viability headroom increases at higher density (35dph) but worsened at lower (25 dph) for most sites.

3.28 We can also see that the higher infrastructure costs applicable to larger sites are not recouped through increased sales values in the Coastal Value Area and the largest sites result in the poorest viability. For the 9-unit scheme the benchmark land value is higher than for the other schemes. Again, there is little difference in viability between the 10 and the 15 unit scheme.

3.29 Housing delivery in the coastal areas is potentially challenging. We understand from council data that delivery in these areas comprises long term historic sites delivering at a low rate per annum and subsidised affordable only sites.

Environmental Sensitivity Testing – all value areas

3.30 We have carried out a series of sensitivity tests to look at the potential impact of the suite of environmental policies, described in Chapters 1 & 2 above, should they become enacted:

- Requirement to provide a net gain for biodiversity as outlined in the Environment Bill[49]
- Requirement to provide electric vehicle charging facility as per Government consultation on this subject[50]
- Requirement for development to provide for carbon reduction of up to 31% as set out in the Future Homes Standard Consultation[51].

3.31 The costs applicable to these elements are discussed in chapter 2 above. The greatest viability burden, per dwelling, is that required to achieve a 31% carbon reduction – we have taken a cautious approach and not factored in a corresponding increase in house prices, although in practice this may occur.

3.32 The tables below show the cumulative impact on a sample of case studies – at 15-units, 35-units and 120-units in both the Inland Value Area and the High Value Area. We have not shown the coastal areas as case studies there are not viable anyway. The first chart shows the impact at 30 dph and the second at 25 dph. The top row of each table gives the value of the whole scheme without any costings for environmental measures and the bottom shows the result with all environmental costs included Of note is that the largest cost is from the carbon reduction measures.

Table 3.9: Environmental Sensitivity Testing for Inland & High Value areas - Residual value minus benchmark land value (per scheme) at 30 dph

Environmental sensitivity testing - results are shown per scheme 30 dph	Inland 15-unit case study @ 25% affordable housing	Inland 35-unit case study @ 25% affordable housing	Inland 120-unit case study @ 25% affordable housing	High value 15-unit case study @ 50% affordable housing	High value 35-unit case study at 50% affordable housing	High Value 120-unit case study @ 50% affordable housing
Without environmental measures	£68,376	£198,557	£392,753	£174,179	£535,279	£930,422
With environmental measures	£1,011	£34,886	-£88,034	£106,814	£373,890	£418,293

Table 3.10: Environmental Sensitivity Testing for Inland & High Value areas - Residual value minus benchmark land value (per scheme) at 25 dph

Environmental sensitivity testing - results are shown per scheme - 25 dph	Inland 15-unit case study @ 25% affordable housing	Inland 35-unit case study @ 25% affordable housing	Inland 120-unit case study @ 25% affordable housing	High value 15-unit case study @ 50% affordable housing	High value 35-unit case study at 50% affordable housing	High Value 120-unit case study @ 50% affordable housing
Without environmental measures	£44,846	£137,645	£192,103	£171,608	£527,964	£1,140,988
With environmental measures	-£24,351	-£29,588	-£389,850	£102,411	£401,427	£569,323

[49] https://www.gov.uk/government/publications/draft-environment-principles-and-governance-bill-2018
[50] https://www.gov.uk/government/consultations/electric-vehicle-chargepoints-in-residential-and-non-residential-buildings
[51] https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings

3.33 Clearly the extra costs associated with these measures will reduce the value of the case study (unless land value were to be reduced accordingly but we have assumed not). The 3 examples tested here show that in the High Value Area, schemes are still able to deliver up to 50% affordable housing with all environment costs tested. For the Inland Value Area at 30 dph, the 15-unit and 35-unit schemes were still viable and able to deliver 25% affordable housing when all the measures applied, albeit this is marginal for the 15-unit scheme. However the 120 unit scheme became unviable, as did all the 25 dph schemes.

Findings – Older Persons Housing

3.34 We tested 2 specialist retirement schemes in each value area, a sheltered scheme and an extra care scheme, both contained 75 apartments. The results are shown below on a per scheme basis and are rounded to the nearest 1,000.

Table 3.11: Results for specialist older persons housing on a per scheme basis

Older persons housing 0% AH - results per scheme	Higher value area	Inland value area	Coastal value area
Median build cost			
Sheltered 75 apartments	-£239,000	-£2,982,000	-£4,295,000
Extra Care 75 apartments	£172,000	-£2,313,000	-£9,253,000
Lower Quartile build cost			
Sheltered 75 apartments	£122,000	-£2,515,000	-£3,811,000
Extra Care 75 apartments	£2,083,000	-£1,819,000	-£6,188,000

3.35 The results show that at median build costs specialist older persons housing was only viable for extra care schemes in the High Value Area where there was viability headroom of £172,000 for the extra care scheme. In the Inland Value area and the Coastal Value Area, none of our case studies gave a positive result. At lower Quartile build costs the extra care scheme in the higher value area generated a residual land value of over £2m and the sheltered scheme a land value of £122 000 but schemes in the Inland and Coastal value areas remained unviable.

Findings – Rural Exception Sites

3.36 Rural Exception Sites (RES) have traditionally delivered 100% affordable housing. However planning guidance allows for an element of market housing to be delivered alongside affordable dwellings where this will allow delivery of affordable units. Market units would be provided at the minimum required to ensure a viable scheme.

3.37 Land value is usually calculated on a per plot basis for RES. There is not a set value for RES in ELDC area but delivery needs to ensure that a willing land owner would be prepared to sell the land, taking into account that they would not normally get permission for an open market scheme on this sort of site. We have not taken any subsidy into account as this is not a guaranteed source of income to these schemes, so we are depicting a worse case scenario. In practice grant may be available.

3.38 Testing was undertaken for a Rural Exception Site of 7 units using a mix of units, starting at 100% affordable units then, if necessary, looking at how much market housing might be necessary to ensure affordable delivery. The type of dwelling

modelled (the dwelling mix) is as shown in the table but, in practice, the mix would be decided scheme by scheme reflecting local need.

Table 3.12: Rural Exception Sites– residual value per plot

	Scenario number:		2	3	4	5	6	7	8	9	10	12	14
Market	**1 bed house**												
	2 bed house					1	1	2	2	2	2	6	3
	3 bed house				2	2	2	2	2	2	2		3
	4 bed house												
Affordable	**1 bed house**		2	2	2	2	1			1			
	2 bed bungalow		1	1									
	2 bed house				1	1	1	3	2	1	1		
	3 bed house		1										
Shared Ownership	**2 bed house**		2	2	1				1	1	2	1	1
	3 bed house		1	2	1	1	2						
Residual value - to pay for land	Higher		-£117,865	-£59,216	£18,529	£31,516	£91,858						
		per plot	*-£16,838*	*-£8,459*	*£2,647*	*£4,502*	*£13,123*						
	Inland						-£25,598	-£3,003	£659	-£3,801	£38,696		
		per plot					*-£3,657*	*-£429*	*£94*	*-£543*	*£5,528*		
	Coastal										-£64,372	-£19,701	£22,992
		per plot									*-£9,196*	*-£2,814*	*£3,285*
													Note1
	Note 1	12.5% developer return applied to market units											

NB for reasons of legibility some examples are missing from the table – full table at Annex IV

3.39 The table presents a complex set of results – each test is numbered on the top row. We have tested a range of scenarios to try and maximise the level of affordable homes before market housing is needed to bring the scheme into viability. To achieve a plot value of around £5,000, 3 of the 7 units would need to be market housing in the High Value Area (example 5) and 4 of the 7 units in the Inland Value Area (example 10). In the coastal area nearly all units were market before a viable scheme was achieved, and we had to reduce the developer return on the market units to reach this result.

3.40 Clearly there will be many permutations of dwelling types and affordable housing tenure mixes and the final mix will always be dictated by local need.

Impact of alternative affordable housing mix

3.41 Noting that the draft LHNA[52] has found that a higher proportion of affordable homes could be made available for affordable home ownership, we tested 2 case studies with 40% of the affordable tenure as shared ownership. We picked case studies from the Inland value area that were marginally unviable to see if a difference in affordable tenure could make a difference to overall scheme viability:

- 15 dwellings @ 19 dph with 25% affordable housing
- 200 dwellings @ 25 dph with 20% affordable housing.

3.42 The results demonstrated that a 10% increase in shared ownership does make a positive difference to viability outcome but it is unlikely to be enough to bring to make the crucial difference as to whether a scheme can come forward. The 15-unit scheme increased residual value per hectare by C£7,000 (and actually moved from a negative to a positive result) and the 200-unit scheme increased by c£3,000 per

[52] LHNA 2020 is not published at time of writing and is still in draft form – therefore exact figures are not quoted

hectare but the result remained negative. As the improvements were minimal, we did not test any further schemes.

Impact of First Homes

3.43 As discussed in chapter 1, the recent government consultation 'Changes to the current planning system' suggested that in future 25% of affordable housing delivery in England should be in the form of First Homes. Clearly we do not know the outcome of the consultation but as part of this study we have looked at the possible impact of First Homes on viability in East Lindsey.

3.44 Further details of how First Homes will operate are available via an earlier consultation[53], but as an overview we have assumed that First Homes are

- Sold at a discount of 30% on market value (with facility for local areas to set a higher discount)
- With the discount retained in perpetuity so future purchasers will benefit
- Prioritised for local first-time buyers, serving members and veterans of the Armed Forces, and key workers.

3.45 It is not yet clear whether this product will be developer or housing association led or how the 30% discount will be funded. These factors make it difficult to fully assess the impact and therefore this assessment of First Homes in necessarily high level. The authority may need to carry out further assessment once full details are available.

3.46 We looked at the residual value of a single 3 bed terraced affordable home in the Inland Value Area. The results are shown in the table below.

Table 3.13: First Homes – comparison to other tenures, showing residual value before deduction for BMLV for a single dwelling (OMV = £184,800[54])

Shared ownership (40% share) with rent payable on remaining 60% share	First Home delivered by housing association (70% of market value)	First Home delivered by developer (70% of market value)	Full market value
+£7,000	-£5,000	£-18,000	+£27,000

3.47 In the example above, a single dwelling is viable when delivered as shared ownership or at full market value but not as a First Home. Viability is weaker when the unit is delivered by a developer because we have assumed that the developer would take a return of 17.5% of the unit's value (as opposed to a housing association return of 6% of the unit's cost). This is a cost to development so reduces viability.

[53] https://www.gov.uk/government/consultations/first-homes

[54] It is possible that the value of units sold with a strong local connection criteria would be depressed but we have not allowed for this in our modelling

Sensitivity Analysis – Alternative Costs & Values

3.48 As described in chapter 2, we have used current costs and values for our Viability Assessment. This is in line with PPG and we consider it is the best way to evaluate the value of development and its ability to bear policy costs as future movements of the market cannot be reliably forecast. However, in order to give ELDC an overview of how viability may stand up to some of the vagaries of the development market, we have run a sensitivity scenario that looks at potential house price and build cost changes over the next 3 years. As our source for these forecasts we have used the Office for Budgetary Responsibility for house prices[55] (+13.6%) alongside the build costs forecasts made by BCIS[56] (+7.5% to build and infrastructure costs). We do stress that although we have chosen respected sources for the forecasts, they are in no way our own.

3.49 For this sensitivity test we have used the 120 dwelling case study as if we were running the model at the start of 2023, and we show the result both with and without the additional environmental measures described above. The results are shown in the table below.

Table 3.14: Residential Viability – sensitivity testing results on selected case studies (Residual value minus benchmark land value per scheme)

Description	Result from main modelling	Result using 2023 forecasting
120 units Inland Value Area (25% affordable housing) 30 dph	£392,753	£1,421,941
120 units Inland Value Area – including environmental costs (25% affordable housing) 30 dph	-£88,034	£823,677
120 units High Value Area (50% affordable housing) 30 dph	£930,422	£1,791,283
120 units High Value Area - including environmental costs (50% affordable housing) 30 dph	£418,293	£1,193,020

3.50 The table demonstrates the effect of published market predictions which inflate both house prices and build costs over time. In the examples shown scheme viability is improved. We would always recommend this exercise is treated with caution as it is based upon a forecast.

[55] Table 2.2 Economic & Fiscal Outlook July 2020 OBR
[56] Quarterly briefing, July 2020 BCIS

4 RESIDENTIAL VIABILITY ANALYSIS – CONCLUSIONS & IMPLICATIONS

Summary of Findings

4.1 We tested a range of residential case studies in three value areas in East Lindsey District. In summary, the viability testing undertaken demonstrates a mixed viability picture across the district with the High Value Areas of Woodhall Spa ward and Hagworthingham ward giving the strongest results and the Coastal Value Areas the lowest. We make the following observations, based on the case studies:

- In the **High Value Area**, schemes of up to and including 200 units were able to deliver at least 50% of those units as affordable housing, including when additional environmental costs were factored in;
- In the **High Value Area** the potential to secure affordable homes decreases on sites over 200 dwellings; we tested 4 schemes in the range of 350-1,000 new homes and viable affordable housing delivery ranged from 40% on a 350 unit to scheme to (a marginal) 20% on a 1,000 unit scheme (notwithstanding that schemes of this size may not be appropriate in this area);
- In the **Inland Value Area**, schemes of up to and including 120 units were able to deliver 30% of dwellings as affordable housing in the towns, although results were marginal on lower density schemes; sites were not viable at this level of affordable delivery in the larger villages, which were marginal even at 25% affordable delivery; when environmental measures were introduced, case studies were not viable, or marginal, with 25% affordable housing suggesting only 20% affordable housing could be achieved;
- In the **Inland Value Area** the potential to secure affordable homes also decreases as site size increases; we tested 6 schemes in the range of 200-1,000 new homes and viable affordable housing delivery ranged from 20% on a 200 unit 30 dph scheme to 0% on a 600 or 1,000 unit scheme; however a bungalow scheme of 200 units was more viable, suggesting that introducing a proportion of bungalows could help viability in larger schemes;
- It is unlikely that sites in the **Coastal Value Areas** will be able to deliver affordable housing through s106 schemes (although this does not necessarily preclude affordable only sites); and historically they have not been asked to do so;
- **Specialist housing for older people** is only viable in the High Value Area – this is without any affordable housing; note we have removed the allowance for capitalised ground rent from our modelling following the government announcement that it will be reduced to a peppercorn;
- **Rural Exception Sites** are likely to require market housing alongside affordable tenures to enable delivery. The make-up of units on these sites will very much depend upon local need and there will be many permutations; viability will also depend upon the affordable tenures with affordable Low Cost Home Ownership adding more value than affordable rented products. We consider that around half the units would need to be open market sale if RES are to be brought forward without subsidy; but in

the coastal area RES would be unlikely to be deliverable without subsidy, even if market homes were included in the mix;

- The recent LHMA (2020) indicates that demand for affordable home ownership may be higher than previously thought. We have looked at the effect of increasing delivery of intermediate housing by 10% compared to affordable rented and whilst this has improved viability slightly, it is not sufficient to change any of the outcomes on its own;
- **First Homes** are unlikely to improve scheme viability compared with conventional affordable housing delivery unless the 30% discount is subsidised;
- A **threshold of 10 units** for affordable housing, in line with current PPG, is achievable - viability is similar for both a 10 unit scheme and a 15 unit scheme (15 units is the current threshold in East Lindsey);
- Residual values are improved by **higher densities** of up to 35 dph.

4.2 The government consultation 'Changes to the current planning system' proposes an increase in the affordable housing threshold to 40-50 units. In East Lindsey the most viable sites are within this range and much of current affordable delivery is through sites of this size. Clearly, if this measure is introduced nationally, the impact on affordable delivery in East Lindsey will be significant.

Implications for housing policy in East Lindsey

4.3 Some slight amendments to value areas have been evidenced and this has implications for the application of affordable housing policies.

4.4 The **High Value Area** is wider than in the previous study. There is sufficient viability headroom for East Lindsey District Council to continue with a policy requiring 40% affordable housing on sites in the High Value Area and this could be increased to 50% should the council so choose. However on larger sites of around 350 dwellings or more this level of affordable housing is less likely to be achievable and there should be sufficient flexibility in the policy to account for this, nothwithstanding that most delivery on sites below this size.

4.5 Viability headroom indicates that the **Inland Value Area** can support a policy requiring 20% - 25% affordable housing on sites of up to and including 120 dwellings, taking into account that higher environmental requirements are likely to become mandatory as suggested in the recent Government consultations discussed in chapter 2. This also accounts for the poorer viability achieved on village sites, which are lower density than in the towns. This is below the existing policy of 30%. (If the environmental requirements are not made mandatory then 30% affordable housing remains achievable in the towns.) On sites of 200 dwellings or more this level of affordable housing is unlikely to be sustainable and there should be sufficient flexibility in the policy to account for this. The council should also account for the likelihood that no affordable housing could be delivered on the largest sites of 600 dwellings and over. The inclusion of bungalows on larger schemes could help improve viability however.

4.6 As with the current policy, we would not recommend that affordable housing is required on sites in the **Coastal Value Area**. Delivery of affordable homes may come forward on affordable-only sites but we do not consider it is achievable on s106 sites.

4.7 Rural Exception Sites will require market housing to ensure delivery, unless other subsidy is available.

4.8 If the council wishes to consider increasing the level of affordable home ownership as a percentage of the affordable housing requirement in response to the LHNA findings, then this will not make a material change to the findings of this study, unless the change is significant (and above the level recommended in the LHNA) or alongside other measures.

4.9 It is difficult to measure the impact of First Homes on development viability because full details are not yet published. It is possible that their inclusion may make a small dent in viability headroom but, on the assumptions tested here, it is unlikely to be sufficient to imply a policy change.

4.10 Retirement housing is only likely to be deliverable in the High Value Area but is unlikely to be able to make a contribution towards affordable housing. If the council wishes to encourage delivery for a growing older population then incentives would be required in the Inland and Coastal Value areas.

4.11 Dependent upon housing need in the High Value Area, ELDC may wish to consider taking commuted sums from development in the High Value Area to assist with provision of other priorities such as affordable housing in the Coastal Value Area, RES or specialist older persons housing.

4.12 The authority's new Local Plan is not yet in draft form. We note the uncertainties in the current market as we emerge from the Covid-19 pandemic. In addition the consultation planning white paper suggests changes to the planning system and delivery of affordable homes.

ANNEX I – NOTES FROM THE STAKEHOLDER WORKSHOP

East Lindsey Viability

Stakeholder Workshop – Friday 26th June 2020 at 11am

Zoom online meeting

Present

East Lindsey District Council Simon Milson, Kay Turton

Three Dragons Lin Cousins, Kathleen Dunmore, Paul Dunnell, Mark Felgate, Tom Marshall

Stakeholders Andy Hey Property and Planning Consultants, C and L Properties Ltd, Chestnut Homes, Cyden Homes, Homebuilders Federation, Masons, Neil Dowlman Architecture, Platform Housing Group, Robert Doughty Consultancy, Stuart Robinson (independent local developer)

Apologies Gleeson, Globe, Homes England, Larkfleet, Lindum, Masons, Neil Dowlman Architecture.

1. Introduction

1.1. Participants briefly introduced themselves at the start of the session.

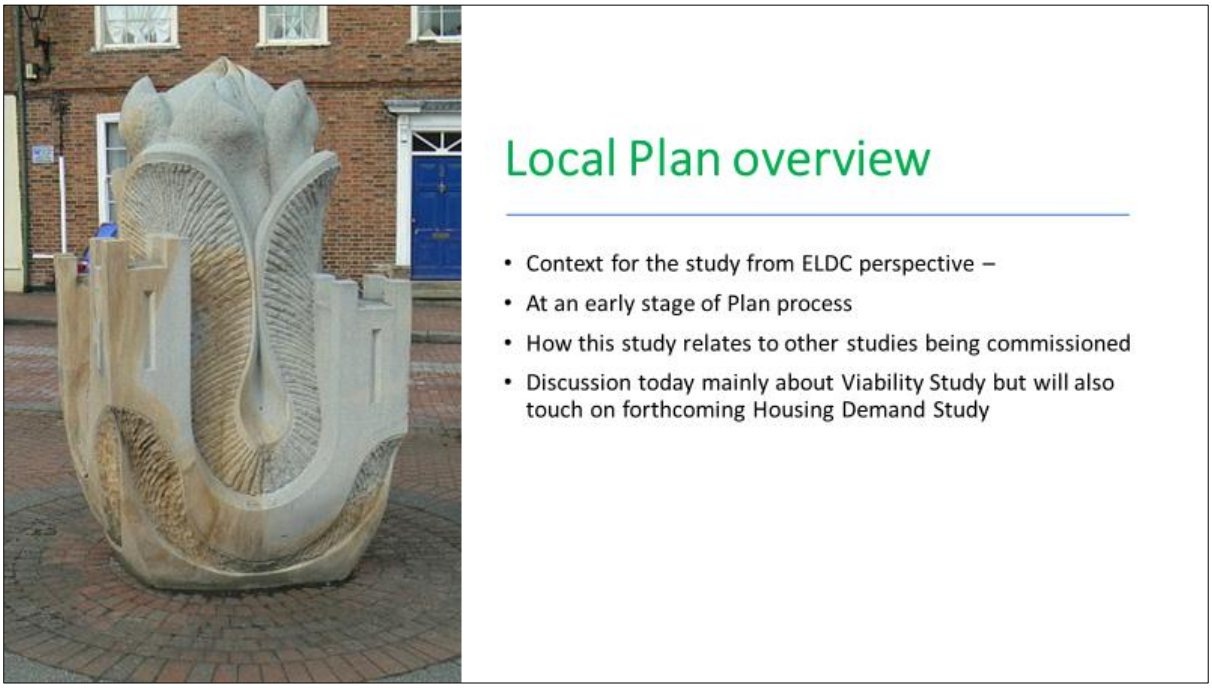
1.2. Lin Cousins explained that the workshop would consist of a series of short presentations each of which would be followed by a question and answer session dealing with the topics covered.

1.3. The workshop would be run on the Chatham House rule – i.e. the note of the workshop will set out the content of our discussions today but will not attribute comments to named individuals or organisation..

1.4. The presentation and a note of the meeting will be circulated to all participants following the meeting and any further questions or comments would be welcome. Participants were also invited to contact Kathleen Dunmore direct following the meeting with any further evidence to support comments raised at the meeting.

1.5. This note will form part of the final report to East Lindsey to record the points raised and discussed.

2. East Lindsey District Council next steps for the Local Plan



2.1. Simon Milson thanked participants for their time and willingness to participate.

2.2. Most participants were familiar with the district due to ongoing development work. The current Local Plan was adopted in July 2018 and is subject to a 4 year review. April 2022 is the deadline for submission that is being worked towards.

2.3. One of the primary goals is to assess the needs for affordable housing across the district, taking into consideration the wide range of market housing values and the impact on viability of development that providing this level of affordable housing would have.

2.4. Previous demand and viability assessments are now 5 years out of date and by the time the plan is adopted will be 8 years out of date.

2.5. The local authority will also look at capacity and supply of land for housing development, and the impact this will have on infrastructure and industry.

3. Housing Delivery

Housing demand and delivery – looking forward

- Brief requires us to look at implications of SHMA and viability study for housing demand and delivery going forward
- We will be consulting further on this, by workshop and individual contact
  - Nature and location of **Demand** – how is this changing
  - **Capacity** and range of supply options

3.1. KD explained that Three Dragons would be dealing with the viability report, with ORS producing the SHMA report.

3.2. The viability report will be produced first, followed by the Housing Demand and Delivery Study.

3.3. The housing demand study will look at demand and capacity across the district. There will be further workshops and stakeholder interviews to discuss key issues arising from the study,

Recent housing delivery

- Local Plan target 558 pa
- 457 dwellings pa since 2006
- In recent years just under half of total provision has been in Skegness and Louth
- Affordable housing completions average 160 pa 2017/18 and 2018/19

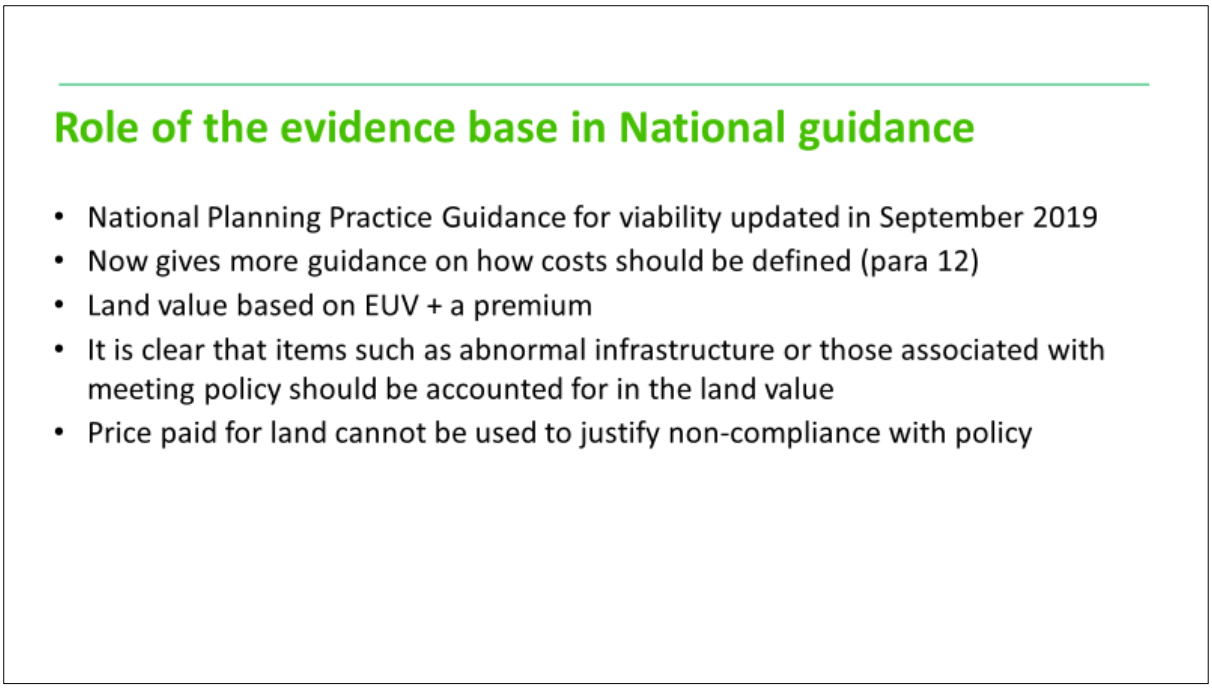
Town	Built		Commitments	
	2017	2018	2017	2018
Skegness	121	70	386	318
Louth	91	135	1324	1480
Coningsby/Tattershall	24	65	148	194
Alford	10	4	175	153
Horncastle	17	22	865	865
Mablethorpe/Sutton	5	1	238	259
Spilsby	2	1	33	39

Table 3 : Housing provision split by town. 12month window from March 2018/19

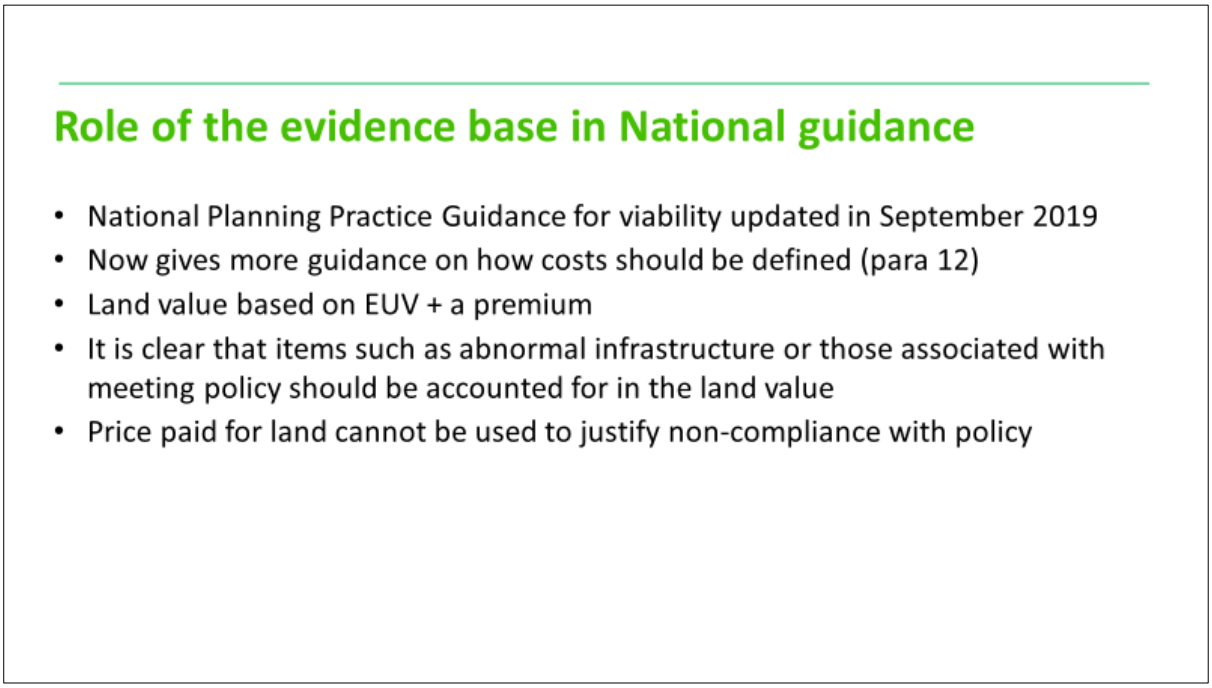
Village	Built	Commitments
Manby	19	94
Holton le Clay	36	66
Legbourne	12	46

Table 4 : Housing provision in the top 3 villages

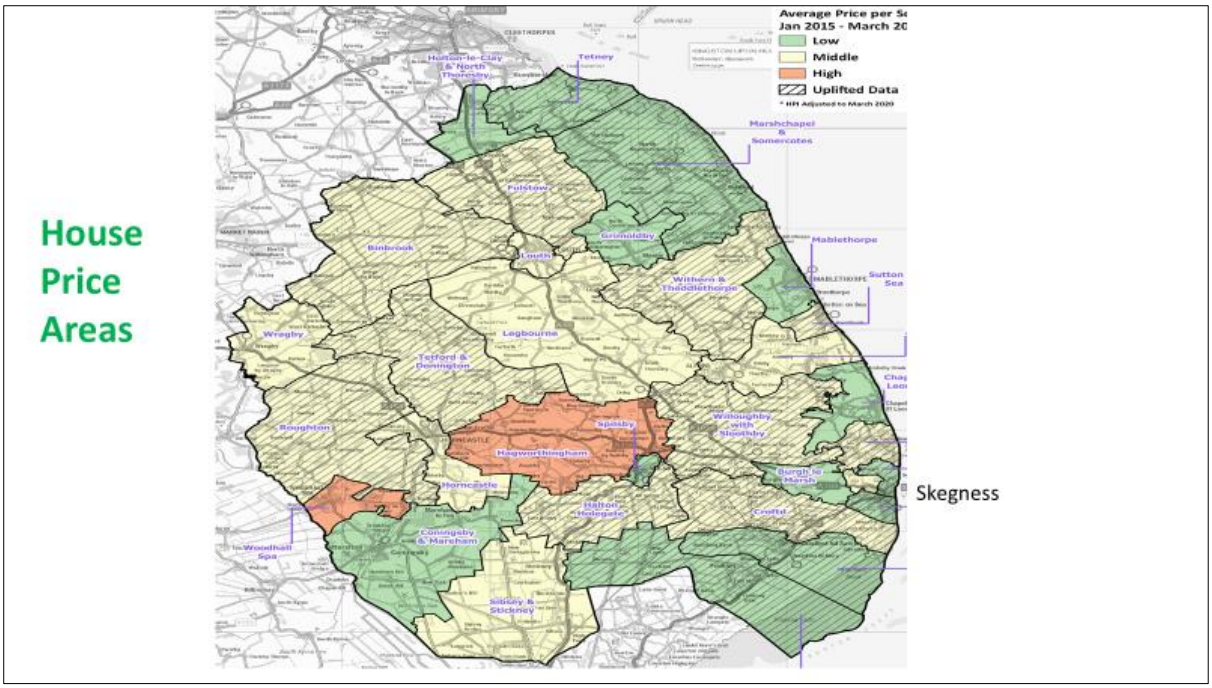
3.4. The 'Recent Housing Delivery' slide highlighted key locations where recent delivery has been concentrated and the proportion of units supplied as affordable housing (including standalone sites).



3.5. MF outlined the role of the evidence base and how the national guidance sets out detailed methods and processes for assessing plan viability. In particular the guidance sets out that benchmark land values should be based on Existing Use Value plus a premium. Development abnormals and policy costs should be accounted for in the land value and the price paid for a parcel of land does not justify non-compliance with policy.



3.6. The Three Dragons approach to viability will be a standard viability appraisal approach – revenue less costs less obligations. Longer developments will be cashflowed and for the first 5 years current costs and values will be used.



3.7. The proposed House Price Areas map was shown highlighting Low, Middle and High Value areas. This is based on Land Registry data on newbuild and existing sales. The map also shows where data for existing sales values has had to be uplifted due to a lack of new build sales. High value areas are shown around Woodhall Spa and the Lincolnshire Wolds. Low value areas are predominantly along the coast with an additional area of low value around Coningsby. The areas were generally perceived to broadly fit with the findings of the previous study.

3.8. The £ per sq ft values for each value area were set out and how these translated into house prices was shown.

New build market values – dwelling types

	Detached 4 bed	Semi 3 bed
	1400 sq ft (130 sq m)	1000 sq ft 93 sq m
Low value area	£175-210K	£125-150K
Mid value area	£255-£260K	£180-190K
High value area	£320-350K	£230-250K

3.9. Feedback from participants as to how these ranges tie up with what is being achieved on the ground was invited.

4. **Housing Delivery Q and A/ Comments**

- Participants stated that whilst the approach to land deals set out in guidance is good in theory, the reality is different. National guidance doesn't work in East Lindsey and the district needs to be looked at on its own basis, not a national basis. Essential to focus on the positive aspects of East Lindsey and work with them. However, this was questioned by another participant who explained that whilst East Lindsey may be different it still has to follow due process and the guidance and regulation set out at a national level.
- Difficult to be able to make a profit – selling prices are often no better than the cost of building the houses, with very little value left for land purchase. Often land owners with large land holdings are not dependent on land sales and therefore have little incentive to sell the land for development.
- Where planning policies are applied to development if it makes the scheme unviable why apply them?
- Whatever the findings on value areas, the end result has to be workable and will depend on a range of assumptions during testing.
- The historic relatively high affordable housing requirement has resulted in viability being queried when a scheme comes forward. Viability is often assessed at outline planning stage and doesn't reflect what will actually be built in due course.
- The question of how many schemes actually go through and are developed at policy levels of affordable housing was raised.

- A question was raised as to why the 'southern villages' area now falls into a lower value area than previously.
- A question was raised as to how the value areas compare to the zoning in the adopted plan. Changing value areas may result in changing affordable requirements. Reference was made to 2014 Savills national research which showed that sales values less than £250/sq ft would compromise CIL and viability.
- It was noted that in the current local plan the coastal strip has a 0% affordable housing requirement and there was only one high value area at Woodhall Spa.
- It was suggested that adopting 'low', 'medium' and 'high' value area names, has a negative impact on the 'low' value areas and it was suggested that alternative descriptions be used.
- Affordable housing has generally been delivered on 100% affordable schemes rather than via s106 agreements. There is little margin for land in some areas and abnormals also push build costs up. The highest demand for affordable housing is in the coastal strip where land values are lowest and where schemes may be viable there is little affordable demand.
- **Response**: Assumptions will be reviewed and any further information coming forward as a result of the workshop will be taken into account. KD noted that there was not a lot of sales data in many areas and undertook to look at boundaries where queries were raised. The local plan review will respond to the latest findings. The local plan needs to balance the various demands and may need a more nuanced approach in places.

5. Residential Typologies, Dwelling Sizes, Development Mix, Affordable Housing and Benchmark Land Values

Residential typologies – initial list for discussion

- Small sites 4, 8, 10, 15 units
- Medium sites, 35, 75 units
- Large sites 200, 350 units
- Strategic sites 600, 1,000 units

Plus:

- Retirement housing
- Rural exceptions sites
- *Student housing ??*

5.1. The development typologies to be tested are set out on the 'Residential typologies' slide. These cover small sites (4, 8, 10 and 15 dwellings), medium sites (35 and 75 dwellings), large sites (200 and 350 dwellings) and strategic sites (600 and 1,000 dwellings). Retirement housing and rural exceptions sites will also be tested.

5.2. The question of whether student housing should be tested was raised. This will depend on the types of economic development envisaged in the local plan.

Residential Testing – dwelling sizes

- *Affordable units below are compliant with nationally described space standards –*

House type description	Affordable sq m	Market sq m
1 bedroom flat	50 (2p)	55
2 bedroom flat	61 (3p)	70
1 bedroom bungalow	55 (2p)	58
2 bedroom bungalow	70 (4p)	75
1 bedroom terrace	58 (2p)	58
2 bedroom terrace	79 (4p)	70
3 bedroom terrace	93 (5p)	79
4 bedroom terrace	106 (5p)	97
3 bed semi detached	93 (5p)	93
4 bed semi detached	115 (6p)	106
3 bed detached		100
4 bed detached		130
5 bed detached		150

5.3. The floor areas of typical housetypes were set on the 'Residential testing dwelling sizes' slide.

5.4. KD raised a question as to whether affordable housing should meet the latest space standards or not and invited further discussion.

5.5. Further comment was invited on the size of dwellings and the mixes of dwellings.

Residential testing – market dwelling mix

Type	Market mix General testing	Market mix – low density sites
1 bed flat		
2 bed flat		
2 bed bungalow		10%
2 bed terrace	10%	
3 bed terrace	5%	
3 bed semi	15%	10%
3 bed detached	50%	50%
4 bed detached	20%	25%
5 bed detached		5%

- **Do these mixes look realistic?**
- **Density -** the Settlement proposals DPDs set out the starting point for density based on existing development:
  - Towns – 26 per hectare (11/acre)
  - Large villages – 19 per hectare (9/acre)
  - Medium villages – 14 per hectare (6/acre)
  - Small villages – 12 per hectare (5/acre)
- *Is there potential for higher density devt in some locations?*

5.6. The market dwelling mixes proposed for testing were set out on the 'Residential testing – market dwelling mix' slide.

5.7. Further discussion was invited on the mixes proposed.

5.8. A range of starting point densities, based on the historic development DPDs, were also set out in the same slide. The densities proposed are generally very low and this will have an impact on viability. Further consideration would be given to whether development at higher densities should be viability appraised.

Affordable housing proposed dwelling mix – mixed tenure sites

Affordable Housing Development Mix House Type	Affordable Rent 70%	Intermediate 30%
1 bed flat / house	10%	
2 bed house	60%	50%
3 bed house	25%	50%
4 bed house	5%	

- Current policy target of 30-40% but varies by location with 0% in coastal flood hazard zone
- Range of %ages will be tested
- There may be some adjustments to mix following further consultation with Registered Providers

5.9. Affordable housing testing assumptions were set out on the 'Affordable housing proposed dwelling mix' slide. A range of affordable housing percentages will be tested.

5.10. The SHMA will inform the split between affordable rent and intermediate housing.

5.11. Further consideration to be given to 1 bed houses as an alternative to 1 bed flats. This will have an impact on density. Discussions are ongoing with RPs regarding the affordable housing mix to be tested.

Benchmark land value

	Value per gross hectare	Value per gross acre
10-20 x agricultural value of £7,000 per acre or £17,360 per ha (Source Knight Frank)	£173 - £347K per ha	£70-£140K per acre
Local evidence from viability appraisals	£230-500K per ha	£90-£200K per acre
Previous study based on agricultural land at £8,855 per acre	£410K per ha	£166K per acre

- **PPG 2019**
- Benchmark land value should:
- be based upon existing use value
- allow for a premium to landowners
- reflect the implications of abnormal costs; site-specific infrastructure costs; Plan policies and professional site fees

5.12. The benchmark land values set out on the 'Benchmark Land Values' slide are based on the methodology recommended in PPG 2019 and are based on existing use

value plus a premium. The same Knight Frank national datasource has been used as for the previous study. Examples of recent local land transactions were requested. These could refer to agricultural land or land in urban areas with an existing use value,

Residential Development Assumptions – Q and A and comments

- It is important to get houses built as towns will die without them. It will help to get the economy moving.
- The impact of service personnel throughout Lincolnshire and specifically around Coningsby needs to be considered.
- Looking at the typologies, and specifically at the 600 dwelling scheme at Spilsby, it is very difficult to make this size of scheme work? Considerable public funding is required because of low market values?
- Preference is to provide affordable housing in bulk rather that a few houses here and there. Windfall schemes don't work as they are too small with too much scope for pitfalls..
- Because RPs do their own development they have good data on build costs, which should be taken into consideration
- **Respons**es The need to provide evidence to support alternative values was reiterated.

6. Cost of Development

Build cost (BCIS based)

Type	Base build costs £/sq m	Base build costs £/sq ft	+ Additional for external works and site infrastructure
General housing	£1,094	£102	10% - 15% external works & contingency
Bungalows	£1,157	£107	As above
Flats	£1,236	£115	As above

6.1. Proposed build costs for testing were set out on the 'Build Costs' slide. As in the previous study these are based on lower quartile BCIS costs and have been localised for East Lindsey. They are above those agreed in local viability assessments submitted by applicants seeking to vary s106 requirements.

6.2. It is proposed to allow 10-15% for external works and contingency.

6.3. On larger sites, locally specific information was requested regarding infrastructure costs opening up costs etc. Where this was not available nationally based averages would be used.

Other costs		
Professional fees	6%	of build costs
Finance	6%	of total development costs
Marketing fees	2.5%	of market GDV
Developer return	15% - 17.5%	of market GDV
Contractor return	6%	of affordable build costs
s106/278	£3,500	per dwelling
Flood Resilience Costs	£11,870	per dwelling – coastal hazard zone only – same as previous study
Environmental sensitivity testing	i) £500 ii) £2,070 - £3,130 iii) £750	i) Per unit - Bio-diversity net gain ii) Per unit - 20-30% carbon reduction iii) Electric vehicle charging (passive per unit)

6.4. Other costs for testing are set out on the 'Other Costs' slide. These have been based on appraisals submitted in East Lindsey and the wider experience of the consultant team. Not all costs will apply to every development. Feedback on individual cost items was requested

6.5. Further feedback was specifically requested in terms of the flood resilience costs allowance which is based on that used in the previous study. How has flood resilience been incorporated into recent developments in the Flood Hazard Area. What does this cost and what is the impact on viability? .

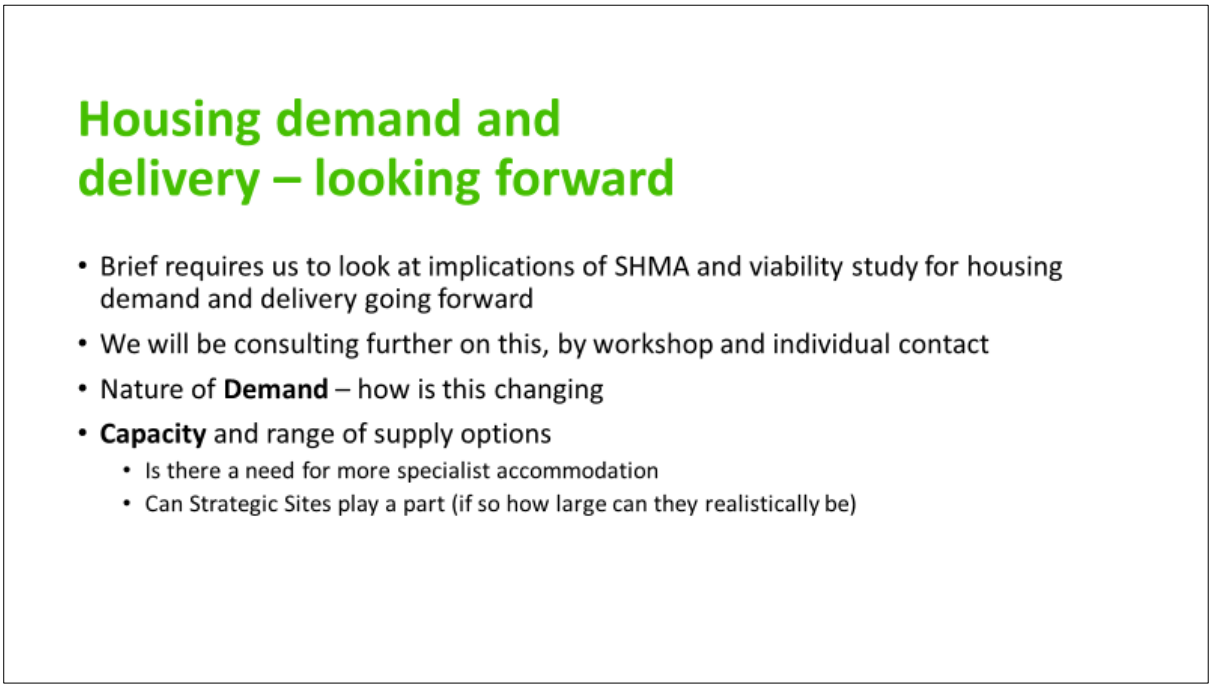
Cost of Development – Q and A, comments

- It is important the local authority appreciate that policies covering energy efficiency, space standards, etc all have a cost implication that must be considered.
- The number of schemes where s106/s278 contributions have been agreed and have not been implemented needs to be reviewed.
- The local authority needs to come to a view on whether it wishes to adopt national Space Standards.
- Whilst provision of electric vehicle charging is a positive step, there will need to be reinforcement of the electricity supply to meet the increased demand. There is no

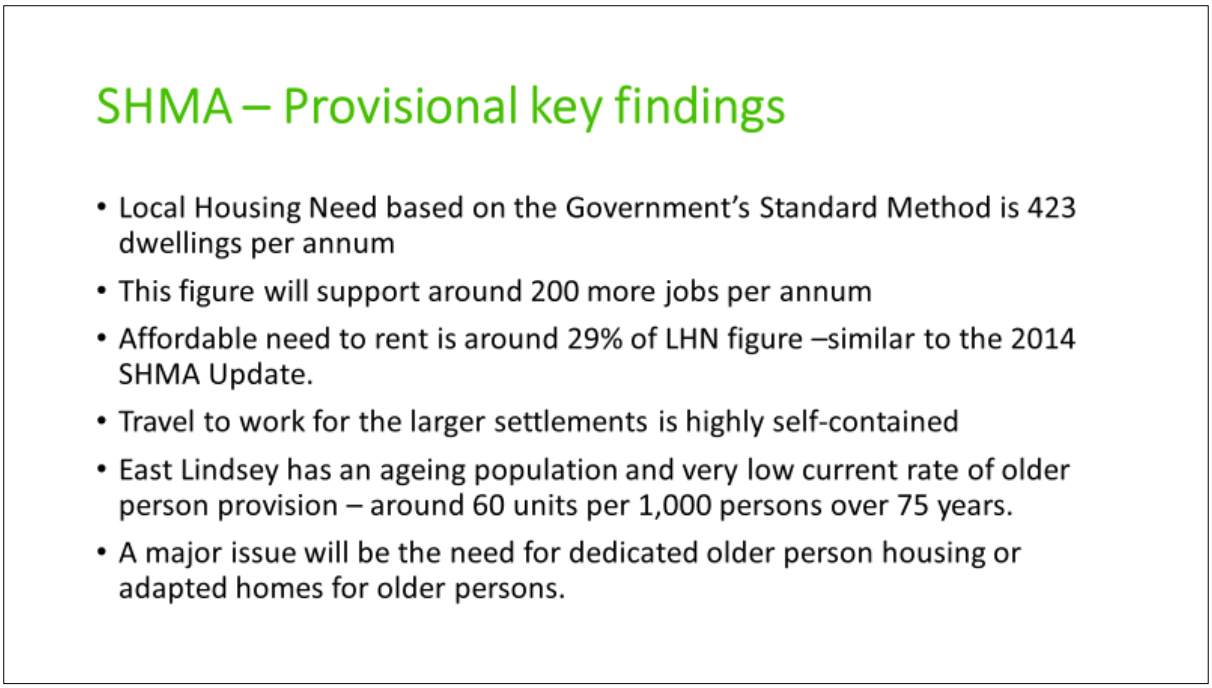
competition within the electricity supply industry and further costs, up to £3,500 per dwelling.

- Every scheme is different and one solution doesn't fit all. Should be looking at getting houses built rather than adding obstructions to development.
- Generally the other costs proposed were too low and further detailed comments will be submitted.
- With the environmental costs, the loss of land also needs to be considered.
- The impact of all policy costs will need to be considered and tested, part M4(2) and M4(3) in particular.
- **Responses** The study team asked for information to support and back up these comments. KD asked whether it would be possible for volume housebuilders to provide build cost information for Lincolnshire. No volume housebuilders are active in Lincolnshire and will only develop in those parts of the county where market values are relatively high. They are generally not interested in East Lindsey. This has implications for capacity which will need to be taken into account in the housing demand study

7. Housing Demand and Delivery



7.1. This further study will review demand and capacity taking into account points raised in the previous session about the limited interest in East Lindsey from the mainstream volume builders.

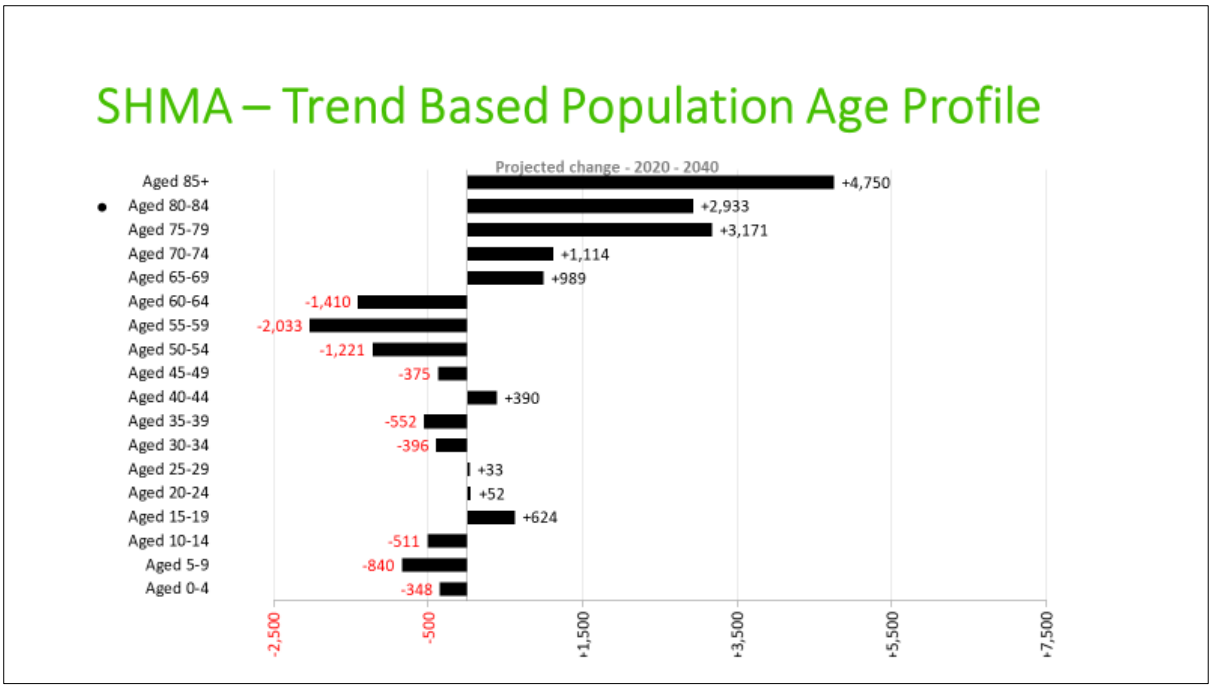


7.2. The 'SHMA' slide sets out provisional findings based on the standard government assessment method. A need for 423 dwellings per annum has been calculated. The government is proposing to change the calculation method but consultation on this is delayed for 'months' and is not likely to come our before this study is completed,

7.3. Need for affordable housing is around 29% of total new provision. As an alternative to meeting affordable rented housing need the Government is consulting on specifying provision of First Homes and any firm proposals will need to be taken into account in the viability modelling.

7.4. The additional dwellings would support an additional 200 jobs per annum.

7.5. East Lindsey has an ageing population and on present trends will see a fall in working age population over the period to 2041.



7.6. East Lindsey's current provision of specialist older persons housing is about 60 places per 1000 population over 75. The national average is just over 130 per 1,000 population aged 75 and over. With an ageing population, this is likely to become a major issue in the future.

Housing Demand and Delivery – Q and A, comments

- Need to grow the local economy. How will it change during the Plan period
- The need to look at the service personnel implications around Coningsby was reiterated.
- The cost implications of adapting existing housing for older people needs to be recognised.
- The costs of developing specialist older persons housing schemes vary from those for general needs housing. The costs to be used for testing older persons housing have been added to the presentation.
- In some areas of East Lindsey, it is very difficult to find RPs willing to take on affordable housing provided through a s106 agreement.
- The question as to whether there is scope for a retirement village in East Lindsey was raised. Most national retirement home developers do not develop in East Lindsey although McCarthy and Stone is currently developing at Woodhall Spa.. Who will provide adapted or specific older persons housing in the district?
- Response these issues will be taken into account in the housing demand study. Following discussion with the local authority there will be further interviews with key stakeholders

8. In Conclusion

8.1. The invitation to submit comments and further information in respect of any of the matters covered during the workshop was reiterated. Contact details are set out on the final slide of the presentation.

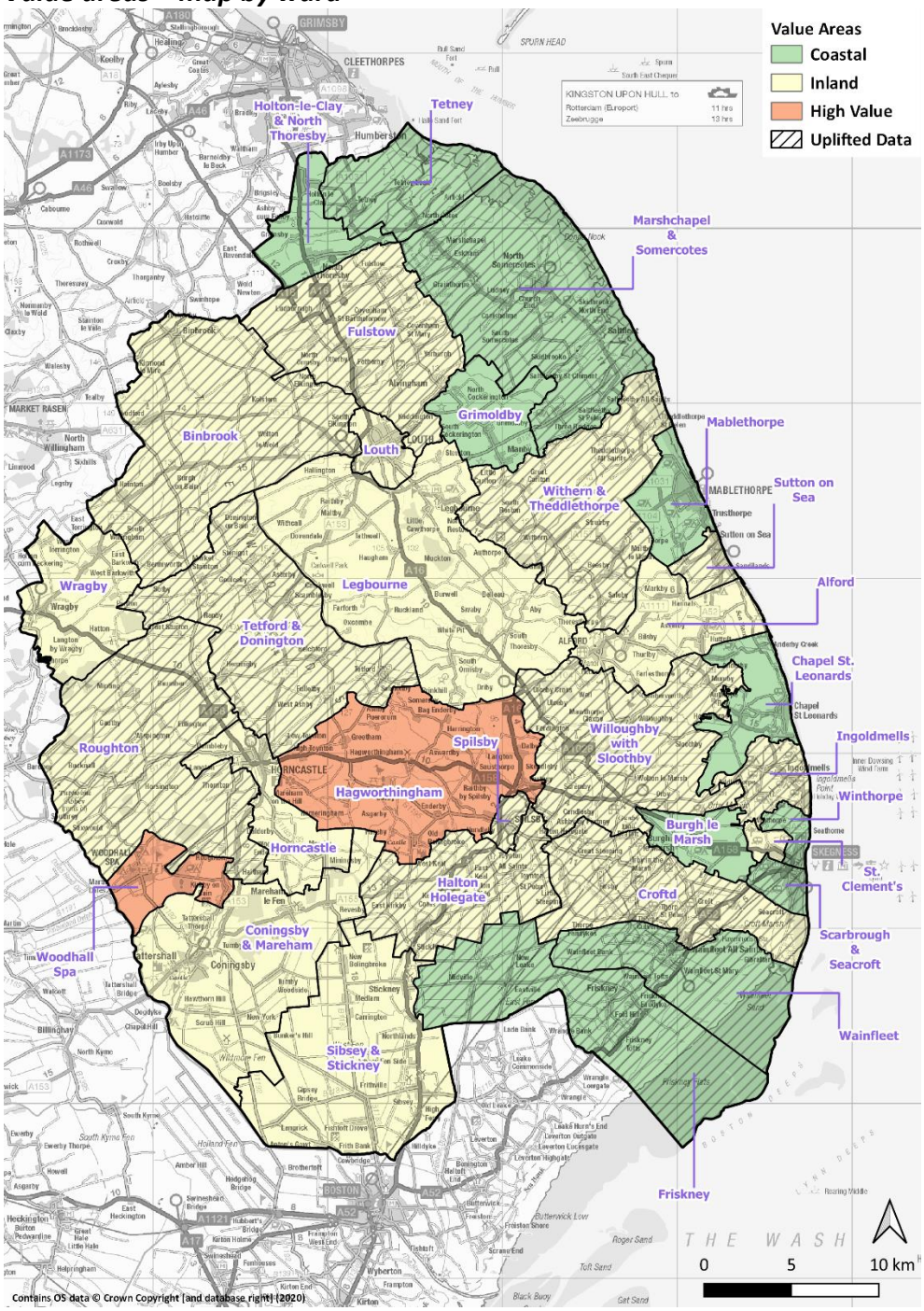
ANNEX II – SUMMARY OF CASE STUDIES

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	Opening up/ Abnormals costs	DCF Applied
9	0.474	0.474	300,000	142,105	2,829	19	100%	-	No
9	0.360	0.360	300,000	108,000	1,890	25	100%	-	No
9	0.300	0.300	300,000	90,000	1,575	30	100%	-	No
10	0.526	0.526	250,000	131,579	2,434	19	100%	50,000	No
10	0.400	0.400	250,000	100,000	1,750	25	100%	50,000	No
10	0.333	0.333	250,000	83,333	1,458	30	100%	50,000	No
10	0.526	0.526	250,000	131,579	2,434	19	100%	50,000	No
10	0.400	0.400	250,000	100,000	1,750	25	100%	50,000	No
10	0.333	0.333	250,000	83,333	1,458	30	100%	50,000	No
10	0.526	0.526	250,000	131,579	2,434	19	100%	50,000	No
10	0.400	0.400	250,000	100,000	1,750	25	100%	50,000	No
10	0.333	0.333	250,000	83,333	1,458	30	100%	50,000	No
15	0.789	0.789	250,000	197,368	4,901	19	100%	75,000	No
15	0.600	0.600	250,000	150,000	3,125	25	100%	75,000	No
15	0.500	0.500	250,000	125,000	2,188	30	100%	75,000	No
15	0.429	0.429	250,000	107,143	1,875	35	100%	75,000	No
15	0.789	0.789	250,000	197,368	4,901	19	100%	75,000	No
15	0.600	0.600	250,000	150,000	3,125	25	100%	75,000	No
15	0.500	0.500	250,000	125,000	2,188	30	100%	75,000	No
15	0.429	0.429	250,000	107,143	1,875	35	100%	75,000	No
35	1.842	2.047	250,000	511,696	24,539	19	90%	175,000	Yes
35	1.400	1.556	250,000	388,889	16,250	25	90%	175,000	Yes
35	1.167	1.296	250,000	324,074	11,875	30	90%	175,000	Yes
35	1.000	1.111	250,000	277,778	8,750	35	90%	175,000	Yes
35	1.842	2.047	250,000	511,696	24,539	19	90%	175,000	Yes
35	1.400	1.556	250,000	388,889	16,250	25	90%	175,000	Yes
35	1.167	1.296	250,000	324,074	11,875	30	90%	175,000	Yes
35	1.000	1.111	250,000	277,778	8,750	35	90%	175,000	Yes
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	375,000	Yes
75	3.000	3.333	250,000	833,333	46,250	25	90%	375,000	Yes
75	2.500	2.778	250,000	694,444	36,875	30	90%	375,000	Yes
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	375,000	Yes
75	3.000	3.333	250,000	833,333	46,250	25	90%	375,000	Yes
75	2.500	2.778	250,000	694,444	36,875	30	90%	375,000	Yes
120	6.316	7.895	250,000	1,973,684	123,224	19	80%	1,200,000	Yes
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	1,200,000	Yes
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	1,200,000	Yes
120	6.316	7.895	250,000	1,973,684	123,224	25	80%	1,200,000	Yes
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	1,200,000	Yes
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	1,200,000	Yes
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	1,200,000	Yes
200	10.000	12.500	250,000	3,125,000	200,938	20	80%	2,000,000	Yes
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	2,000,000	Yes
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	2,000,000	Yes
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	2,000,000	Yes
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	2,000,000	Yes
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	3,500,000	Yes
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	3,500,000	Yes
350	10.000	12.500	250,000	3,125,000	200,938	35	80%	3,500,000	Yes
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	3,500,000	Yes
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	3,500,000	Yes
350	10.000	12.500	250,000	3,125,000	200,938	35	80%	3,500,000	Yes
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	15,000,000	Yes
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	15,000,000	Yes
600	17.143	22.857	250,000	5,714,286	375,714	35	75%	15,000,000	Yes
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	15,000,000	Yes
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	15,000,000	Yes
1,000	40.000	66.667	250,000	16,666,667	1,115,000	25	60%	25,000,000	Yes
1,000	33.333	55.556	250,000	13,888,889	927,500	30	60%	25,000,000	Yes
75	0.750	0.750	250,000	187,500	4,531	100	100%	375,000	Yes

ANNEX III – TECHNICAL DETAIL FOR RESIDENTIAL TESTING

1. Market Housing

Value areas – map by ward



House Prices

Market GIA sqm	150	130	100	97	93	93	79	70	58	70	50	75	58
	Detached			Semi-detached		Terraced				Flats		Bungalows	
	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
Coastal	£285,000	£247,000	£190,000	£184,300	£176,700	£176,700	£150,100	£133,000	£110,200	£133,000	£95,000	£171,000	£132,240
Inland	£330,000	£286,000	£220,000	£213,400	£204,600	£204,600	£173,800	£154,000	£127,600	£154,000	£110,000	£198,000	£153,120
High value	£390,000	£338,000	£260,000	£252,200	£241,800	£241,800	£205,400	£182,000	£150,800	£182,000	£130,000	£234,000	£180,960

Coastal = £1,900 sqm
Inland = £2,200 sqm
High Value = £2,600 sqm

Value for bungalows = house + 20%

Specialist Retirement Housing[57]

	1 bed sheltered 50 sqm	2 bed sheltered 70 sqm	1 bed extracare 65sqm	2 bed extracare 80 sqm
LV	£125,000	£167,000	£156,000	£209,000
MV	£144,000	£192,000	£180,000	£240,000
HV	£171,000	£228,000	£214,000	£285,000

See separate full note on stakeholder workshop at Annex III for process of arriving at house prices.

[57] Based on Guidance issued by Retirement Housing Group – CIL Viability Appraisal Issues 2016 https://retirementhousinggroup.com/rhg-publications/

Market Housing dwelling mix

Type	Market mix General testing	Market mix – lower density sites of 25dph or less
1 bed flat		
2 bed flat		
2 bed bungalow		5%
2 bed terrace	10%	15%
3 bed terrace	5%	5%
3 bed semi	50%	15%
3 bed detached	15%	15%
4 bed detached	20%	40%
5 bed detached		5%

2. Affordable Housing & Testing Protocol

Start testing at 30% in high and mid value area / 10% in low value coastal area and decrease or increase percentage by 5% until viable

We will be testing a 15 dwelling and a 10 dwelling threshold

The first sample testing will be of the 6 smaller sites - 9, 10, 15, 35, 75, 120 dwellings
9 dwelling scheme with no affordable
10 dwelling scheme tested with and without affordable

All affordable housing comprises 70% Affordable Rent and 30% shared ownership

Affordable Housing Dwelling mix

Affordable Housing Development Mix House Type	Affordable Rent (70% of AH)	Intermediate SO (30% of AH)
1 bed / house	10%	
2 bed flat	0%	
2 bed house	60%	50%
3 bed house	25%	50%
4 bed house	5%	

Affordable housing values

Service charge for Affordable Rent of £5 for flats and £2.50 for houses
Affordable Rent based on 100% of LHA rates at January 2020 (rounded) minus service charge

There are 4 BRMAs –Wolds & Coast, Lincoln, Lincolnshire Fens, Grimsby. Use Wolds & Coast as most of district falls into this area (noting that it is one of the lower rental market areas)

Net of service charges S/C	**Net Weekly Affordable Rents**
1 bedroom flat	£78
2 bedroom flat	£99
1 bedroom house	£80
2 bedroom house/bungalow	£102
3 bedroom house	£119
4 bedroom house	£136

For rental properties.

Management and maintenance	£1,000
Voids/bad debts	2.5%
Repairs reserve	£600
Capitalisation	4.5%

For shared ownership

Share size	40%
Rental charge	2.75%
Capitalisation	4.5%

3. General costs and assumptions – all dwellings

Dwelling sizes

House type description	Affordable sq m	Market sq m
1 bedroom flat	50 (65 Extra Care)	50 (65 Extra Care)
2 bedroom flat	61 (80 extra care)	70 (80 extra care)
1 bedroom bungalow	50	58
2 bedroom bungalow	61	75
1 bedroom terrace	58	58
2 bedroom terrace	71	70
3 bedroom terrace	84	79
4 bedroom terrace	97	97
3 bed semi detached	84	93
4 bed semi detached	97	97
3 bed detached		100
4 bed detached		130
5 bed detached		150

An allowance of 10% of floor area will be added to the 1-2 storey flats for circulation space and common areas. The allowance will be increased to 20% for sheltered and 35% for extra care

Build costs

Type	Base build costs £/sq m	Site size /dwellings
Houses - LQ	£1,114	All
One off detached houses	£2,522	1
Bungalows	£1,157	All
Flats 1-2 storey median	£1,433	All
Flats 3-5 storey	£1,401	All
Supported housing - median (assume 3 storey)	£1,474	All

Other costs

Type	Cost	Comment
External works and contingency	1 – 9 dwellings 15% 10 plus units 10%	Of build cost
Site development costs (land preparation, site infrastructure)	1 – 9 dwellings £0 10 – 100 dwellings £5,000 101 – 500 dwellings £10,000 501 plus dwellings £25,000	per dwelling unit
Garages	£7,750 per garage	applied 100% 4 bed and 50% 3 bed market detached and custom build dwellings Assumed floor area 6m x 3m = 18sqm
Professional fees	1 – 9 units 10% 10 – 100 units 8 % 101 plus units 6%	of build costs including externals/contingency
Finance	5.35%	of total development costs (net of inflation)
Marketing fees	3%	of market GDV – all market units except sheltered / extra care for which a figure of 6% is used.
Developer return	17.5%	of market GDV
Contractor return	6%	of affordable build costs
s106/278	£3,500 £6,000 £10,000	Per dwelling Sensitivity all sites over 250 dwellings
Flood Resilience Costs	£11,870	Per dwelling[58] – coastal hazard zone only
Environmental sensitivity testing	iv) £18,329 ha v) £3,130 – house / £2,260 – flat vi) £750 (unit)	iv) Bio-diversity net gain[59] v) 30% carbon reduction[60] vi) Electric vehicle charging
Void costs Applies to specific schemes	£100,000	Sheltered and extracare
Agents and legal	1.75%	

[58] Premium resilience, medium band, table 1.3, Cost estimation for household flood resistance and resilience measures – summary of evidence, Environment Agency March 2015

[59] Government Net Gain Impact Assessment https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf

[60] Impact Assessment for Future Homes Standard

Densities

DPD says

- Towns – 26 per hectare
- Large villages – 19 per hectare
- Medium villages – 14 per hectare
- Small villages – 12 per hectare

(This would be gross delivery)
Main testing at 30dph and 25 dph (net hectare)
Village sites tested at 19 dph (sites up to 120 dwellings)
A sample of sites to be tested at35 dph (net)
Bungalows at 20 dph (net area)
Older persons at 100 dph

Build out rate / DCF period

- 30 dwellings pa – per outlet (1 outlet per 200 dwellings)
- Assume no sales in first year on sites of 101+ dwellings
- 3 years Extra Care (first sale on completion of whole scheme)

Coverage
30 units or less – 100%
31 – 99 units – 90%
100 -500 units – 80%
500 – 750 – 75%
751+ - 60%

4. Benchmark Land Values

ELDC Value per gross hectare	**Sites under 10 dwellings**	**Sites Over 10 dwellings**
All areas	£300,000	£250,000

Note - some site costs will reduce land value e.g. contribution to coastal defence, contamination, levelling/demolition on larger sites – therefore land value may be supressed to take account of these costs

5. Case Studies/Typologies

Dwellings	Type	Net densities tested
9	Residential	19 / 25 dph
10	Residential	19 / 25 dph
15	Residential	19 / 25 / 30 / 35 dph
35	Residential	19 /25 / 30 / 35 dph
75	Residential	19 / 25 / 30 dph
120	Residential	25 / 30 dph
200	Residential	25 / 30 dph
200	Residential – bungalows only	20 dph
350	Residential	25 / 30 / 35 dph
600	Residential	25 / 30 / 35 dph
1,000	Residential	25 / 30 dph
75	Extra care apartments	100 dph
75	Sheltered apartments	100 dph
7	Rural Exceptions Site	n/a

ANNEX IV: RESULTS TABLES

1. **Coastal Area**

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	fees / SDLT	Density - DPH	Net to Gross %	S106/ dwelling	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Owners hip	Market GDV	AH build cost	Gross Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	Residual value per ha
9	0.474	0.474	300,000	142,105	2,829	19	100%	3,500	-	No	**Coastal**	0.0%	0.0%	0.0%	1,836,900	-	131,161	321,458	0	-190,297	-401,469
9	0.360	0.360	300,000	108,000	1,890	25	100%	3,500	-	No	**Coastal**	0.0%	0.0%	0.0%	1,836,900	-	166,205	321,458	0	-155,253	-431,257
9	0.300	0.300	300,000	90,000	1,575	30	100%	3,500	-	No	**Coastal**	0.0%	0.0%	0.0%	1,684,800	-	182,641	294,840	0	-112,199	-373,997
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	50,000	No	**Coastal**	0.0%	0.0%	0.0%	2,041,000	-	218,698	357,175	0	-138,477	-263,264
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	50,000	No	**Coastal**	0.0%	0.0%	0.0%	2,041,000	-	250,961	357,175	0	-106,214	-265,535
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	50,000	No	**Coastal**	0.0%	0.0%	0.0%	1,872,000	-	257,274	327,600	0	-70,326	-211,189
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	75,000	No	**Coastal**	0.0%	0.0%	0.0%	3,061,500	-	326,799	535,763	0	-208,964	-264,846
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	75,000	No	**Coastal**	0.0%	0.0%	0.0%	3,061,500	-	375,943	535,763	0	-159,820	-266,366
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	75,000	No	**Coastal**	0.0%	0.0%	0.0%	2,808,000	-	385,911	491,400	0	-105,489	-210,978
15	0.429	0.429	250,000	107,143	1,875	35	100%	3,500	75,000	No	**Coastal**	0.0%	0.0%	0.0%	2,808,000	-	404,081	491,400	0	-87,319	-203,541
35	1.842	2.047	250,000	511,696	24,539	19	90%	3,500	175,000	Yes	**Coastal**	0.0%	0.0%	0.0%	7,143,500	-	925,255	1,250,113	0	-324,858	-158,699
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	175,000	Yes	**Coastal**	0.0%	0.0%	0.0%	7,143,500	-	1,063,365	1,250,113	0	-186,748	-120,018
35	1.167	1.296	250,000	324,074	11,875	30	90%	3,500	175,000	Yes	**Coastal**	0.0%	0.0%	0.0%	6,552,000	-	1,076,531	1,146,600	0	-70,069	-54,066
35	1.000	1.111	250,000	277,778	8,750	35	90%	3,500	175,000	Yes	**Coastal**	0.0%	0.0%	0.0%	6,552,000	-	1,128,596	1,146,600	0	-18,004	-16,205
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	3,500	375,000	Yes	**Coastal**	0.0%	0.0%	0.0%	15,307,500	-	1,970,186	2,678,813	0	-708,627	-161,566
75	3.000	3.333	250,000	833,333	46,250	25	90%	3,500	375,000	Yes	**Coastal**	0.0%	0.0%	0.0%	15,307,500	-	2,266,136	2,678,813	0	-412,677	-123,815
75	2.500	2.778	250,000	694,444	36,875	30	90%	3,500	375,000	Yes	**Coastal**	0.0%	0.0%	0.0%	14,040,000	-	2,295,091	2,457,000	0	-161,909	-58,283
120	6.316	7.895	250,000	1,973,684	123,224	19	80%	3,500	1,200,000	Yes	**Coastal**	0.0%	0.0%	0.0%	24,492,000	-	2,265,514	4,286,100	0	-2,020,586	-255,932
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	1,200,000	Yes	**Coastal**	0.0%	0.0%	0.0%	24,492,000	-	2,856,749	4,286,100	0	-1,429,351	-238,225
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	1,200,000	Yes	**Coastal**	0.0%	0.0%	0.0%	22,464,000	-	2,635,766	3,931,200	0	-1,295,434	-259,087
200	10.000	12.500	250,000	3,125,000	200,938	20	80%	3,500	2,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	39,900,000	-	7,193,966	6,982,500	0	211,466	16,917
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	2,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	40,820,000	-	3,361,711	7,143,500	0	-3,781,789	-378,179
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	3,500	2,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	37,440,000	-	3,517,580	6,552,000	0	-3,034,420	-364,145
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	10,000	3,500,000	Yes	**Coastal**	0.0%	0.0%	0.0%	71,435,000	-	3,426,466	12,501,125	0	-9,074,659	-518,552
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	10,000	3,500,000	Yes	**Coastal**	0.0%	0.0%	0.0%	65,520,000	-	4,037,435	11,466,000	0	-7,428,565	-509,399
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	10,000	15,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	122,460,000	-	-6,464,481	21,430,500	0	-27,894,981	-871,718
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	10,000	15,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	112,320,000	-	-5,232,965	19,656,000	0	-24,888,965	-933,325
1,000	40.000	66.667	250,000	16,666,667	1,115,000	25	60%	10,000	25,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	204,100,000	-	-16,105,703	35,717,500	0	-51,823,203	-777,344
1,000	33.333	55.556	250,000	13,888,889	927,500	30	60%	10,000	25,000,000	Yes	**Coastal**	0.0%	0.0%	0.0%	187,200,000	-	-13,199,001	32,760,000	0	-45,959,001	-827,255

2. Inland Value Area

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Owners hip	Market GDV	AH build cost	Gross Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	Residual Value per gross ha
9	0.474	0.474	300,000	142,105	2,829	19	100%	3,500	-	-	No	Inland	0.0%	0.0%	0.0%	2,127,150	-	412,704	372,251	0	40,453	85,343
9	0.360	0.360	300,000	108,000	1,890	25	100%	3,500	-	-	No	Inland	0.0%	0.0%	0.0%	2,127,150	-	447,748	372,251	0	75,497	209,713
9	0.300	0.300	300,000	90,000	1,575	30	100%	3,500	-	-	No	Inland	0.0%	0.0%	0.0%	1,951,200	-	441,049	341,460	0	99,589	331,963
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	Inland	0.0%	0.0%	0.0%	2,363,500	-	531,523	413,613	0	117,911	224,164
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	Inland	0.0%	0.0%	0.0%	2,363,500	-	563,786	413,613	0	150,174	375,434
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	-	50,000	No	Inland	0.0%	0.0%	0.0%	2,168,000	-	544,394	379,400	0	164,994	495,477
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	Inland	30.0%	21.0%	9.0%	1,654,450	276,542	281,600	289,529	16,593	-26,021	-49,470
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	Inland	30.0%	21.0%	9.0%	1,654,450	276,542	313,863	289,529	16,593	6,242	15,604
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	-	50,000	No	Inland	30.0%	21.0%	9.0%	1,517,600	276,542	305,376	265,580	16,593	21,703	65,176
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	Inland	25.0%	17.5%	7.5%	1,772,625	230,451	323,254	310,209	13,827	-2,032	-3,864
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	Inland	25.0%	17.5%	7.5%	1,772,625	230,451	355,517	310,209	13,827	30,231	75,576
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	-	50,000	No	Inland	25.0%	17.5%	7.5%	1,626,000	230,451	345,213	284,550	13,827	45,586	136,895
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	-	75,000	No	Inland	30.0%	21.0%	9.0%	2,481,675	414,813	421,150	434,293	24,889	-40,282	-51,054
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	-	75,000	No	Inland	30.0%	21.0%	9.0%	2,481,675	414,813	470,294	434,293	24,889	8,862	14,770
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	-	75,000	No	Inland	30.0%	21.0%	9.0%	2,276,400	414,813	458,063	398,370	24,889	32,554	65,108
15	0.429	0.429	250,000	107,143	1,875	35	100%	3,500	-	75,000	No	Inland	30.0%	21.0%	9.0%	2,276,400	414,813	476,233	398,370	24,889	50,724	118,238
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	-	75,000	No	Inland	25.0%	12.0%	8.0%	2,658,938	347,171	497,743	465,314	20,830	9,724	12,324
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	-	75,000	No	Inland	25.0%	17.5%	7.5%	2,658,938	345,678	483,632	465,314	20,741	-4,298	-5,447
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	-	75,000	No	Inland	25.0%	17.5%	7.5%	2,658,938	345,678	532,776	465,314	20,741	44,846	74,744
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	-	75,000	No	Inland	25.0%	17.5%	7.5%	2,439,000	345,678	517,817	426,825	20,741	68,376	136,753
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	67,365	75,000	No	Inland	25.0%	17.5%	7.5%	2,658,938	345,678	463,579	465,314	20,741	-24,351	-40,585
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	67,365	75,000	No	Inland	25.0%	17.5%	7.5%	2,439,000	345,678	450,452	426,825	20,741	1,011	2,023
15	0.429	0.429	250,000	107,143	1,875	35	100%	3,500	-	75,000	No	Inland	25.0%	17.5%	7.5%	2,439,000	345,678	535,987	426,825	20,741	86,546	201,740
35	1.842	2.047	250,000	511,696	24,539	19	90%	3,500	-	175,000	Yes	Inland	30.0%	21.0%	9.0%	5,790,575	967,898	975,361	1,013,351	58,074	-101,314	-49,494
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	-	175,000	Yes	Inland	30.0%	21.0%	9.0%	5,790,575	967,898	1,113,471	1,013,351	58,074	36,796	23,648
35	1.167	1.296	250,000	324,074	11,875	30	90%	3,500	-	175,000	Yes	Inland	30.0%	21.0%	9.0%	5,311,600	967,898	1,093,872	929,530	58,074	101,018	77,946
35	1.000	1.111	250,000	277,778	8,750	35	90%	3,500	-	175,000	Yes	Inland	30.0%	21.0%	9.0%	5,311,600	967,898	1,145,937	929,530	58,074	153,083	137,789
35	1.842	2.047	250,000	511,696	24,539	19	90%	3,500	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	6,204,188	806,581	1,138,039	1,085,733	48,395	-464	-227
35	1.400	1.556	250,000	388,889	16,250	25	90%	6,000	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	6,204,188	806,581	1,186,308	1,085,733	48,395	47,805	30,723
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	6,204,188	806,581	1,276,148	1,085,733	48,395	137,645	88,461
35	1.167	1.296	250,000	324,074	11,875	30	90%	3,500	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	5,691,000	806,581	1,247,252	995,925	48,395	198,557	153,208
35	1.167	1.296	250,000	324,074	11,875	30	90%	6,000	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	5,691,000	806,581	1,157,412	995,925	48,395	108,717	83,887
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	157,184	175,000	Yes	Inland	25.0%	17.5%	7.5%	6,204,188	806,581	1,108,915	1,085,733	48,395	-29,588	-19,015
35	1.167	1.296	250,000	324,000	11,875	30	90%	3,500	157,184	175,000	Yes	Inland	25.0%	17.5%	7.5%	5,691,000	806,581	1,083,581	995,925	48,395	34,886	26,918
35	1.000	1.111	250,000	277,778	8,750	35	90%	3,500	-	175,000	Yes	Inland	25.0%	17.5%	7.5%	5,691,000	806,581	1,299,317	995,925	48,395	250,622	225,582

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Ownership	Market GDV	AH build cost	Gross Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	Residual Value per gross ha
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	3,500	-	375,000	Yes	Inland	30.0%	21.0%	9.0%	12,408,375	2,074,066	2,324,369	2,171,466	124,444	17,209	3,924
75	3.000	3.333	250,000	833,333	46,250	25	90%	3,500	-	375,000	Yes	Inland	30.0%	21.0%	9.0%	12,408,375	2,074,066	2,620,320	2,171,466	124,444	313,160	93,958
75	2.500	2.778	250,000	694,444	36,875	30	90%	3,500	-	375,000	Yes	Inland	30.0%	21.0%	9.0%	11,382,000	2,074,066	2,555,818	1,991,850	124,444	428,274	154,166
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	3,500	-	375,000	Yes	Inland	25.0%	17.5%	7.5%	13,294,688	1,728,389	2,646,821	2,326,570	103,703	207,172	47,235
75	3.000	3.333	250,000	833,333	46,250	25	90%	3,500	-	375,000	Yes	Inland	25.0%	17.5%	7.5%	13,294,688	1,728,389	2,942,771	2,326,570	103,703	503,122	150,952
75	2.500	2.778	250,000	694,444	36,875	30	90%	3,500	-	375,000	Yes	Inland	25.0%	17.5%	7.5%	12,195,000	1,728,389	2,862,506	2,134,125	103,703	615,303	221,491
120	6.316	7.895	250,000	1,973,684	123,224	19	80%	3,500	-	1,200,000	Yes	Inland	30.0%	21.0%	9.0%	19,853,400	3,318,506	2,970,283	3,474,345	199,110	-721,172	-91,345
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	-	1,200,000	Yes	Inland	30.0%	21.0%	9.0%	19,853,400	3,318,506	3,561,518	3,474,345	199,110	-129,937	-21,656
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	-	1,200,000	Yes	Inland	30.0%	21.0%	9.0%	18,211,200	3,318,506	3,487,617	3,186,960	199,110	83,547	16,709
120	6.316	7.895	250,000	1,973,684	123,224	25	80%	3,500	-	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	21,271,500	2,765,422	3,512,756	3,722,513	165,925	-390,682	-49,485
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	6,000	-	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	21,271,500	2,765,422	3,784,036	3,722,513	165,925	-119,402	-19,900
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	-	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	21,271,500	2,765,422	4,095,541	3,722,513	165,925	192,103	32,017
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	6,000	-	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	19,512,000	2,765,422	3,678,477	3,414,600	165,925	82,952	16,590
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	-	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	19,512,000	2,765,422	3,988,278	3,414,600	165,925	392,753	78,551
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	538,916	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	21,271,500	2,765,422	3,513,588	3,722,513	165,925	-389,850	-64,975
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	538,916	1,200,000	Yes	Inland	25.0%	17.5%	7.5%	19,512,000	2,765,422	3,507,491	3,414,600	165,925	-88,034	-17,607

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Ownership	Market GDV	AH build cost	Gross Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	Residual Value per gross ha
200	10.000	12.500	250,000	3,125,000	200,938	20	80%	3,500	-	2,000,000	Yes	**Inland**	20.0%	14.0%	6.0%	36,960,000	2,826,060	9,846,797	6,468,000	169,564	3,189,233	255,139
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	-	2,000,000	Yes	**Inland**	25.0%	17.5%	7.5%	35,452,500	4,609,036	5,792,569	6,204,188	276,542	-713,161	-71,316
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	3,500	-	2,000,000	Yes	**Inland**	25.0%	17.5%	7.5%	32,520,000	4,609,036	5,760,414	5,691,000	276,542	-232,128	-27,856
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	-	2,000,000	Yes	**Inland**	20.0%	12.0%	8.0%	37,816,000	3,703,159	6,765,397	6,617,800	222,190	-94,593	-9,459
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	-	2,000,000	Yes	**Inland**	20.0%	14.0%	6.0%	37,816,000	3,687,229	6,735,975	6,617,800	221,234	-123,059	-12,306
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	3,500	-	2,000,000	Yes	**Inland**	20.0%	14.0%	6.0%	34,688,000	3,687,229	6,659,922	6,070,400	221,234	348,288	41,796
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	10,000	-	3,500,000	Yes	**Inland**	20.0%	14.0%	6.0%	66,178,000	6,452,651	9,253,611	11,581,150	387,159	-2,749,698	-157,126
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	10,000	-	3,500,000	Yes	**Inland**	20.0%	14.0%	6.0%	60,704,000	6,452,651	9,133,284	10,623,200	387,159	-1,912,075	-131,117
350	10.000	12.500	250,000	3,125,000	200,938	35	80%	10,000	-	3,500,000	Yes	**Inland**	20.0%	14.0%	6.0%	60,704,000	6,452,651	9,893,389	10,623,200	387,159	-1,151,970	-92,158
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	10,000	-	3,500,000	Yes	**Inland**	10.0%	7.0%	3.0%	74,450,250	3,226,325	12,579,809	13,028,794	193,580	-660,064	-37,718
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	10,000	-	3,500,000	Yes	**Inland**	10.0%	7.0%	3.0%	68,292,000	3,226,325	12,273,071	11,951,100	193,580	110,892	7,604
350	10.000	12.500	250,000	3,125,000	200,938	35	80%	10,000	-	3,500,000	Yes	**Inland**	10.0%	7.0%	3.0%	68,292,000	3,226,325	12,994,576	11,951,100	193,580	832,397	66,592
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	10,000		15,000,000	Yes	**Inland**	10.0%	7.0%	3.0%	127,629,000	5,530,843	9,572,526	22,335,075	331,851	-13,124,400	-410,137
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	10,000	-	15,000,000	Yes	**Inland**	10.0%	7.0%	3.0%	117,072,000	5,530,843	9,234,307	20,487,600	331,851	-11,615,144	-435,562
600	17.143	22.857	250,000	5,714,286	375,714	35	75%	10,000	-	15,000,000	Yes	**Inland**	10.0%	7.0%	3.0%	117,072,000	5,530,843	10,624,215	20,487,600	331,851	-10,225,236	-447,357
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	10,000	-	15,000,000	Yes	**Inland**	0.0%	0.0%	0.0%	141,810,000	-	15,294,624	24,816,750	0	-9,522,126	-297,566
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	10,000	-	15,000,000	Yes	**Inland**	0.0%	0.0%	0.0%	130,080,000	-	14,702,618	22,764,000	0	-8,061,382	-302,298
1,000	40.000	66.667	250,000	16,666,667	1,115,000	25	60%	10,000		25,000,000	Yes	**Inland**	0.0%	0.0%	0.0%	236,350,000	-	20,430,299	41,361,250	0	-20,930,951	-313,963
1,000	33.333	55.556	250,000	13,888,889	927,500	30	60%	10,000	-	25,000,000	Yes	**Inland**	0.0%	0.0%	0.0%	216,800,000	-	20,254,429	37,940,000	0	-17,685,571	-318,338

3. High Value Area

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Owners hip	Market GDV	AH build cost	Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	residual Value per ha
9	0.474	0.474	300,000	142,105	2,829	19	100%	3,500	-	-	No	**Higher**	0.0%	0.0%	0.0%	2,513,250	-	787,221	439,819	0	347,402	732,916
9	0.360	0.360	300,000	108,000	1,890	25	100%	3,500	-	-	No	**Higher**	0.0%	0.0%	0.0%	2,513,250	-	822,265	439,819	0	382,446	1,062,351
9	0.300	0.300	300,000	90,000	1,575	30	100%	3,500	-	-	No	**Higher**	0.0%	0.0%	0.0%	2,304,450	-	783,701	403,279	0	380,422	1,268,074
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	**Higher**	0.0%	0.0%	0.0%	2,792,500		947,653	488,688	0	458,966	872,558
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	**Higher**	0.0%	0.0%	0.0%	2,792,500	-	979,916	488,688	0	491,229	1,228,071
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	-	50,000	No	**Higher**	0.0%	0.0%	0.0%	2,560,500	-	925,119	448,088	0	477,032	1,432,527
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	**Higher**	30.0%	21.0%	9.0%	1,954,750	276,542	593,246	342,081	16,593	233,072	443,103
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	**Higher**	30.0%	21.0%	9.0%	1,954,750	276,542	625,509	342,081	16,593	265,335	663,338
10	0.333	0.333	250,000	83,333	1,458	30	100%	3,500	-	50,000	No	**Higher**	30.0%	21.0%	9.0%	1,792,350	276,542	592,239	313,661	16,593	260,485	782,238
10	0.526	0.526	250,000	131,579	2,434	19	100%	3,500	-	50,000	No	**Higher**	50.0%	35.0%	15.0%	1,396,250	460,904	356,974	244,344	27,654	82,476	156,798
10	0.400	0.400	250,000	100,000	1,750	25	100%	3,500	-	50,000	No	**Higher**	50.0%	35.0%	15.0%	1,396,250	460,904	389,237	244,344	27,654	114,739	286,848
10	0.333	0.333	250,000	83,250	1,458	30	100%	3,500	-	50,000	No	**Higher**	50.0%	35.0%	15.0%	1,280,250	460,904	370,319	224,044	27,654	116,121	348,712
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	-	75,000	No	**Higher**	30.0%	21.0%	9.0%	2,932,125	414,813	888,619	513,122	24,889	348,358	441,519
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	-	75,000	No	**Higher**	30.0%	21.0%	9.0%	2,932,125	414,813	937,763	513,122	24,889	397,502	662,504
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	-	75,000	No	**Higher**	30.0%	21.0%	9.0%	2,688,525	414,813	888,357	470,492	24,889	390,726	781,453
15	0.429	0.429	250,000	107,143	1,875	35	100%	3,500	-	75,000	No	**Higher**	30.0%	21.0%	9.0%	2,688,525	414,813	906,527	470,492	24,889	408,896	953,138
15	0.789	0.789	250,000	197,368	4,901	19	100%	3,500	-	75,000	No	**Higher**	50.0%	35.0%	15.0%	2,094,375	691,355	534,211	366,516	41,481	122,464	155,214
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	-	75,000	No	**Higher**	50.0%	35.0%	15.0%	2,094,375	691,355	583,355	366,516	41,481	171,608	286,013
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	-	75,000	No	**Higher**	50.0%	35.0%	15.0%	1,920,375	691,355	555,476	336,066	41,481	174,179	348,358
15	0.600	0.600	250,000	150,000	3,125	25	100%	3,500	67,365	75,000	No	**Higher**	50.0%	35.0%	15.0%	2,094,375	691,355	514,158	366,516	41,481	102,411	170,685
15	0.500	0.500	250,000	125,000	2,188	30	100%	3,500	67,365	75,000	No	**Higher**	50.0%	35.0%	15.0%	1,920,375	691,355	488,111	336,066	41,481	106,814	213,628
15	0.429	0.429	250,000	107,143	1,875	35	100%	3,500	-	75,000	No	**Higher**	50.0%	35.0%	15.0%	1,920,375	691,355	573,646	336,066	41,481	192,349	448,366
35	1.842	2.047	250,000	511,696	24,539	19	90%	3,500	-	175,000	Yes	**Higher**	30.0%	21.0%	9.0%	6,841,625	967,898	2,076,465	1,197,284	58,074	815,857	398,562
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	-	175,000	Yes	**Higher**	30.0%	21.0%	9.0%	6,841,625	967,898	2,214,575	1,197,284	58,074	953,967	613,089
35	1.167	1.296	250,000	324,074	11,875	30	90%	3,500	-	175,000	Yes	**Higher**	30.0%	21.0%	9.0%	6,273,225	967,898	2,107,471	1,097,814	58,074	946,333	730,195
35	1.000	1.111	250,000	277,778	8,750	35	90%	3,500	-	175,000	Yes	**Higher**	30.0%	21.0%	9.0%	6,273,225	967,898	2,159,536	1,097,814	58,074	998,398	898,648
35	1.842	2.047	250,000	511,696	24,539	19	90%	3,500	-	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,886,875	1,613,163	1,350,597	855,203	96,790	389,854	190,451
35	1.400	1.556	250,000	388,889	16,250	25	90%	3,500	-	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,886,875	1,613,163	1,488,707	855,203	96,790	527,964	339,309
35	1.167	1.296	250,000	324,000	11,875	30	90%	3,500	-	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,480,875	1,613,163	1,424,972	784,153	96,790	535,279	413,024
35	1.400	1.556	250,000	389,000	16,250	25	90%	3,500	157,184	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,886,875	1,613,163	1,362,170	855,203	96,790	401,427	257,987
35	1.167	1.296	250,000	324,000	11,875	30	90%	3,500	157,184	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,480,875	1,613,163	1,263,583	784,153	96,790	373,890	288,495
35	1.000	1.111	250,000	277,778	8,750	35	90%	3,500	-	175,000	Yes	**Higher**	50.0%	35.0%	15.0%	4,480,875	1,613,163	1,477,037	784,153	96,790	587,344	528,663

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Ownership	Market GDV	AH build cost	Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	residual Value per ha
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	3,500	-	375,000	Yes	**Higher**	30.0%	21.0%	9.0%	14,660,625	2,074,066	4,686,242	2,565,609	124,444	1,984,939	452,562
75	3.000	3.333	250,000	833,333	46,250	25	90%	3,500	-	375,000	Yes	**Higher**	30.0%	21.0%	9.0%	14,660,625	2,074,066	4,982,192	2,565,609	124,444	2,280,889	684,335
75	2.500	2.778	250,000	694,444	36,875	30	90%	3,500	-	375,000	Yes	**Higher**	30.0%	21.0%	9.0%	13,442,625	2,074,066	4,729,866	2,352,459	124,444	2,241,713	806,952
75	3.947	4.386	250,000	1,096,491	64,013	19	90%	3,500	-	375,000	Yes	**Higher**	50.0%	35.0%	15.0%	10,471,875	3,456,777	2,868,563	1,832,578	207,407	809,828	184,639
75	3.000	3.333	250,000	833,333	46,250	25	90%	3,500	-	375,000	Yes	**Higher**	50.0%	35.0%	15.0%	10,471,875	3,456,777	3,164,513	1,832,578	207,407	1,105,778	331,767
75	2.500	2.778	250,000	694,444	36,875	30	90%	3,500	-	375,000	Yes	**Higher**	50.0%	35.0%	15.0%	9,601,875	3,456,777	3,028,908	1,680,328	207,407	1,122,423	404,040
120	6.316	7.895	250,000	1,973,684	123,224	19	80%	3,500	-	1,200,000	Yes	**Higher**	30.0%	21.0%	9.0%	23,457,000	3,318,506	6,835,591	4,104,975	199,110	2,513,506	318,367
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	-	1,200,000	Yes	**Higher**	30.0%	21.0%	9.0%	23,457,000	3,318,506	7,396,802	4,104,975	199,110	3,074,717	512,453
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	-	1,200,000	Yes	**Higher**	30.0%	21.0%	9.0%	21,508,200	3,318,506	6,734,154	3,763,935	199,110	2,753,109	550,622
120	6.316	7.895	250,000	1,973,684	123,224	19	80%	3,500	-	1,200,000	Yes	**Higher**	50.0%	35.0%	15.0%	16,755,000	5,530,843	3,867,632	2,932,125	331,851	573,656	72,661
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	-	1,200,000	Yes	**Higher**	50.0%	35.0%	15.0%	16,755,000	5,530,843	4,434,964	2,932,125	331,851	1,140,988	190,165
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	-	1,200,000	Yes	**Higher**	50.0%	35.0%	15.0%	15,363,000	5,530,843	3,980,798	2,688,525	331,851	930,422	186,084
120	4.800	6.000	250,000	1,500,000	91,250	25	80%	3,500	538,916	1,200,000	Yes	**Higher**	50.0%	35.0%	15.0%	16,755,000	5,530,843	3,863,299	2,932,125	331,851	569,323	94,887
120	4.000	5.000	250,000	1,250,000	74,375	30	80%	3,500	538,916	1,200,000	Yes	**Higher**	50.0%	35.0%	15.0%	15,363,000	5,530,843	3,468,669	2,688,525	331,851	418,293	83,659

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Env Sens Tests Costs Allowed	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Ownership	Market GDV	AH build cost	Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	residual Value per ha
200	10.000	12.500	250,000	3,125,000	200,938	20	80%	3,500	-	2,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	38,220,000	4,239,090	14,365,881	6,688,500	254,345	7,393,036	591,443
200	10.000	12.500	250,000	3,125,000	200,938	20	80%	3,500	-	2,000,000	Yes	**Higher**	50.0%	35.0%	15.0%	27,300,000	7,065,150	9,093,334	4,777,500	423,909	3,841,925	307,354
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	-	2,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	39,095,000	5,530,843	11,951,273	6,841,625	331,851	4,747,797	474,780
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	3,500	-	2,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	35,847,000	5,530,843	11,111,162	6,273,225	331,851	4,476,086	537,152
200	8.000	10.000	250,000	2,500,000	158,750	25	80%	3,500	-	2,000,000	Yes	**Higher**	50.0%	35.0%	15.0%	27,925,000	9,218,072	6,520,064	4,886,875	553,084	1,030,105	103,010
200	6.667	8.333	250,000	2,083,333	130,625	30	80%	3,500	-	2,000,000	Yes	**Higher**	50.0%	35.0%	15.0%	25,605,000	9,218,072	6,304,166	4,480,875	553,084	1,220,207	146,431
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	10,000	-	3,500,000	Yes	**Higher**	30.0%	21.0%	9.0%	68,416,250	9,678,975	17,902,992	11,972,844	580,739	5,296,910	302,681
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	10,000	-	3,500,000	Yes	**Higher**	30.0%	21.0%	9.0%	62,732,250	9,678,975	17,060,464	10,978,144	580,739	5,449,082	373,660
350	10.000	12.500	250,000	3,125,000	200,938	35	80%	10,000	-	3,500,000	Yes	**Higher**	30.0%	21.0%	9.0%	62,732,250	9,678,975	17,745,328	10,978,144	580,739	6,133,946	490,716
350	14.000	17.500	250,000	4,375,000	285,313	25	80%	10,000	-	3,500,000	Yes	**Higher**	40.0%	28.0%	12.0%	58,642,500	12,905,300	13,363,076	10,262,438	774,318	2,256,321	128,933
350	11.667	14.583	250,000	3,645,833	236,094	30	80%	10,000	-	3,500,000	Yes	**Higher**	40.0%	28.0%	12.0%	53,770,500	12,905,300	12,856,639	9,409,838	774,318	2,602,484	178,460
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	10,000	-	15,000,000	Yes	**Higher**	25.0%	17.5%	7.5%	125,662,500	13,827,108	23,167,219	21,990,938	829,626	271,655	8,489
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	10,000	-	15,000,000	Yes	**Higher**	25.0%	17.5%	7.5%	115,222,500	13,827,108	21,707,985	20,163,938	829,626	639,421	23,978
600	17.143	22.857	250,000	5,714,286	375,714	35	75%	10,000	-	15,000,000	Yes	**Higher**	25.0%	17.5%	7.5%	115,222,500	13,827,108	23,027,309	20,163,938	829,626	1,958,745	85,696
600	24.000	32.000	250,000	8,000,000	530,000	25	75%	10,000	-	15,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	117,285,000	16,592,529	19,113,569	20,524,875	995,552	-2,496,858	-78,027
600	20.000	26.667	250,000	6,666,667	440,000	30	75%	10,000	-	15,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	107,541,000	16,592,529	17,952,194	18,819,675	995,552	-1,953,033	-73,238
600	17.143	22.857	250,000	5,714,286	375,714	35	75%	10,000	-	15,000,000	Yes	**Higher**	30.0%	21.0%	9.0%	107,541,000	16,592,529	19,342,102	18,819,675	995,552	-563,125	-24,637
1,000	40.000	66.667	250,000	16,666,667	1,115,000	25	60%	10,000	-	25,000,000	Yes	**Higher**	20.0%	14.0%	6.0%	223,400,000	18,436,143	40,821,653	39,095,000	1,106,169	520,484	7,807
1,000	33.333	55.556	250,000	13,888,889	927,500	30	60%	10,000	-	25,000,000	Yes	**Higher**	20.0%	14.0%	6.0%	204,840,000	18,436,143	38,230,832	35,847,000	1,106,169	1,177,663	21,198
1,000	40.000	66.667	250,000	16,666,667	1,115,000	25	60%	10,000	-	25,000,000	Yes	**Higher**	25.0%	17.5%	7.5%	209,437,500	23,045,179	34,162,919	36,651,563	1,382,711	-3,996,354	-59,945
1,000	33.333	55.556	250,000	13,888,889	927,500	30	60%	10,000	-	25,000,000	Yes	**Higher**	25.0%	17.5%	7.5%	192,037,500	23,045,179	32,012,592	33,606,563	1,382,711	-3,101,681	-55,830

4. Older persons – all value areas

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	fees / SDLT	Density - DPH	Net to Gross %	S106/ dwelling	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Owners hip	Market GDV	AH build cost	Gross Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	Residual value per ha
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Coastal**	0.0%	0.0%	0.0%	10,929,000	-	-2,382,851	1,912,575	0	-4,295,426	-5,727,235
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Coastal**	0.0%	0.0%	0.0%	13,661,000	-	-4,549,316	2,390,675	0	-6,939,991	-9,253,321
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Inland**	0.0%	0.0%	0.0%	12,960,000	-	-713,886	2,268,000	0	-2,981,886	-3,975,848
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Inland**	0.0%	0.0%	0.0%	16,200,000	-	521,542	2,835,000	0	-2,313,458	-3,084,611

No of Dwgs	Net Area (ha)	Gross area (ha)	BMLV gross ha	Total land value	SDLT/Fees	Density - DPH	Net to Gross %	S106/ dwelling	Opening up/ Abnormals costs	DCF Applied	Market Value Area	%AH	%Aff Rent	% Sh Owners hip	Market GDV	AH build cost	Residual Value (£)	Developer return	Contractor Return	Residual Value post land and return	residual Value per ha
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Higher**	0.0%	0.0%	0.0%	16,275,000	-	2,608,808	2,848,125	0	-239,317	-319,089
75	0.750	0.750	250,000	187,500	4,531	100	100%	3,500	375,000	Yes	**Higher**	0.0%	0.0%	0.0%	19,245,000	-	3,540,309	3,367,875	0	172,434	229,912

5. Rural Exception Sites

	Scenario number:		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Market	**1 bed house**															
	2 bed house						1	1	2	2	2	2	5	6	2	3
	3 bed house					2	2	2	2	2	2	2			3	3
	4 bed house															
Affordable	**1 bed house**		1	2	2	2	2	1			1					
	2 bed bungalow		1	1	1											
	2 bed house		1			1	1	1	3	2	1	1				
	3 bed house		1	1												
Shared Ownership	**2 bed house**		1	2	2	1				1	1	2	2	1	2	1
	3 bed house		1	1	2	1	1	2								
Residual value - to pay for land	Higher		-£178,034	-£117,865	-£59,216	£18,529	£31,516	£91,858								
		per plot	*-£25,433*	*-£16,838*	*-£8,459*	*£2,647*	*£4,502*	*£13,123*								
	Inland							-£25,598	-£3,003	£659	-£3,801	£38,696				
		per plot						*-£3,657*	*-£429*	*£94*	*-£543*	*£5,528*				
	Coastal											-£64,372	-£30,951	-£19,701	£5,390	£22,992
		per plot										*-£9,196*	*-£4,422*	*-£2,814*	*£770*	*£3,285*