
Whole Plan Viability Study
including
Community Infrastructure Levy (CIL)

September 2015

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1. Introduction

Scope

- 1.1 Stevenage Borough Council (the Council / SBC) is preparing a new Local Plan (the Plan). In June 2013 the Council published the First Consultation version and is now well on in the process of preparing the next iteration to incorporate the latest evidence, to be in line with the most recent guidance and to deliver the Council's aims and objectives.
- 1.2 This Whole Plan Viability Study has been commissioned to build on the Council's existing viability evidence and to assess the impact on viability of the policies in the emerging Local Plan. In 2013 the Council made a decision not to pursue Community Infrastructure Levy (CIL) until at least 2015. The Council's options will be further explored and this report will consider CIL as a mechanism to fund, at least in part, the infrastructure required to support the development set out in the Plan.
- 1.3 HDH Planning and Development Ltd has been appointed to advise the Council in several regards:
 - a. Firstly, to consider the impact on development viability of the policies in the emerging Plan and the deliverability (in the context of the NPPF) of the development set out in the Plan.
 - b. Secondly, to assess the effect that CIL would have on development viability in the Borough (in the context of the CIL Regulations).
 - c. Thirdly, to recommend rates of CIL for the Council's Preliminary Draft Charging Schedule – although it is important to note that the Council has not made a decision to pursue CIL further at this stage.
- 1.4 In addition to, and in parallel with, this work, AECOM are considering the delivery of the infrastructure required to support the Plan and are exploring the full range of funding mechanisms and options. This document sets out the methodology used, the key assumptions adopted, and contains an assessment of the effect of CIL, in the context of policies in the emerging Plan. This will allow the Council to engage with stakeholders, to ensure that the Plan is effective, and to set CIL.
- 1.5 It is important to note that whilst this Viability Study contains fresh work, on the whole it builds on the existing evidence used to develop the Plan which was prepared through a process of consultation with the development industry. This present document takes the general advice forward and builds on those conclusions.
- 1.6 CIL is set having regard to a range of factors, one of which is viability. This report only considers viability. Outside this report the Council will consider the need for infrastructure and other sources of funding.

- 1.7 At the start of a study of this type, it is timely to note that not all sites will be viable, even without any policy requirements or CIL imposed or sought by the Council. It is inevitable that the Council's requirements will render some sites unviable. The question for this report is not whether some development site or other would be rendered unviable by a policy requirement or CIL, it is whether the delivery of the overall Plan is threatened and whether CIL will facilitate the delivery of the Plan.
- 1.8 This Viability Study has been prepared following a consultation process with landowners, agents and developers. To inform this study, an event was held on the 27th March 2015, to which the representatives of the main developers, development site landowners, their agents and housing providers were invited. The meeting was used to set out the methodology, to test the assumptions used in the report, and to put the report in context.

Metric or imperial

- 1.9 The property industry uses both imperial and metric data – often working out costings in metric (£/m²) and values in imperial (£/acre and £/sqft). This is confusing so we have used metric measurements throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m ²	=	10.76 sqft	1sqft	=	0.093m ²

- 1.10 A useful broad rule of thumb to convert m² to sqft is simply to add a final zero.

HDH Planning and Development

- 1.11 HDH is a specialist planning consultancy providing evidence to support planning and housing authorities. The firm was founded in the summer of 2011 by Simon Drummond-Hay who is a Chartered Surveyor and associate of the Chartered Institute of Housing. Previously he and his team worked for Fordham Research.
- 1.12 The firm's main areas of expertise are:
- a. District wide and site specific viability analysis
 - b. Community Infrastructure Levy testing
 - c. Local and Strategic Housing Market Assessments and Housing Needs Assessments
 - d. Future Housing Numbers Analysis (post RSS target setting)
 - e. Viability and Planning Assessments and Inquiries.
- 1.13 The findings contained in this report are based upon information provided by the Council and upon the assumption that all relevant information has been provided. This information has not been independently verified by HDH. The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect nor

constitute legal advice. No part of this report constitutes a valuation and the report should not be relied on in that regard.

Report Structure

1.14 This report follows the following format:

- | | |
|-------------------|---|
| Chapter 2 | The reasons for, and approach to, viability testing, including a short review of the requirements of the CIL Regulations, NPPF and PPG. |
| Chapter 3 | The methodology used. |
| Chapter 4 | An assessment of the housing market, including market and affordable housing with the purpose of establishing the worth of different types of housing (size and tenure) in different areas. |
| Chapter 5 | An assessment of the non-residential markets with the purpose of establishing the worth of different types of commercial uses. |
| Chapter 6 | An assessment of the costs of land to be used when assessing viability. |
| Chapter 7 | The cost and general development assumptions to be used in the development appraisals. |
| Chapter 8 | A summary of the various emerging policy requirements and constraints that influence the type of development that come forward. |
| Chapter 9 | We have set out the range of modelled sites used for the financial development appraisals. |
| Chapter 10 | The results of the appraisals and consideration of residential development. |
| Chapter 11 | The appraisals and consideration of non-residential development. |
| Chapter 12 | The consideration and conclusions in relation to the deliverability of the development in the context of the emerging Local Plan. |
| Chapter 13 | CIL setting process, including recommendations of rates. |

2. Viability Testing

- 2.1 Viability testing is an important part of the Development Plan making process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF), is part of the Strategic Housing Land Availability Assessment (SHLAA) process, and is a requirement of the CIL Regulations. In each case the requirement is slightly different but all have much in common.
- 2.2 In March 2013 the Government published National Planning Practice Guidance (PPG), in the form of a website¹. The PPG cancelled a number of pre-existing guidance documents and contains sections on viability and CIL. The PPG does not alter the NPPF.

NPPF Viability Testing

- 2.3 The NPPF² introduced a requirement to assess the viability of the delivery of Local Plan and the impact on development of policies contained within it. The NPPF includes the following requirements (with our emphasis):

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

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

- 2.4 The duty to test in the NPPF is a 'broad brush' one saying 'plans should be deliverable'. It is not a requirement that every site should be able to bear all of the local authority's requirements – indeed there will be some sites that are unviable even with no requirements imposed on them by the local authority. The typical site in the local authority area should be able to bear whatever target or requirement is set and the Council should be able to show, with a reasonable degree of confidence, that the Development Plan is deliverable.

- 2.5 The enabling and delivery of development is a priority of the NPPF. In this regard it says:

¹ <http://planningguidance.planningportal.gov.uk/>

² The NPPF was published on 27th March 2012 and the policies within it apply with immediate effect.

47. To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
- identify and update annually a supply of specific deliverable¹¹ sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;
- identify a supply of specific, developable¹² sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;
- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and
- set out their own approach to housing density to reflect local circumstances.

2.6 Footnotes 11 and 12 of the NPPF are important in providing detail saying:

¹¹ To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

¹² To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

2.7 Some sites within the area will not be viable. In these cases developers have scope to make specific submissions at the planning applications stage; similarly some sites will be able to bear considerably more than the policy requirements.

2.8 This study will consider the development viability of the site types that are most likely to come forward over the plan-period building on the Council's existing viability evidence base.

2.9 This study will specifically examine the development viability in the context of the emerging Plan. It will also consider the development expected to come forward over the plan-period on smaller sites that are not explicitly included within the Plan but would still be subject to CIL, if introduced.

CIL Economic Viability Assessment

- 2.10 The CIL Regulations came into effect in April 2010 and have been subject to five subsequent amendments³. CIL Regulation 14 (as amended) sets out the core principle for setting CIL:

Setting rates

- (1) *In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—*
- (a) *the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
 - (b) *the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*
- (2) *In setting rates ...*

- 2.11 Viability testing in the context of CIL will assess the ‘effects’ on development viability of the imposition of CIL. The financial impact of introducing CIL is an important factor, but the provision of infrastructure (or lack of it) will also have an impact on the ability of the Council to meet its objectives through development and deliver its Development Plan. The Plan may not be deliverable in the absence of CIL.

- 2.12 The test that will be applied to the proposed rates of CIL are set out in the updated CIL Guidance contained in the PPG, putting greater emphasis on demonstrating how CIL will be used to deliver the infrastructure required to support the Plan.

The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

PPG ID: 25-009-20140612

³ **SI 2010 No. 948.** The Community Infrastructure Levy Regulations 2010 Made 23rd March 2010, Coming into force 6th April 2010. **SI 2011 No. 987.** The Community Infrastructure Levy (Amendment) Regulations 2011 Made 28th March 2011, Coming into force 6th April 2011. **SI 2011 No. 2918.** The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011. Made 6th December 2011, Coming into force 7th December 2011. **SI 2012 No. 2975.** The Community Infrastructure Levy (Amendment) Regulations 2012. Made 28th November 2012, Coming into force 29th November 2012. **SI 2013 No. 982.** The Community Infrastructure Levy (Amendment) Regulations 2013. Made 24th April 2013, Coming into force 25th April 2013. **SI 2014 No. 385.** The Community Infrastructure Levy (Amendment) Regulations 2013. Made 24th February 2014, Coming into force 24th February 2014. **SI 2015 No. 836.** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES, The Community Infrastructure Levy (Amendment) Regulations 2015. Made 20th March 2015.

2.13 The test is whether the sites and the scale of development identified in the Plan are subject to such a scale of obligations and policy burdens (when considered together) that their ability to be developed viably is *threatened* by CIL. This is somewhat more cautious than the approach set out in earlier guidance. In the March 2010 CIL Guidance, the test was whether the Plan was put at '*serious risk*', and in the December 2012 / April 2013 CIL Guidance, the test was whether CIL '*threatened the development plan as a whole*' – although it is important to note that the CIL Regulation 14 is clear that the purpose of the viability testing is to establish '*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*' rather than specific sites.

2.14 On preparing the evidence base on economic viability, the Guidance says:

A charging authority must use 'appropriate available evidence' (as defined in the Planning Act 2008 section 211(7A)) to inform their draft charging schedule. The Government recognises that the available data is unlikely to be fully comprehensive. Charging authorities need to demonstrate that their proposed levy rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their area as a whole.

In addition, a charging authority should directly sample an appropriate range of types of sites across its area, in order to supplement existing data. This will require support from local developers. The exercise should focus on strategic sites on which the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London) relies, and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites).

The sampling should reflect a selection of the different types of sites included in the relevant Plan, and should be consistent with viability assessment undertaken as part of plan-making.

PPG ID: 25-019-20140612

2.15 This study has drawn on the existing available evidence where it is available. In due course this study will form one part of the evidence that the Council will use to set CIL. The Council will also consider other 'existing available evidence', the comments of stakeholders and wider priorities. The NPPF, PPG and the Harman Guidance, as referred to below, recommend that the development and consideration of a CIL rate should be undertaken as part of the same exercise, which is what the Council is doing. This report will form the basis of the evidence as required by the CIL Regulations (when read with the Council's existing viability evidence⁴).

2.16 From April 2015, councils have been restricted in relation to pooling s106 contributions from five or more developments⁵ (where the obligation in the s106 agreement is a reason for granting consent). This restriction will encourage councils to adopt CIL – particularly where

⁴ *Affordable Housing Development Economics Study*, Adams Integra (September 2007). *Affordable Housing, Financial Contributions - Small Sites Viability Study*, Adams Integra (August 2008). *CIL Viability Study*, BNP Paribas and CIL Knowledge (April 2013). *Assessing Viability: Community Infrastructure Levy: A Stage 1 Economic Viability Assessment prepared for 9 Herefordshire Authorities*, Lambert Smith Hampton (2012).

⁵ CIL Regulation 123(3)

there are large items of infrastructure to be delivered that relate to multiple sites. This restriction on pooling may have the effect of bringing s106 tariff policies to an end.

- 2.17 Following the implementation of CIL, a council will still be able to raise additional s106 funds for infrastructure, provided this infrastructure can be directly linked to the site-specific needs associated with the scheme in question, and that it is not for infrastructure specifically identified to be funded by CIL, through the Regulation 123 List⁶. Payments requested under the s106 regime must be (as set out in CIL Regulation 122):
- a. necessary to make the development acceptable in planning terms;
 - b. directly related to the development; and
 - c. fairly and reasonably related in scale and kind to the development.

- 2.18 As mentioned above, under CIL Regulation 123, from April 2015, there are restrictions on pooling contributions from five or more sites where the obligation is a reason for granting planning permission. It is important to note that the counting of the 'five or more sites' relates to the '*provision of that project, or type of infrastructure*' and is from the date of the CIL Regulations, being April 2010. The Council will need to consider whether the threshold has already been exceeded for some items of infrastructure.

Differential Rates

- 2.19 CIL Regulation 13 (as amended) provides scope for CIL to be set at different levels by different area (zones) and type and size of developments.

Differential rates

- (1) *A charging authority may set differential rates—*
- (a) *for different zones in which development would be situated;*
 - (b) *by reference to different intended uses of development,*
 - (c) *by reference to the intended gross internal area of development;*
 - (d) *by reference to the intended number of dwellings or units to be constructed or provided under a planning permission.*
- (2) *In setting differential rates, a charging authority may set supplementary charges, nil rates, increased rates or reductions.*

- 2.20 The PPG expands on this saying:

Charging authorities that decide to set differential rates may need to undertake more fine-grained sampling, on a higher proportion of total sites, to help them to estimate the boundaries for their differential rates. Fine-grained sampling is also likely to be necessary where they wish to differentiate between categories or scales of intended use.

The focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy is likely to be most significant.

⁶ This is the list of the items that the Council will spend CIL payments on.

The outcome of the sampling exercise should be to provide a robust evidence base about the potential effects of the rates proposed, balanced against the need to avoid excessive detail.

A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust. In all cases, the charging authority should be able to explain its approach clearly.

PPG ID: 25-019-20140612

The regulations allow charging authorities to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. Differences in rates need to be justified by reference to the economic viability of development. Differential rates should not be used as a means to deliver policy objectives.

Differential rates may be appropriate in relation to

- geographical zones within the charging authority's boundary*
- types of development; and/or*
- scales of development.*

A charging authority that plans to set differential rates should seek to avoid undue complexity. Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development. Charging authorities should consider the views of developers at an early stage.

If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development.

In all cases, differential rates must not be set in such a way that they constitute a notifiable state aid under European Commission regulations (see 'State aid' section for further information). One element of state aid is the conferring of a selective advantage to any 'undertaking'. A charging authority which chooses to differentiate between classes of development, or by reference to different areas, should do so only where there is consistent economic viability evidence to justify this approach. It is the responsibility of each charging authority to ensure that their charging schedules are state aid compliant.

PPG ID: 25-021-20140612

- 2.21 Any differential rates must only be set with regard to viability. It would be contrary to the guidance, for example, to set a high rate to deter a particular type of development, or to set a low rate to encourage it – a consistent approach must be taken across all development types.
- 2.22 CIL, once introduced, is mandatory on all developments (with a very few exceptions) that fall within the categories and areas where the levy applies, unlike other policy requirements to provide affordable housing or to build to a particular environmental standard over which there can be negotiations. This means that CIL must not prejudice the viability of most sites.
- 2.23 When setting CIL it will be necessary for the Council to clearly demonstrate how CIL will fund infrastructure that will enable development to be delivered.

Payments in kind

- 2.24 Under changes to CIL Regulation 73, a local authority (at its discretion and subject to strict rules) can accept CIL 'in kind'. The changes to this Regulation have extended this provision from the payment of CIL through the transfer of land, to the payment through the transfer of

infrastructure as well as land. These changes give the increased flexibility to both the Charging Authority and the developer allowing CIL to be 'paid' through the provision of infrastructure.

Planning Practice Guidance (PPG)

- 2.25 Viability is a recurring theme through the PPG, and it includes specific sections on viability in both the plan making and the development management processes. As set out above, the NPPF says that plans should be deliverable and that the scale of development identified in the Plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The PPG says:

Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of an understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery.

.... viability can be important where planning obligations or other costs are being introduced. In these cases decisions must be underpinned by an understanding of viability, ensuring realistic decisions are made to support development and promote economic growth. Where the viability of a development is in question, local planning authorities should look to be flexible in applying policy requirements wherever possible.

PPG ID: 10-001-20140306

- 2.26 These requirements are not new and are simply stating best practice and are wholly consistent with the approach taken through the preparation of the Plan. An example is the inclusion of viability testing in relation to the Council's affordable housing policy.

- 2.27 In the section on considering land availability, the PPG says:

A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and sell the development over a certain period.

PPG ID: 3-021-20140306

- 2.28 The PPG does not prescribe a single approach for assessing viability. The NPPF and the PPG both set out the policy principles relating to viability assessments. The PPG rightly acknowledges that a 'range of sector led guidance on viability methodologies in plan making and decision taking is widely available'.

There is no standard answer to questions of viability, nor is there a single approach for assessing viability. The National Planning Policy Framework, informed by this Guidance, sets out the policy principles relating to viability assessment. A range of sector led guidance on viability methodologies in plan making and decision taking is widely available.

PPG 10-002-20140306.

- 2.29 As set out later in this chapter, this study is carried out under the Harman Guidance and is broadly in accordance with the RICS Guidance, it also draws on the Planning Advisory Service (PAS) resources and was informed by appeal decisions and CIL Examiner's reports.

- 2.30 The PPG does not require every site to be tested:

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

PPG ID: 10-006-20140306

2.31 This supports the approach where the analysis is based on a set of typologies that represented the expected development to come forward over the plan-period. These typologies were agreed through the consultation process and the methodology is fully consistent with the PPG. In addition, the larger potential allocations have been assessed against their known infrastructure costs.

2.32 Viability Thresholds are a controversial matter and it is clear that different landowners will take different approaches depending on their personal and corporate priorities. The assessment is based on an informed assumption being made about the 'uplift' being the margin above the 'Existing Use Value' which would be sufficient to incentivise the landowner to sell. Both the RICS Guidance and the PPG make it clear that when considering land value that this must be done in the context of current and emerging policies:

Site Value definition *Site Value either as an input into a scheme specific appraisal or as a benchmark is defined in the guidance note as follows: 'Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'*

Box 7, Page 12, RICS Guidance

In all cases, estimated land or site value should: ...reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;...

PPG ID 10-014-20140306

2.33 This supports the approach taken in this report.

2.34 The PPG stresses the importance of working from evidence and in collaboration with the development industry:

Evidence based judgement: *assessing viability requires judgements which are informed by the relevant available facts. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.*

Understanding past performance, such as in relation to build rates and the scale of historic planning obligations can be a useful start. Direct engagement with the development sector may be helpful in accessing evidence.

Collaboration: *a collaborative approach involving the local planning authority, business community, developers, landowners and other interested parties will improve understanding of deliverability and viability. Transparency of evidence is encouraged wherever possible. Where communities are preparing a neighbourhood plan (or Neighbourhood Development Order), local planning authorities are encouraged to share evidence to ensure that local viability assumptions are clearly understood.*

PPG ID Reference ID: 10-004-20140306

2.35 The analysis in this report reflects the general comments of stakeholders as well as the more specific comments of site promoters. These are set out through this report.

- 2.36 The meaning of *competitive return* for the willing landowner is discussed in Chapter 6 below and is at the core of a viability assessment. The RICS Guidance (see below) includes the following definition:

Competitive returns - A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

RICS Guidance, Financial viability in Planning, Page 43

- 2.37 The PPG adds to this saying:

The National Planning Policy Framework states that viability should consider "competitive returns to a willing landowner and willing developer to enable the development to be deliverable." This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible.

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

PPG ID: 10-015-20140306.

Viability Guidance

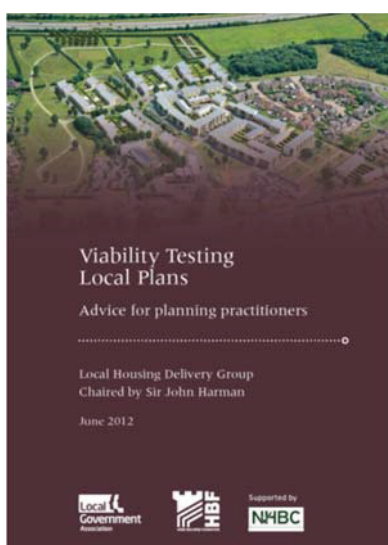
- 2.38 There is no specific technical guidance on how to test the viability in the CIL Regulations or Guidance. Paragraph 173 of the NPPF says: '..... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.....' This seems quite straightforward – although 'competitive returns' is not defined.
- 2.39 There are several sources of guidance and appeal decisions⁷ that support the methodology we have developed. In this study we have followed the *Viability Testing in Local Plans* –

⁷ Barnet: APP/Q5300/ A/07/2043798/NWF, Bristol: APP/P0119/ A/08/2069226, Beckenham: APP/G5180/ A/08/2084559, Bishops Cleeve: APP/G1630/A/11/2146206 Burgess Farm: APP/U4230/A/11/2157433, CLAY FARM: APP/Q0505/A/09/2103599/NWF, Woodstock: APP/D3125/ A/09/2104658, Shinfield APP/X0360/ A/12/2179141, Oxenholme Road, APP/M0933/A/13/2193338 Vannes: Court of Appeal 22 April 2010, [2010] EWHC 1092 (Admin) 2010 WL 1608437

Advice for planning practitioners (LGA/HBF – Sir John Harman) June 2012⁸ (known as the **Harman Guidance**). This contains the following definition:

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

- 2.40 The planning appeal decisions, and the Homes and Communities Agency (HCA) good practice publication⁹ suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the Existing Use Value (EUV), plus a premium. The premium over and above the EUV being set at a level to provide the landowner with a competitive return and the inducement to sell. The Harman Guidance and *Financial viability in planning, RICS guidance note, 1st edition* (GN 94/2012) which was published during August 2012 (known as the **RICS Guidance**) set out the principles of viability testing. Additionally, the Planning Advisory Service (PAS)¹⁰ provides viability guidance and manuals for local authorities.



- 2.41 There is common ground between the RICS and the Harman Guidance but they are not consistent. The RICS Guidance recommends against the 'current/alternative use value plus a margin' – which is the methodology recommended in the Harman Guidance.

One approach has been to exclusively adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does

⁸ Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, CLG funded, Planning Advisory Service (PAS).

⁹ Investment and planning obligations, Responding to the downturn Good Practice, July 2009

¹⁰ PAS is funded directly by DCLG to provide consultancy and peer support, learning events and online resources to help local authorities understand and respond to planning reform. (Note: Much of the most recent advice has been co-authored by HDH).

not reflect the workings of the market as land is not released at CUV or CUV plus a margin (EUV plus).....

Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012)

- 2.42 The Harman Guidance advocates an approach based on Threshold Land Value. Viability Testing in Local Plans says:

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

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

Viability Testing in Local Plans – Advice for planning practitioners. (June 2012)

- 2.43 The RICS dismisses a Threshold Land Value approach as follows.

Threshold land value. A term developed by the Homes and Communities Agency (HCA) being essentially a land value at or above that which it is assumed a landowner would be prepared to sell. It is not a recognised valuation definition or approach.

- 2.44 On face value these statements are contradictory. In order to avoid later disputes and delays, the approach taken in this study brings these two sources of guidance together. The methodology adopted is to compare the Residual Value generated by the viability appraisals, with the Existing Use Value (EUV) or an Alternative Use Value (AUV) plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the existing use value is central to the assessment of viability. It must be set at a level to provide 'competitive returns'¹¹ to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level we make reference to the market value of the land both with and without the benefit of planning.

- 2.45 This approach is in line with that recommended in The Harman Guidance (as endorsed by LGA, PAS) – and also broadly in line with the main thrust of the RICS Guidance of having reference to market value. It is relevant to note that the Harman methodology was endorsed by the Planning Inspector who approved the London Mayoral CIL Charging Schedule in January 2012¹². In his report, the Inspector dismissed the theory that using historical market value (i.e. as proposed by the RICS) to assess the value of land was a more appropriate methodology than using EUV plus a margin.

¹¹ As required by 173 of the NPPF

¹² Paragraphs 7 to 9 of REPORT ON THE EXAMINATION OF THE DRAFT MAYORAL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE by Keith Holland BA (Hons) DipTP MRTPI ARICS an Examiner appointed by the Mayor Date: 27th January 2012

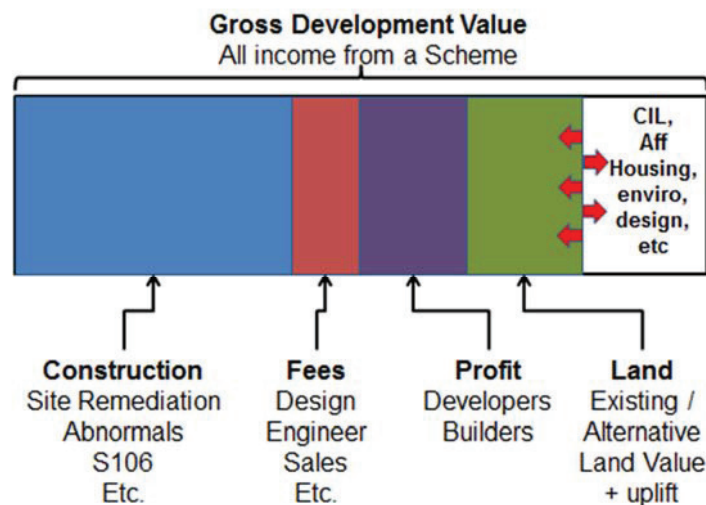
3. Viability Methodology

Viability Testing – Outline Methodology

- 3.1 There is no statutory technical guidance on how to go about viability testing. We have therefore followed the Harman Guidance. The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation, which has been standard for as long as land has been traded for development is:

$$\begin{array}{c}
 \textbf{Gross Development Value} \\
 \text{(The combined value of the complete development)} \\
 \\
 \text{LESS} \\
 \\
 \textbf{Cost of creating the asset, including a profit margin} \\
 \text{(Construction + fees + finance charges)} \\
 \\
 = \\
 \\
 \textbf{RESIDUAL VALUE}
 \end{array}$$

- 3.2 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory profit margin.
- 3.3 In the following graphic, the bar illustrates all the income from a scheme. This is set by the market (rather than by the developer or local authority) so is, to a large extent, fixed. The developer has relatively little control over the costs of development (construction and fees) and whilst there is scope to build to different standards and with different levels of efficiency the costs are largely out of the developer's direct control – they are what they are depending on the development.



- 3.4 It is well recognised in viability testing that the developer should be rewarded for taking the risks of development. The NPPF terms this the 'competitive return'. The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions the planning authority asks for the less the developer can afford to pay for the land. The purpose of this study is to assess the effect of CIL and to quantify the costs of the Council's various policies on development, and then make a judgement as to whether or not land prices are squeezed to such an extent that, in the NPPF context, that the Development Plan is put at 'serious risk' or, in the context of the CIL Guidance, whether development is 'threatened' to such an extent that the Plan is not delivered.
- 3.5 It is important to note that this study is not trying to exactly mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the NPPF and CIL Regulations.
- 3.6 As evidenced through the consultation process the 'likely land value' is a difficult topic since a landowner is unlikely to be entirely frank about the price that would be acceptable, always seeking a higher one. This is one of the areas where an informed assumption has to be made about the 'uplift': the margin above the 'Existing Use Value' which would make the landowner sell. Both the RICS Guidance and the PPG make it clear that when considering land value that this must be done in the context of current and emerging policies.

Limitations of viability testing in the context of CIL and the NPPF

- 3.7 The high level and broad brush viability testing that is appropriate to be used to assess the effect of CIL does have limitations. The assessment of viability is a largely quantitative process based on financial appraisals – there are however types of development where viability is not at the forefront of the developer's mind and they will proceed even if a 'loss' is shown in a conventional appraisal. By way of example, an individual may want to fulfil a dream of building a house and may spend more than the finished home is actually worth, a community may extend a village hall even though the value of the facility in financial terms is not significantly enhanced or the end user of an industrial or logistics building may build a new factory or depot that will improve its operational efficiency even if, as a property development, the resulting building may not seem to be viable.
- 3.8 This sets the Council a challenge when considering its proposals. It needs to determine whether or not when introducing CIL, that where the impact on a development type that may appear to be only marginally viable will have any material impact on the rates of development or will the developments proceed anyway. It is clear, that some development in the area is coming forward for operational reasons rather than property development purposes.

The meaning of 'competitive return'

- 3.9 As set out in Chapter 2 above, the meaning of 'competitive return' is at the core of a viability assessment. Whilst the RICS Guidance includes the following definition, it does not provide guidance as to the size of that return.

Competitive returns - A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

- 3.10 To date there has been much discussion within the industry as to what may and may not be a competitive return, as yet the term has not been given a firm definition through the appeal, planning examination or legal processes.
- 3.11 Competitive return was considered at the Shinfield appeal¹³ (January 2013). We have discussed this further in Chapter 6 below. More recently, further clarification has been added in the Oxenholme Road appeal (October 2013)¹⁴ where the inspector confirmed that the principle set out in Shinfield is very site specific and should only be given limited weight.
- 3.12 It should be noted that this study is about the economics of development. Viability brings in a wider range than just financial factors. The PPG says:

Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of an understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery.

- 3.13 The following graphic is taken from the Harman Guidance and illustrates the some of the non-financial as well as financial factors that contribute the assessment process. Viability is an important factor in the plan making process but it is one of many factors.

¹³ APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

¹⁴ APP/M0933/ A/13/ 2193338 (Land to the west of Oxenholme Road, Kendal, Cumbria)



- 3.14 It is important to note that the PPG does make it clear that viability is just one of a range of factors that will be considered when determining a planning application:

Assessing viability should lead to an understanding of the scale of planning obligations which are appropriate. However, the National Planning Policy Framework is clear that where safeguards are necessary to make a particular development acceptable in planning terms, and these safeguards cannot be secured, planning permission should not be granted for unacceptable development.

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- 3.15 The above methodology and in particular the differences between the Harman Guidance and the RICS Guidance were presented and discussed through the consultation process. There was a consensus that it was an appropriate approach. We acknowledge that one consultee rejected the residual value approach, saying this was not reflective of how the market worked and that a more straight forward reference to 'price per square foot' and professional judgment was used on the ground. To some extent we agree, however, due to the nature of this work it is necessary to use an evidence based approach, such as the one adopted.

Existing Available Evidence

- 3.16 The NPPF, the PPG, the CIL Regulations and CIL Guidance are clear that the assessment of the potential impact of CIL should, wherever possible be based on existing available evidence rather than new evidence. We have reviewed the evidence that is available from the Council. This falls into three broad types:
- 3.17 The first is that which has been prepared by the Council to inform its Local Development Framework (LDF). We have drawn on the following:

- a) **Affordable Housing Development Economics Study**, Adams Integra (September 2007).

- b) **Affordable Housing, Financial Contributions - Small Sites Viability Study**, Adams Integra (August 2008).
- c) **CIL Viability Study**, BNP Paribas and CIL Knowledge (April 2013). This work was not pursued by the Council due to the continued development of the Plan.
- d) **Assessing Viability: Community Infrastructure Levy: A Stage 1 Economic Viability Assessment prepared for 9 Herefordshire Authorities**, Lambert Smith Hampton (2012). The Council were involved in the early stages of this project but this work was not pursued by the Council due to the continued development of the Plan.

3.18 Secondly, the Council holds in the form of development appraisals that have been submitted by developers in connection with specific developments – most often to support negotiations around the provision of affordable housing or s106 contributions.

3.19 Our approach has been to draw on this existing evidence and to consolidate it so that it can then be used as a sound base for setting the affordable housing target and the levels of CIL.

3.20 Thirdly, the Council also holds evidence of what is being collected from developers under the s106 regime. This is being collected outside this study but will be drawn on when considering the rates of CIL. We have considered the Council's policies for developer contributions (including affordable housing) and the amounts that have actually been collected from developers.

Stakeholder Engagement

3.21 The PPG and the CIL Guidance require stakeholder engagement – particularly with members of the development industry. The preparation of the Affordable Housing Viability Study included specific consultation and engagement with the industry, and more widely the Plan went through the normal stages of consultation. On the 27th March 2015 an informal consultation event was held. Residential and non-residential developers (including housing associations), landowners and planning professionals were invited with about 15 attending. In addition representatives from neighbouring authorities attended. **Appendix 1** includes the details of those invited and the attendees and **Appendix 2** includes the presentation given.

3.22 The event was divided into three parts.

- a) An introduction to viability testing in the context of Paragraph 173 of the NPPF and CIL Regulation 14.
- b) Viability Assumptions. The main assumptions for the viability assessments were set out including development values, development costs, land prices, developers' and landowners' returns.
- c) Workshop. The consultants and consultees talked through the main points. The feedback was recorded.

3.23 A wide ranging and informative discussion took place. The comments of the consultees are reflected through this report and the assumptions have been adjusted where appropriate.

There was not agreement on all points although there was a broad consensus on most matters. Where there was disagreement we have made a judgement and set out why we have used the assumptions we have. The main points from the consultation event were that:

- a) The viability methodology was appropriate.
- b) Generally the residential value assumptions were appropriate – although the highest group may be a ‘little steep’.
- c) The non-residential values were appropriate, although there is little difference between industrial uses and distribution uses, with industrial being a little low.
- d) The residential land values need revisiting as they are ‘a bit light’.

3.24 Following the event, copies of the presentation and an early draft of this report was circulated to all those invited and the attendees were asked to make any further representations by email. These further comments were broadly reflective of those already made at the event and have been reflected in this report.

3.25 We take this opportunity to thank those developers, landowners and agents who attended the event and provided written responses. We believe that the consultation process has been carried out fully in accordance with the requirements of the Harman Guidance.

Viability Process

3.26 The assessment of viability as required under the NPPF and the CIL Regulations is not done through a calculation or a formula. It is a quantitative and qualitative process. The NPPF requires that *‘the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened¹⁵’* and whether *‘the cumulative impact of these standards and policies should not put implementation of the plan at serious risk¹⁶’*. The CIL Regulations require that *‘councils must strike an appropriate balance between (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability¹⁷’*.

3.27 The basic viability methodology is summarised in the figure below. It involves preparing financial development appraisals for the larger sites in the Plan and the representative range of sites, and using these to assess whether development, generally, is viable. The sites were modelled based on discussions with Council officers, the existing available evidence supplied to us by the Council, and on our own experience of development. Details of the site modelling

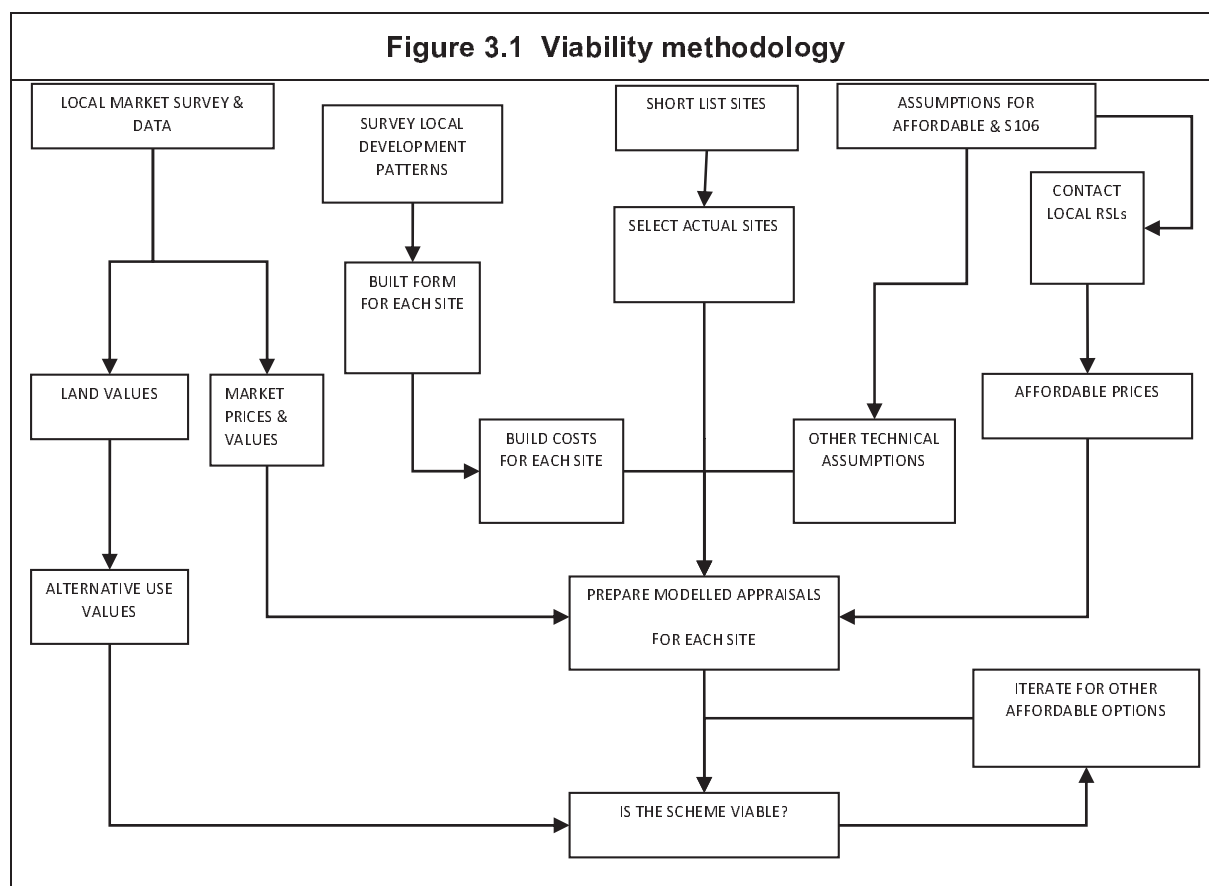
¹⁵ NPPF Paragraph 173

¹⁶ NPPF Paragraph 174

¹⁷ CIL Regulation 14 (with deletions as per the February 2014 amendments).

are set out in Chapter 9. This process ensures that the appraisals are representative of typical development in Stevenage and the other development types that are likely to be subject to CIL.

- 3.28 An important aspect of this project is to consider the development of the Stevenage town centre. The core area is somewhat dated and is not fulfilling its potential as a retail area or for residential development. The Council is exploring various ways of 'lifting' this area to make it a more vibrant place. Viability of this 'place changing' is also considered.
- 3.29 The appraisals are based on the emerging policy requirements and include appropriate sensitivity testing of a range of scenarios including different levels of affordable housing provision and different levels of infrastructure requirements.
- 3.30 We surveyed the local housing and commercial markets, in order to obtain a picture of sales values. We also assessed land values to calibrate the appraisals and to assess existing and alternative use values. Alongside this we considered local development patterns, in order to arrive at appropriate built form assumptions for those sites where information from a current planning permission or application was not available. These in turn informed the appropriate build cost figures. A number of other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of £/ha 'residual' land values, showing the maximum value a developer could pay for the site and still return a target profit level.



Source: HDH 2014

- 3.31 The appraisals are based on the policy options set out in the **Stevenage Borough Local Plan 2011-2031**. For appropriate sensitivity testing we have assessed a range of scenarios including different levels of affordable housing provision and different levels of developer contributions.
- 3.32 We surveyed the local housing and commercial markets, in order to obtain a picture of sales values. We also assessed land values to calibrate the appraisals and to assess alternative use values. Alongside this we considered local development patterns, in order to arrive at appropriate built form assumptions for those sites where information from a current planning permission or application was not available. These in turn informed the appropriate build cost figures. A number of other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of £/ha 'residual' land values, showing the maximum value a developer could pay for the site and still return a target profit level.
- 3.33 The Residual Value was compared to the Existing Use Value (EUV) for each site. Only if the Residual Value exceeded the EUV, and by a satisfactory margin, could the scheme be judged to be viable.
- 3.34 We have used a bespoke viability testing model designed and developed by us specifically for area wide viability testing as required by the NPPF and CIL Regulations¹⁸. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations and people involved in property development. The purpose is to capture the generality and to provide high level advice to assist the Council in assessing the deliverability of the Plan and to set CIL.

Development Types

- 3.35 The modelling in this study was based on the types of development most likely to come forward on the sites within the Plan. The work in this study is proportionate to allowing a judgement be made as to whether the cumulative impact of the policies puts the Plan at serious risk and whether CIL will threaten the development and delivery of the Plan. Inevitably some of the development will be on land that was not included in the Plan – there is no need to assess that.

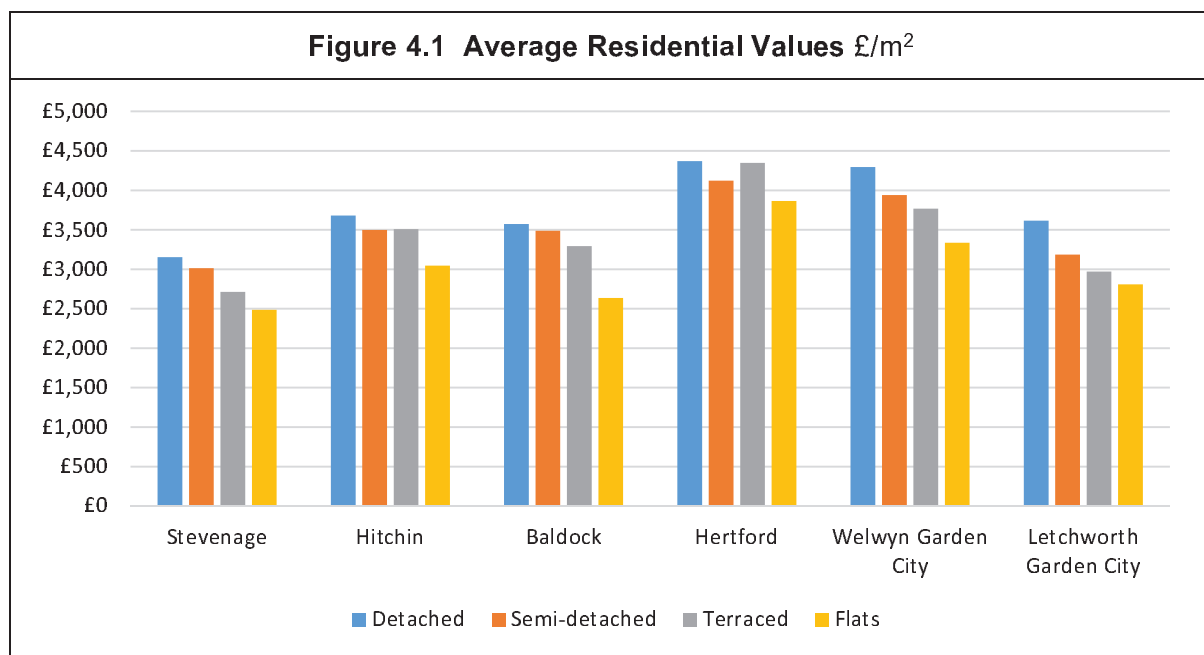
¹⁸ This Viability Model has is used as the basis for the Planning Advisory Service (PAS) Viability Workshops. It is made available to Local Authorities, free of charge, by PAS.

4. Residential Property Market

- 4.1 This chapter sets out an assessment of the housing market (including sheltered and extracare housing), providing the basis for the assumptions on house prices to be used in the financial appraisals for the sites tested in the study. We are concerned not just with the prices but the differences across different areas.
- 4.2 Although development schemes do have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions will broadly reflect a combination of national economic circumstances, and local supply and demand factors, however, even within a town there will be particular localities, and ultimately site specific factors, that generate different values and costs.

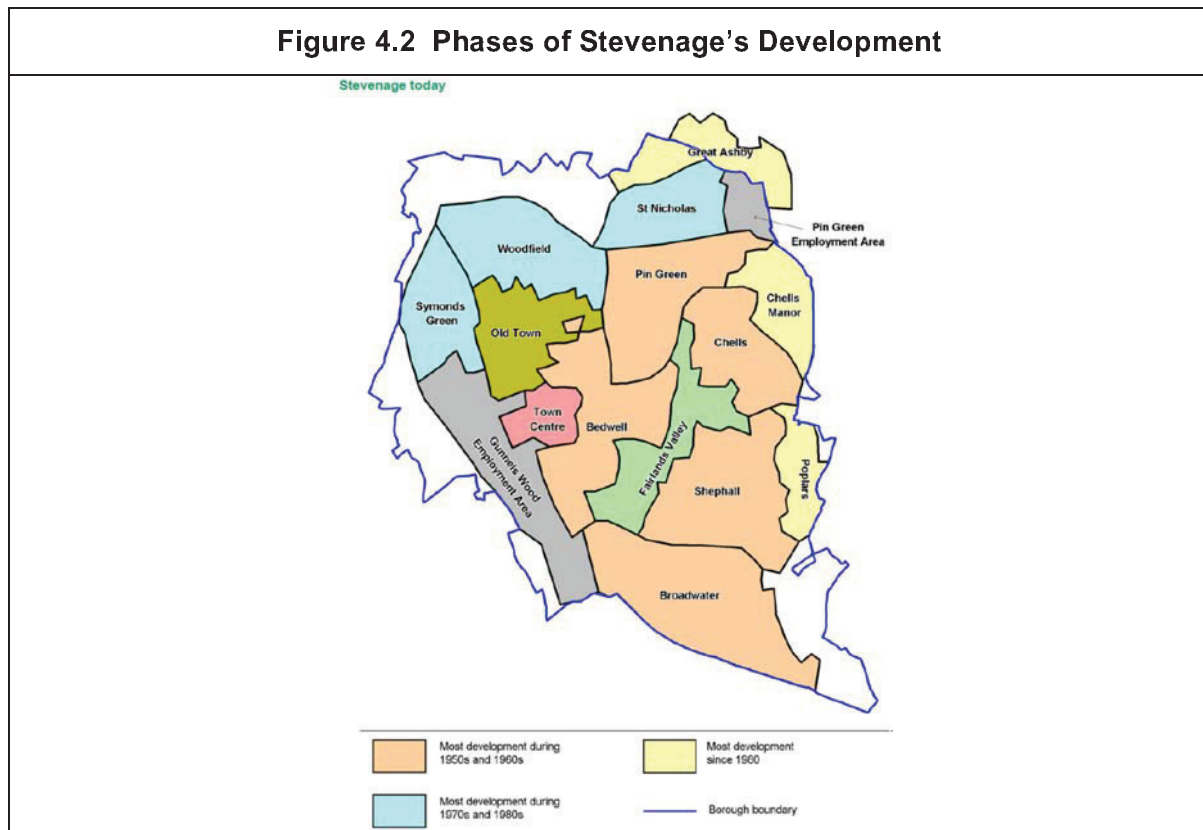
Stevenage's Residential Market

- 4.3 Stevenage is situated on the A1(M) and the East Coast mainline with excellent connections to the north and south. The housing market is strongly influenced by London. Direct trains run into Kings Cross taking less than half an hour. Having said this, the town has suffered in terms of reputation when compared to the nearby garden cities of Welwyn and Letchworth, or market towns of Hitchin and Baldock, or the county town of Hertford.



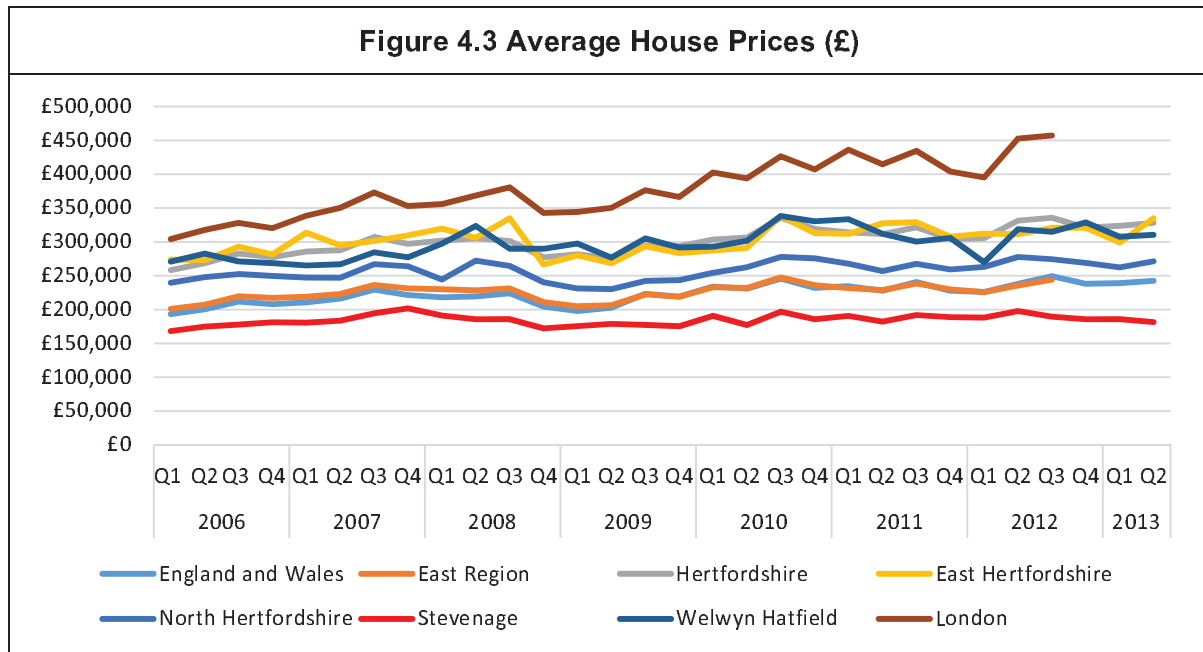
- 4.4 These lower prices may be due to the housing choice and current offer. As shown in the following figure much of the town was developed since the 1950s and the range of house types and types of development is typical of the second half of the 20th Century and is rather homogenous. To some extent the lower prices are a factor of the type, style and age of the houses in the town, rather than their location. Whilst this will have an influence on wider prices, there is no reason to suggest that should modern homes, with a greater appeal, be developed

in the town, that they should not achieve prices that are somewhat higher. This can be seen at Bellway Homes' new Chrysalis Park scheme to the northeast of the town.



Source: Page 28, Stevenage Borough Local Plan. First consultation – June 2013

- 4.5 The current direction and state of the housing market has improved markedly since the earlier viability evidence was prepared. The housing market peaked late in 2007 (see the following graph) and then fell considerably in the 2007/2008 recession during what became known as the 'Credit Crunch'.
- 4.6 Average house prices across England and Wales have recovered to their pre-recession peak, however this is strongly influenced by London. Prices in London are now well in excess of the 2007/2008 peak but, as can be seen in the figure below, the recovery has been less strong in Stevenage and the surrounding districts.



- 4.7 Up to the pre-recession peak of the market, the long term rise in house prices had, at least in part, been enabled by the ready availability of credit to home buyers. Prior to the increase in prices, mortgages were largely funded by the banks and building societies through deposits taken from savers. During a process that became common in the 1990s, but took off in the early part of the 21st Century, many financial institutions changed their business model whereby, rather than lending money to mortgagees that they had collected through deposits, they entered into complex financial instruments and engineering through which, amongst other things, they borrowed money in the international markets, to then lend on at a margin or profit. They also 'sold' portfolios of mortgages that they had granted. These portfolios also became the basis of complex financial instruments (mortgage backed securities and derivatives etc.).
- 4.8 During 2007 and 2008, it became clear that some financial institutions were unsustainable, as the flow of money for them to borrow was not certain. As a result, several failed and had to be rescued. This was an international problem that affected countries across the world – but most particularly in North America and Europe. In the UK the high profile institutions that were rescued included Royal Bank of Scotland, HBoS, Northern Rock and Bradford and Bingley. The ramifications of the recession were an immediate and significant fall in house prices, and a complete reassessment of mortgage lending with financial organisations becoming averse to taking risks, lending only to borrowers who had the least risk of default and those with large deposits.
- 4.9 It is important to note that at the time of this report (May 2015) the housing market is actively supported by the current Government with about one third of mortgages being provided through a state backed entity or scheme (a publically controlled financial institution or assisted purchase scheme such as shared ownership).

- 4.10 There are various commentators talking about a recovery in house prices. As shown in the figure above, average prices in Stevenage remain a little below their 2007 peak. There has been considerable coverage in the national press.

The June RICS Residential Market Survey shows a further acceleration in price growth with the headline price balance hitting an eleven month high 40. Prices are reported to be rising in the majority of areas, with Northern Ireland and East Anglia seeing particularly firm momentum during the month. Driving this pick up in growth was a further modest rise in demand across most parts of the UK alongside yet another decrease in the level on new instructions.

... With mortgage rates still near record lows and the labour market continuing to strengthen, this modest increase in demand is no real surprise. Although the most recent mortgage approvals data (from the Bank of England) for May show a 4.7% fall versus the April figure, this probably just reflects some recoil from the sharp rise the previous month, and the underlying trend does appear to be gently upwards. Reflecting this, respondents expect activity levels to pick up across all areas over the coming three months....

The outlook for prices strengthened once again in June with respondents in all areas now expecting an increase at both the three and twelve month horizons. A net balance of 41% of respondents envisage prices rising in the coming three months while twelve month expectations reached a 15 month high of 75. Contributors, on average, foresee prices rising by a little over 3% in the year with price growth accelerating thereafter to an average of 4.8% per annum over the coming 5 years.

The RICS reported in the RICS UK Residential Market Survey (June 2015)

- 4.11 The BBC News reported on 6th August 2015:

Growth in UK house prices slowed in the year to July, the country's largest mortgage lender has said, although they are still rising "robustly".

The Halifax said that prices rose at an annual pace of 7.9% last month - down from 9.6% in June.

During July itself, prices actually fell, by 0.6%, the largest monthly drop since April 2014.

It brings the average price of a flat or house across the country back down to £198,883.

The sharp fall in July was described as "a correction" by Howard Archer, chief UK economist with IHS Global Insight, following a 1.6% rise in prices in June.

The Halifax figures are in contrast to those from rival lender Nationwide, which said earlier this week that the rate of house price growth picked up to 3.5% in July, from 3.3% a month earlier.

'Continuing recovery'

However, the Halifax said it expected strong growth in prices for the rest of the year.

"The underlying pace of house price growth remains robust notwithstanding the easing in July," said Stephen Noakes, Halifax's managing director of retail customer products.

"Continuing economic recovery, earnings growth in excess of consumer price inflation, and very low mortgage rates all underpin housing demand."

Mr Archer said the contrasting figures from the Halifax and Nationwide served as a warning against reading too much into any one survey.

<http://www.bbc.co.uk/news/business-33800016>

- 4.12 This improved sentiment can also be seen in the non-residential sectors:

The Q2 2015 RICS UK Commercial Property Market Survey results continue to paint a robust picture of the commercial real estate sector's health, with strong demand from investors and occupiers alike showing no sign of waning. These firm trends are helping to push capital value and rental expectations higher both in the near term and further out.

To start with feedback on the occupier market, survey data shows demand for leasable space has now been rising for eleven quarters in succession (extending the longest run of uninterrupted occupier demand growth since the surveys inception in 1998). The retail sector continues to see more modest gains relative to office and industrial space, although the gap has narrowed somewhat recently.

At the same time, available space fell once more, a trend which has now persisted for nine consecutive quarters. Again, the steepest declines were reported in the office and industrial sectors (severely restricted supply is frequently mentioned as an issue by contributors). In a sign of the improving health of the market, the value of landlord incentive packages decreased further in each sector.

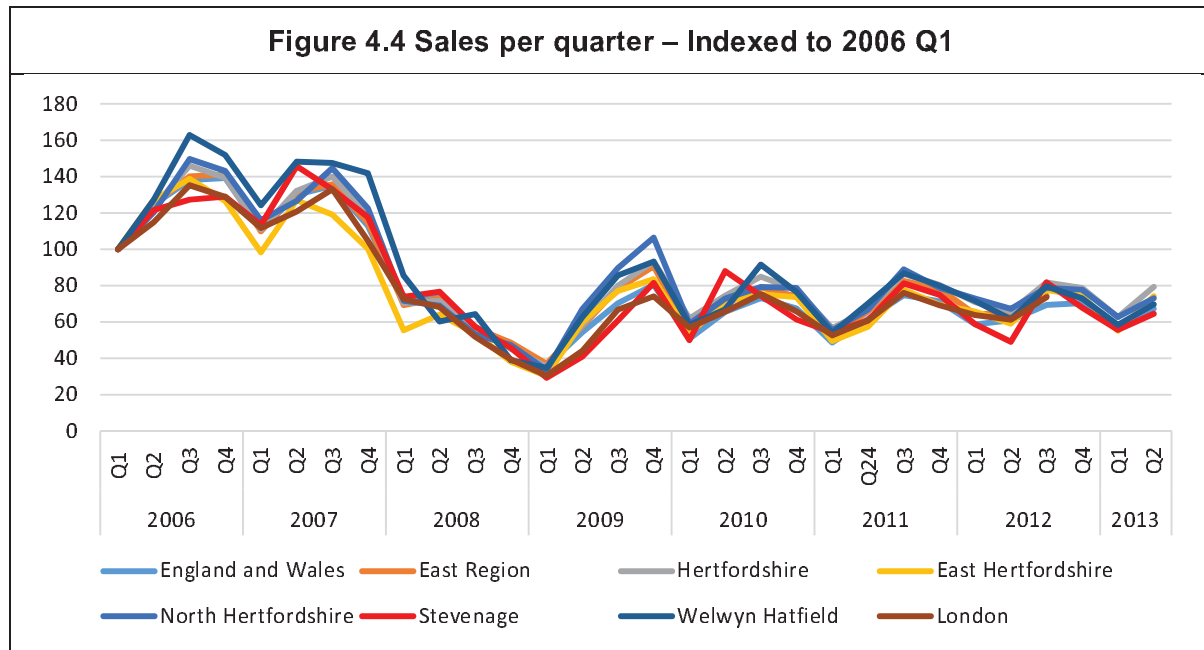
RICS Commercial Market Survey UK Q2 2015

- 4.13 Stevenage has a mixed residential market which is strongly influenced by London. When ranked across England, the average house price for the Borough is 204th (out of 347) at just over £181,000¹⁹. To set this in context, the Council at the middle of the rank (174), Lichfield has an average price of just under £202,000. It is relevant to note that the median price in Stevenage is a little lower than the mean at £167,500²⁰. This is surprising given that much of the town is within walking distance of the station and from the station it is less than half an hour to Kings Cross.
- 4.14 The figure above shows that prices in Stevenage have seen a recovery since the bottom of the market in mid-2009. It is notable that since the work commenced in March 2015, the Land Registry reports an increase in average house prices of just over 2% and 5.5% since the start of 2015²¹.
- 4.15 The rate of sales (i.e. sales per month) in the Borough is in line with the wider market and still somewhat below the peak.

¹⁹ CLG Live Table 581 (Last Update April 2014)

²⁰ CLG Live Table 582 (Last updated April 2014)

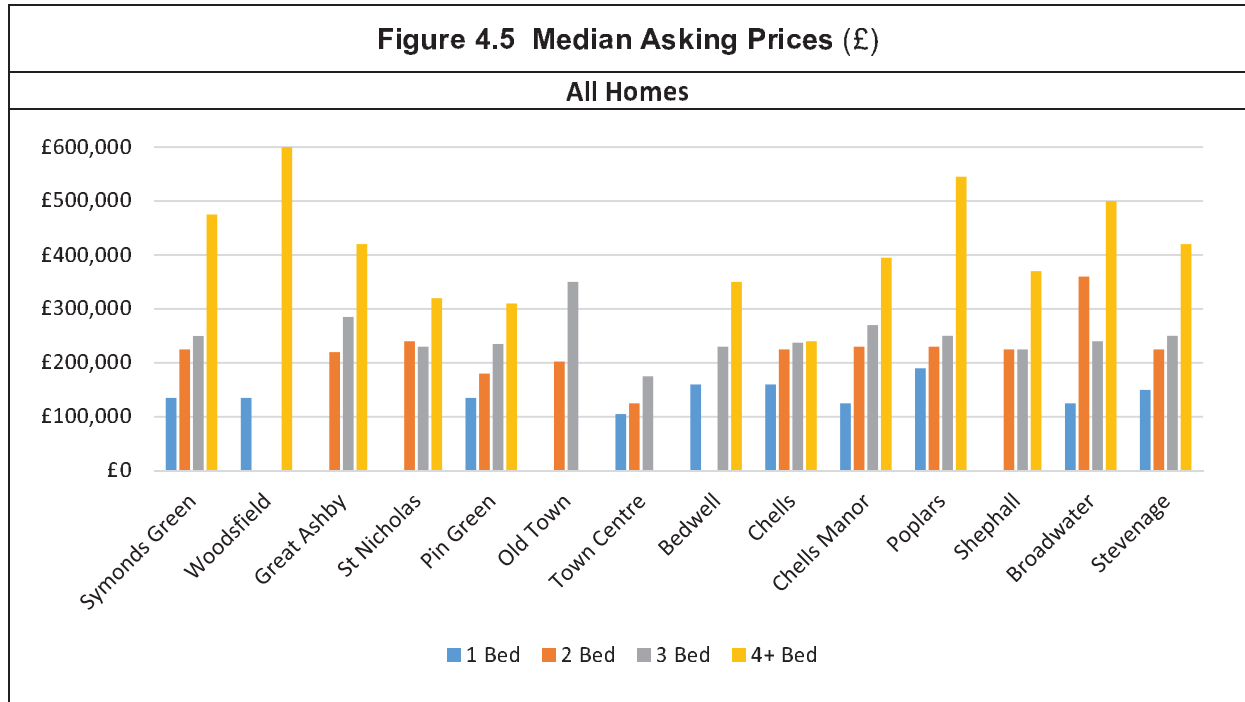
²¹ <http://landregistry.data.gov.uk/app/hpi> shows average house price have increased by £5951 from £293344 in March 2015 to £299293 in June 2015 (the most recent data) and by £10,130 from £289163 from January to 15 to June 2015.



Source: Land Registry January 2015

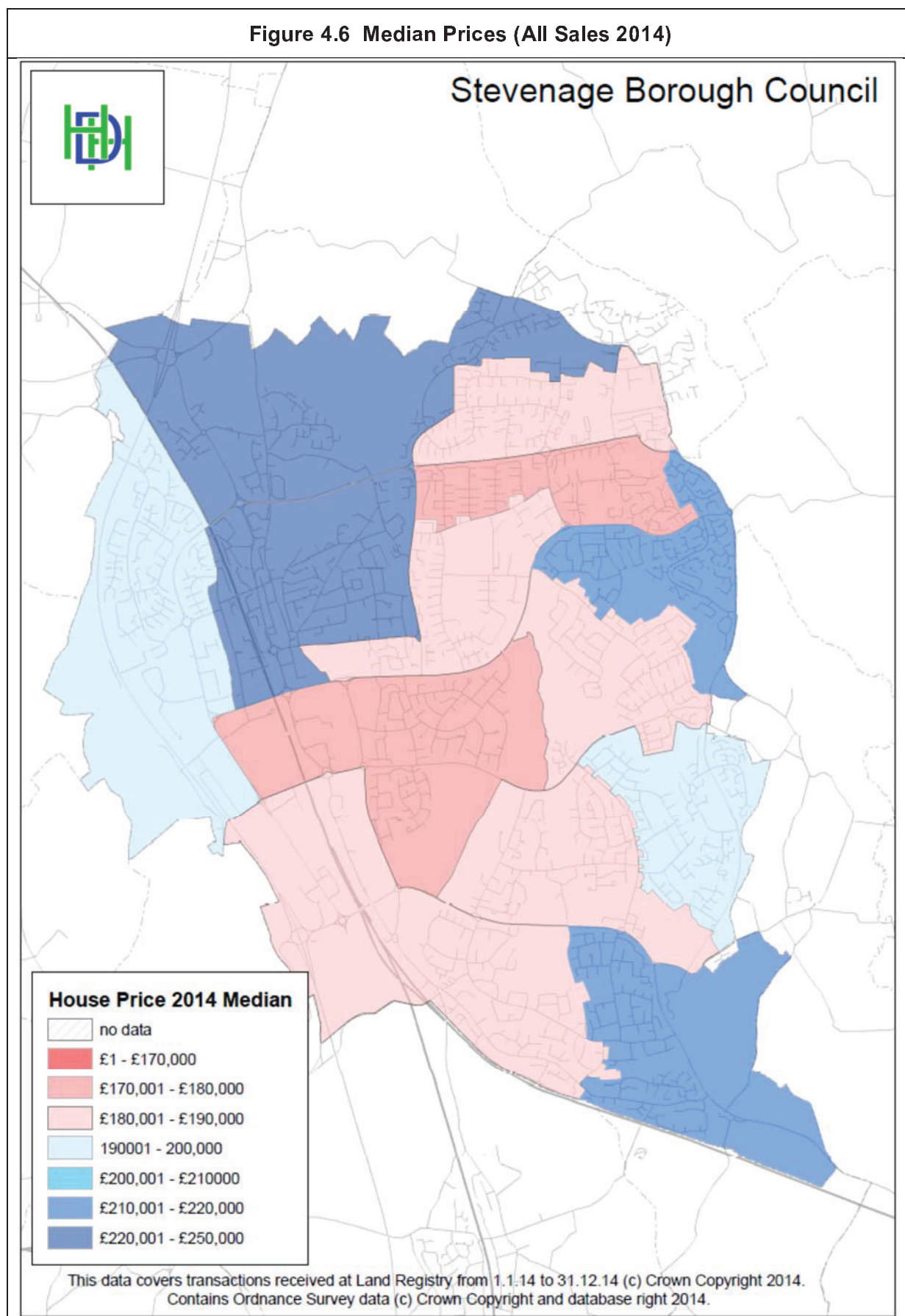
- 4.16 There is clearly uncertainty in the market, and it is not for this study to try to predict how the market may change in the coming years, and whether or not there will be a further increase in house prices. Having said this it notable that property agents Savills are predicting a 6.5% increase in 2015 and an 18.2% increase over the next 5 years in the mainstream residential markets²².
- 4.17 To assist the Council to 'strike the balance' in an informed way, we have run further sets of appraisals to show the effect of a 5% and a 10% increase, and a 5% and a 10% decrease in house prices.
- 4.18 We carried out a survey of asking prices across the Borough. Through using online tools such as rightmove.com, zoopla.co.uk and other resources we estimated the median asking prices.

²² Residential Property Focus. Savills. Issue 1 2015 - <http://pdf.euro.savills.co.uk/residential-property-focus-uk/residential-property-focus-issue-1-2015.pdf>



4.19 The geographical differences in prices are illustrated in the following map showing the median price.

Figure 4.6 Median Prices (All Sales 2014)



Source: HDH based on Land Registry Data

Newbuild Sales Prices

- 4.20 This study is concerned with the viability of newbuild residential property so the key input for the appraisals are the prices of units on new developments. We have reviewed recent newbuild sales prices from the Land Registry and conducted a survey of new homes for sale during March 2015.
- 4.21 The Land Registry publishes data of all homes sold. In Stevenage there were just 66 new homes sold in 2014. These transactions are summarised as follows.

Table 4.1 Newbuild Sales 2014 £					
	Detached	Semi-detached	Terrace	Flat	All
Count	19	25	6	16	66
Max	675,000	380,000	399,950	185,000	675,000
Min	250,000	250,000	125,000	136,000	125,000
Mean	399,170	299,490	258,300	164,281	291,663
Median	390,000	299,950	254,975	167,748	285,000

Source: Land Registry (March 2015)

- 4.22 These values are very much higher than the median price for all houses in the Borough. On a £/m² basis these approximate as follows. In calculating these we have used the unit sizes from zoopla.com:

Table 4.2 Newbuild Sales 2014 £/m²			
	m ²	Mean	£/m ²
Detached	134.63	£399,170	£2,965
Semi-detached	93.87	£299,490	£3,191
Terraced	78.32	£258,300	£3,298
Flats	57.35	£164,281	£2,865

Source: Land Registry (March 2015) and Zoopla.com

- 4.23 At the time of this study there are just 6 new homes being advertised for sale in the Borough. Two of these are single plots, two are on the Bellway Homes scheme at Chrysalis Park and two are at Taylor Wimpey's scheme at Hampson Place. As well as looking at these schemes we have investigated newbuild schemes in the nearby garden cities of Welwyn and Letchworth, the market towns of Hitchin and Baldock, and the county town of Hertford. We identified 44 new homes for sale on about 13 different sites. The prices range from £255,000 to over £1,000,000 with an average price of £510,000. For the purpose of this study the information is needed in a £/m² basis.
- 4.24 The analysis of these shows that asking prices for newbuild homes vary, very considerably, across the area ranging between about £2,370/m² to over £6,000/m². These are summarised

in the table below and set out in full in **Appendix 4** – note this table only shows values where £/m² were available.

Table 4.3 Newbuild Asking Prices				
Stevenage		Maximum	Average	Minimum
Bellway Homes	New Chrysalis Park	£2,754		£2,370
Lanes	Hampson Place	£3,356		£2,708
Welwyn GC				
Crest Nicholson	Appleby Grove	£4,450	£3,702	£3,216
Linden Homes	Wilshere Park	£5,481	£4,906	£4,264
Linden Homes	Pentlows Meadow	£3,750	£3,750	£3,750
Hitchin				
Country Properties	Upper Tilehouse St		£3,594	
Stondon				
Bovis Homes	Stondon Park	£3,364	£3,244	£3,107
Stotfold				
Taylor Wimpey	Greenacres	£3,022	£2,950	£2,877
	Beauchamp Mill	£2,870	£2,714	£2,618
Letchworth GC				
Barratt Homes	Madden Gardens		£3,716	
Hertford				
Ashtons	Hertingfordbury Lane		£6,013	
Barratt Homes	Liberty Rise	£4,716	£4,484	£3,855

Source: HDH Market Survey (March 2015)

- 4.25 During the course of the research, we contacted many of the sales offices and agents to enquire about the price achieved relative to the asking prices, and the incentives available to buyers. In most cases the feedback was that the units were 'realistically priced' or we were told that as the market is improving, demand strong and that significant discounts are no longer offered. When pressed, it appeared that the discounts and incentives offered equate to about 2.5% of the asking prices. It would be prudent to assume that prices achieved, net of incentives offered to buyers, are 2.5% less than the above asking prices.
- 4.26 We have compared these values to those found by the Council's most recent viability work, being September 2007²³:

²³ North Hertfordshire District Council & Stevenage Borough Council, Affordable Housing Development Economics Study, Adams Integra, September 2007.

Table 4.4 Newbuild Prices used in 2007 £					
	Houses			Flats	
	2	3	4	1	2
Bandley	£170,991	£189,231	£292,480	£113,996	£139,996
Bedwell	£161,182	£187,175	£225,000	£108,738	£138,482
Chells	£172,942	£192,258	£246,987	-	£147,498
GREAT ASHBY	£186,247	£236,484	£340,604	-	£168,315
Longmeadow	£178,500	£208,903	£329,437	£114,997	£139,973
Manor	£191,111	£236,481	£315,757	-	-
Martinswood	£178,483	£213,341	£285,553	£112,411	£159,349
Old Town	£219,732	£280,368	£345,522	£136,822	£178,315
Pin Green	£176,416	£191,249	£203,322	£116,624	-
Roebuck	£179,980	£204,426	£323,866	£121,248	£136,871
Shephall	£163,777	£179,436	£279,995	-	-
St. Nicholas	£169,975	£172,039	£182,992	£120,599	£130,497
Symonds Green	£188,047	£225,541	£280,815	£126,451	£155,600
Woodfield	£178,830	£284,537	£371,333	-	-

Source: Appendix III Affordable Housing Development Economics Study, Adams Integra, September 2007

4.27 These equate to the following values on a £/m² basis.

Table 4.5 Newbuild Prices used in 2007 £/m²					
	Houses			Flats	
	2	3	4	1	2
Bedrooms	2	3	4	1	2
m²	76	86	101	51	66
Bandley	£2,250	£2,200	£2,896	£2,235	£2,121
Bedwell	£2,121	£2,176	£2,228	£2,132	£2,098
Chells	£2,276	£2,236	£2,445		£2,235
GREAT ASHBY	£2,451	£2,750	£3,372		£2,550
Longmeadow	£2,349	£2,429	£3,262	£2,255	£2,121
Manor	£2,515	£2,750	£3,126		
Martinswood	£2,348	£2,481	£2,827	£2,204	£2,414
Old Town	£2,891	£3,260	£3,421	£2,683	£2,702
Pin Green	£2,321	£2,224	£2,013	£2,287	
Roebuck	£2,368	£2,377	£3,207	£2,377	£2,074
Shephall	£2,155	£2,086	£2,772		
St. Nicholas	£2,237	£2,000	£1,812	£2,365	£1,977
Symonds Green	£2,474	£2,623	£2,780	£2,479	£2,358
Woodfield	£2,353	£3,309	£3,677		

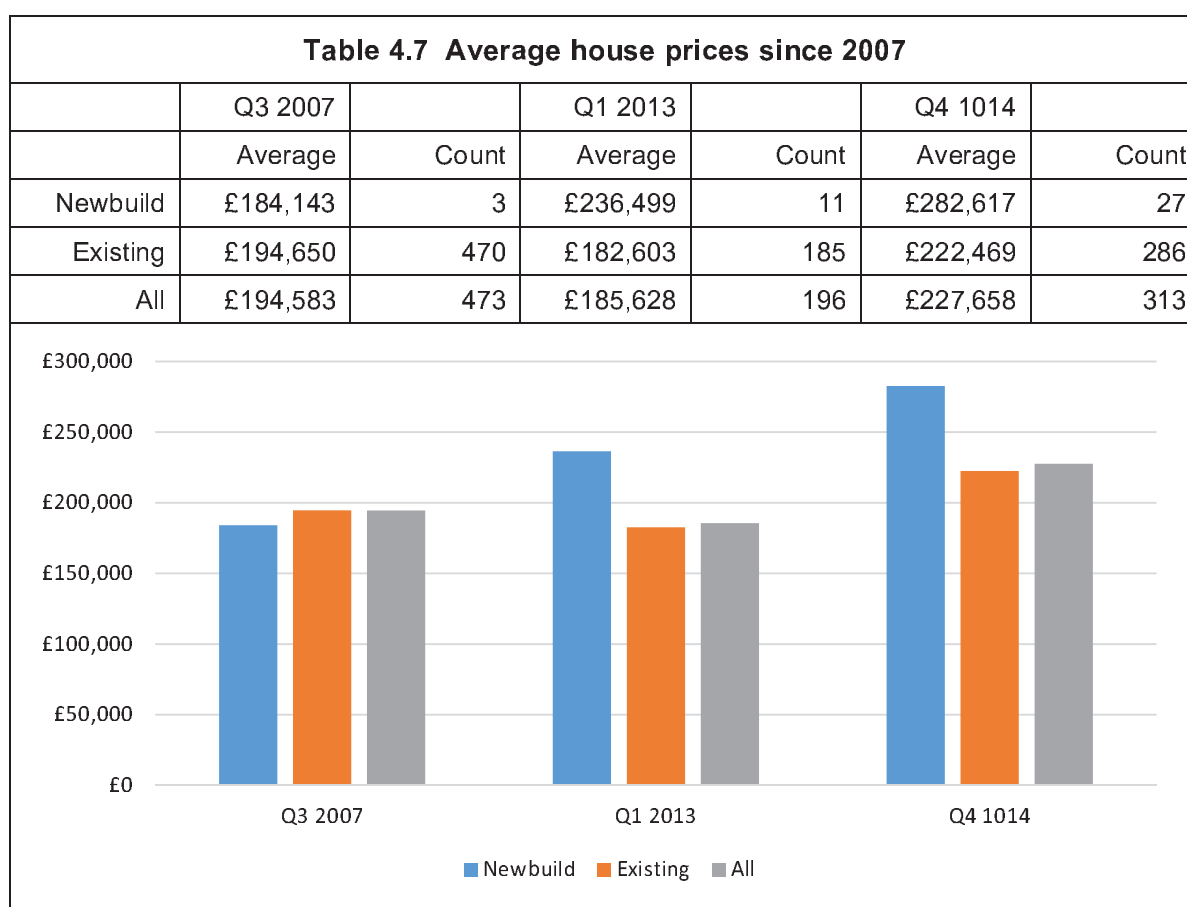
Source: Appendices I&III Affordable Housing Development Economics Study, Adams Integra, September 2007

4.28 We have also compared these to the values used in the CIL Viability Study, BNP Paribas and CIL Knowledge (April 2013).

Table 4.6 Newbuild Prices used in 2013		
Area	Average values £s per sq m	Average values £s per sq ft
Market Value Area 1 – (Old Town & Whitney Woods)	£3,175	£295
Market Value Area 2 – (Pin Green, Bedwell and North Broadwater)	£2314	£180
Area 3 (Chells & Martins Wood)	£2691	£250
Area 4 (St. Nicholas, South Broawater, Fishers Green, Symonds Green, Shephall & Poplars)	£2421	£225
Area 5 (Bragbury End)	£2960	£275

Source: Table 4.4.1, CIL Viability Study, BNP Paribas and CIL Knowledge (April 2013)

4.29 The table below shows average prices in the study area for new and existing residential sales from the Land Registry and at the time of the previous studies and the current work. The newbuild figures should be treated with caution due to the small sample size.



Source: Land Registry data (January 2015)

4.30 House prices are now above those at the time of the earlier studies.

New Data

- 4.31 The majority of the data used in this report has been updated from earlier work. The values of market housing were derived by drawing on a range of information sources. These included asking prices, Price Paid data from the Land Registry and other secondary sources. The assumptions were presented to stakeholders through the consultation process and amended to reflect the feedback and comments made. Prior to completing this report, to review the residential value assumptions we have analysed the Price Paid data from the Land Registry with information from the Energy Performance Certificate (EPC) Register. This information was not available at the time of the earlier work.
- 4.32 We have reviewed recent newbuild sales prices from the Land Registry from the start of 2014²⁴. The Land Registry publishes data of all homes sold. Across the Stevenage area 145 newbuild home sales were recorded in the period. These transactions are summarised as follows and detailed in **Appendix 3**.

Table 4.8 Newbuild Sales – Price Paid, January 2014 to July 2015					
	Detached	Semi-detached	Terrace	Flat	All
Count	42	35	10	58	145
Max	£675,000	£680,000	£485,000	£186,500	£680,000
Min	£220,000	£250,000	£125,000	£124,995	£124,995
Mean	£376,034	£314,234	£274,975	£161,553	£268,355
Median	£336,250	£307,995	£257,500	£166,995	£280,000

Source: Land Registry (August 2015)

- 4.33 Each house sold requires an Energy Performance Certificate. This is a public document that can be viewed on the EPC Register. The EPC contains the floor area (the Gross Internal Area – GIA) as well other a wide range of information about the construction and energy performance of the building. This GIA information is also included in **Appendix 2**.
- 4.34 We have married the price paid data from the Land Registry with the homes' floor area from the EPC Register:

²⁴ The Land Registry makes all transactions available as and when they are registered via the 'beta' format tool at <https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads>. It does take some time for transactions to be registered – we estimate this to be about 4 to 6 months.

Table 4.9 Newbuild Price Paid by Floor Area, January 2014 to July 2015. £/m²					
	Detached	Semi-detached	Terrace	Flat	All
Mean	£3,052	£3,049	£2,920	£2,791	£2,939
Median	£3,065	£3,048	£2,874	£2,651	£2,851

Source: Land Registry and EPC Register (July 2015)

Price Assumptions for Financial Appraisals

4.35 It is necessary to form a view about the appropriate prices for the schemes to be appraised in the study. The preceding analysis does not reveal simple clear patterns with sharp boundaries. It is necessary to relate this to the pattern development in expected to come forward in the future. The Council's SHLAA²⁵ includes the most up-to-date information concerning land supply. In broad terms future development can be divided into three distinct types.

- a. **Large Greenfield Sites.** There are three potential urban extensions included in the Stevenage Borough Local Plan 2011-2031 First Consultation – June 2013. These have the potential to be distinctly different from the town's existing housing offer and due to the existing lack of supply we have taken a relatively optimistic view of the prices, drawing, to some extent, on those from the nearby towns.

Development on these sites is likely to be for larger family housing.

- b. **Smaller Infill Sites.** The SHLAA identifies (at Table 14) a broad range of sites that are suitable, available and achievable. There are about 40 such smaller sites.

In terms of value we believe that the prices of the new homes developed are likely to be driven by the specific situation of the scheme rather than the general location. That is to say the value will be more strongly influenced by the specific site characteristics, the immediate neighbours and environment, rather than which particular ward or postcode sector in which the scheme is located. As can be seen from the price maps there is no clear pattern of house price distribution across the Borough. In this regard we have therefore taken a simple approach treating this as a single price area.

Development is likely to be of a higher density than the Large Greenfield sites and be based around schemes of flats, semi-detached housing and terraces with a lower proportion of detached units.

- c. **Town Centre.** We consider this to be a separate area and based on the Council's emerging plans the development anticipated in this area is likely to be different to that over the wider Borough. The bulk of the development is likely to be flats aimed at those householders seeking access to the train station and town centre.

²⁵ Strategic Land Availability Assessment: Housing. Update June 2014

- 4.36 Based on the asking prices from active developments, and informed by the general pattern of all house prices across the study area we set the prices in the appraisals at the following levels. It is important to note at this stage that this is a broad brush, high level study to test the Council's policy as required by the NPPF and to inform the setting of CIL as required by CIL Regulation 14. The values between new developments and within new developments will vary considerably.

Table 4.10 Price Assumptions £/m²		
	Flats	Housing
Large Greenfield		£3,250
Smaller Infill	£3,000	£2,550
Town Centre	£2,500	

Source: HDH February 2015

- 4.37 On sites of 10 units or fewer we have assumed a small site premium of 10%.
- 4.38 It is necessary to consider whether the presence of affordable housing would have a discernible impact on sales prices. Affordable housing will be present on many of the sites whose selling prices have informed our analysis. Our view is that any impact can and should be minimised through an appropriate quality design solution.
- 4.39 The above prices were presented to consultees on 27th March 2015. There was a consensus that the residential assumptions are appropriate – although the highest group may be a 'little steep'. Subsequently a local agent with good knowledge of the Stevenage area commented:

As sales prices are so critical in the test of viability, I would echo the conclusion that the analysis of existing data does not reveal any clear patterns. The broad brush figures for Town Centre locations in Table 4.8 appears to reflect the current market, but in my view we could see these increase substantially if the town centre were to be regenerated, particularly in view of the access to the station with fast trains to London.

- 4.40 In the final appraisals we have reduced the values of a Large Greenfield house a little, but held the others the same:

Table 4.11 Revised Price Assumptions £/m²		
	Flats	Housing
Large Greenfield		£3,150
Smaller Infill	£3,000	£2,550
Town Centre	£2,500	

Source: HDH July 2015

- 4.41 For smaller sites, below 10 units, we have assumed a value of £2,900/m².

Affordable Housing

- 4.42 The Council has a policy for the provision of affordable housing. In this study we have assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP). This is a simplification of reality as there are many ways in which affordable housing is delivered, including the transfer of free land to RPs for them to build on or the retention of the units by the schemes overall developer.
- 4.43 There are three main types of affordable housing: Social Rent, Affordable Rent and Intermediate Housing Products for Sale. At the time of this report the Council has not developed a policy preference between Social Rent and Affordable Rent so we have run two scenarios to inform this aspect of the policy. We have assumed 35% affordable housing to buy (e.g. Shared ownership) and 65% affordable housing for rent (Social Rent / Affordable Rent).
- 4.44 During the preparation of this report various changes were announced that impact on the value of affordable housing. Prior to the 2015 Summer Budget rents of affordable housing (both Affordable Rents and Social Rents) were generally increased by inflation plus 1% each year. These provisions were to prevail until 2023. The result was that Housing Associations knew their rents would go up and those people and organisations who invest in such properties (directly or indirectly) knew that the rents were going up year on year. This made them a particularly attractive and secure form of investment or security for a loan.
- 4.45 In the Budget it was announced that social and affordable rents would be reduced by 1% per year for 4 years²⁶.
- 4.46 It is too early to be certain of the impact, and the effect on the delivery of new housing isn't yet known but the knock on effect of reducing rents is inevitably going to have an effect on values. There are a number of views as to what impact this change may have. Savills said in their paper *Impact On The Housing Sector of the July Budget*:

VALUATIONS

Valuations for Accounts – Existing Use Value Social Housing

The effect of the proposed rent reductions on valuations for accounts is significant.

The scale of the effect is broadly similar across different Provider types and we estimate will result in a reduction in current values of around 25%-30%. The impact will increase in future years. Relative to what they would have been, we estimate valuations will be some 30%-40% lower in ten years time.

The RPs at the higher end of the reduction scale tend to be those with smaller surpluses.

Valuations for Loan Security – Existing Use Value for Social Housing

Valuations for loan security on an EUV-SH basis are undertaken against the background of the rent freedoms granted to mortgagees in possession (and the landlord they sell the stock to) under the

²⁶ We understand that the objective is to reduce the overall costs of Housing Benefit / Local Housing Allowance / Universal Credit to the Exchequer.

insolvency provisions originally in the Rent Influencing Guidance and now in the Rent Standard. Similar exemptions for mortgagees are contained in the Welfare Reform and Work Bill now before Parliament.

Our interpretation of these provisions is that Mortgagees and their successors would be able to charge a rent that they consider 'affordable' to those in low paid employment, and would be able to increase that rent in line with earnings in order to maintain a level affordability ratio (rent over household income). In our view valuations for loan security can therefore be based on rents and rent growth that sit outside the new rent regime.

*As a result – on the assumption that the insolvency provisions in the Bill remain as they are - it is our view that the proposal to reduced rents by 1% per annum for the next four years **should not significantly affect current loan security valuations**. Our valuations would assume the current rent could quickly converge to our opinion of an appropriate 'affordable' rent and continue to grow in line with earnings – which we generally assume over the longer term is broadly equivalent to CPI+1% - and keep in step with growth in the sector over the long term.*

However valuations in future years valuations will not grow as previously expected (eg circa 5% relative reduction by year 10) as the starting rent for future valuations will be lower than it otherwise would have been.

Of course the Budget provisions may impact on bad debts, voids and discount rates which may adversely feed through into EUV-SH valuations.

- 4.47 It is clearly necessary to reconsider the value of affordable housing. Whilst this is a rapidly changing area it is possible to make some assumptions. From a valuation perspective, we reconsidered the value of affordable housing from first principles and adjusted the yield by up to £50 (i.e. 0.5%)²⁷. We have also specifically consulted with housing associations operating in the area as well as agents acting for developers.

Social Rent

- 4.48 The value of a rented property is strongly influenced by the passing rent – although factors such as the condition and demand for the units also have a strong impact. Social Rents are set at a local level through a national formula that smooths the differences between individual properties and ensures properties by area of a similar type pay a similar rent:

Table 4.12 Social Rent (£) Fiscal Calendar 2013			
	1 Bedroom	2 Bedrooms	3+ Bedrooms
Per week	£71	£86	£96
Per Month	£307	£372	£417
Per Year	£3,684	£4,464	£5,004

Source: Table 6-12 SBC SHMA (DCA August 2013)

- 4.49 This study concerns only the value of newly built homes. In spite of the differences in rents there seems to be relatively little difference in the amounts paid by RPs for such units across the study area.

²⁷ An increase in yields leads to a reduction in prices.

4.50 In the 2007 AHVS the value of social rented housing was set out as follows:

Table 4.13 2007 Social Rent Value Assumptions £					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£45,162	£55,408	£59,433	£65,275	£73,176
2	£46,921	£56,926	£61,181	£67,253	£75,499
3	£48,681	£59,962	£64,677	£71,209	£80,145
4	£51,027	£62,998	£68,173	£75,165	£82,468
5	£53,373	£66,034	£71,669	£78,132	£82,468
6	£55,719	£69,070	£73,417	£78,132	£82,468

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.51 These equate to the following values on a £/m² basis.

Table 4.14 2007 Social Rent Value Assumptions £/m²					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£594	£644	£588	£1,280	£1,109
2	£617	£662	£606	£1,319	£1,144
3	£641	£697	£640	£1,396	£1,214
4	£671	£733	£675	£1,474	£1,250
5	£702	£768	£710	£1,532	£1,250
6	£733	£803	£727	£1,532	£1,250

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.52 We have not found evidence of significant differentiation of Social Rents across the area. In this study we have assessed the value of social rents assuming 10% management costs, 4% voids and bad debts and 6% repairs, and capitalised the income at 5.75%. It is important to note that prior to the changes in the rent regime, we would have used a yield of 5.25% rather than 5.75%.

Table 4.15 Capitalisation of Social Rents			
	1 Bedroom	2 Bedrooms	3+ Bedrooms
Gross Rent	£3,684	£4,464	£5,004
Net rent	£2,947	£3,571	£4,003
Value	£51,256	£62,108	£69,621
m ²	51	76	86
£/m²	£1,005	£817	£810

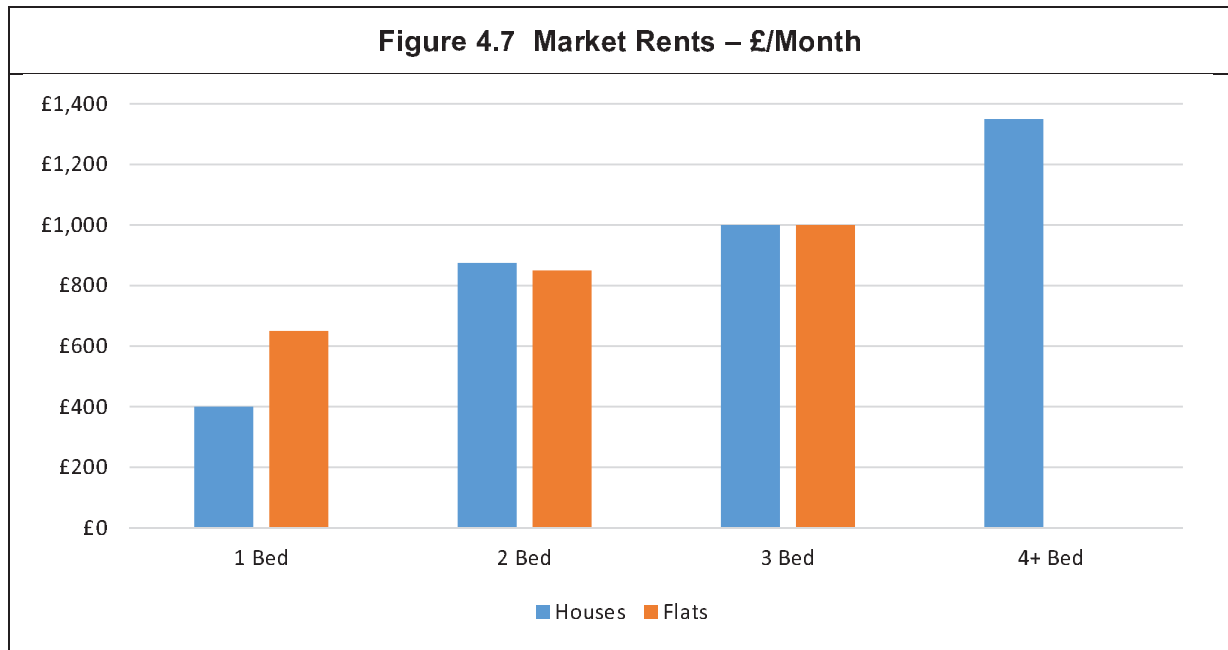
Source: HDH August 2015

- 4.53 We have assumed Social Rent has a value of £870/m² across the study area. This is a simplification of the reality but appropriate in this high level study. This represents a fall of about 10% in the value of Social Rent housing since the project started.
- 4.54 The amount of the fall is likely to depend on the scheme in question. Housing Associations have indicated that this is likely to be in the range of 3% to 15%, with the smallest falls being seen on the largest sites and the largest falls being on sites with just a few units that are relatively unattractive due to the difficulties around management.

Affordable Rent

- 4.55 The Government introduced Affordable Rent as a 'new' type of affordable housing. Under Affordable Rent a rent of no more than 80% of the open market rent for that unit can be charged. One of the aims of the Government's policy on affordable housing is to make the HCA budget go further. The Affordable Rent that is over and above the Social Rent is used by Registered Providers (RPs) to raise capital through borrowing or securitisation²⁸. This supports the building of the affordable units – the extra borrowing replacing grant.
- 4.56 The objective of Affordable Rent is that, by charging higher rents for the affordable housing, less grant and subsidy is required and thus the development of affordable housing would be self-funded as, on market housing led schemes, grant is only now available in exceptional circumstances, for example on high priority sites where there is still a funding gap after the higher affordable rent has been allowed for. We have assumed no grant will be available in the future.
- 4.57 In the development of affordable housing for rent, the value of the units is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor (or another RP) would pay for the completed unit. This will depend on the amount of the rent and the cost of managing the property (letting, voids, rent collection, repairs etc.).
- 4.58 Following discussion with the Council's housing officers, we have assumed the Affordable Rent is to be set at 80% of the full open market rent. We have assumed that, because a typical affordable rent unit will be new, it will command a premium rent that is a little higher than equivalent older private sector accommodation. In estimating the likely level of affordable rent, we have undertaken a survey of market rents across the Borough. We found relatively little variation in rents.

²⁸ The creation and issuance of tradable securities, such as bonds, that are backed by the income generated by an asset, a loan, a public works project or other revenue source. (Source FT Lexicon)



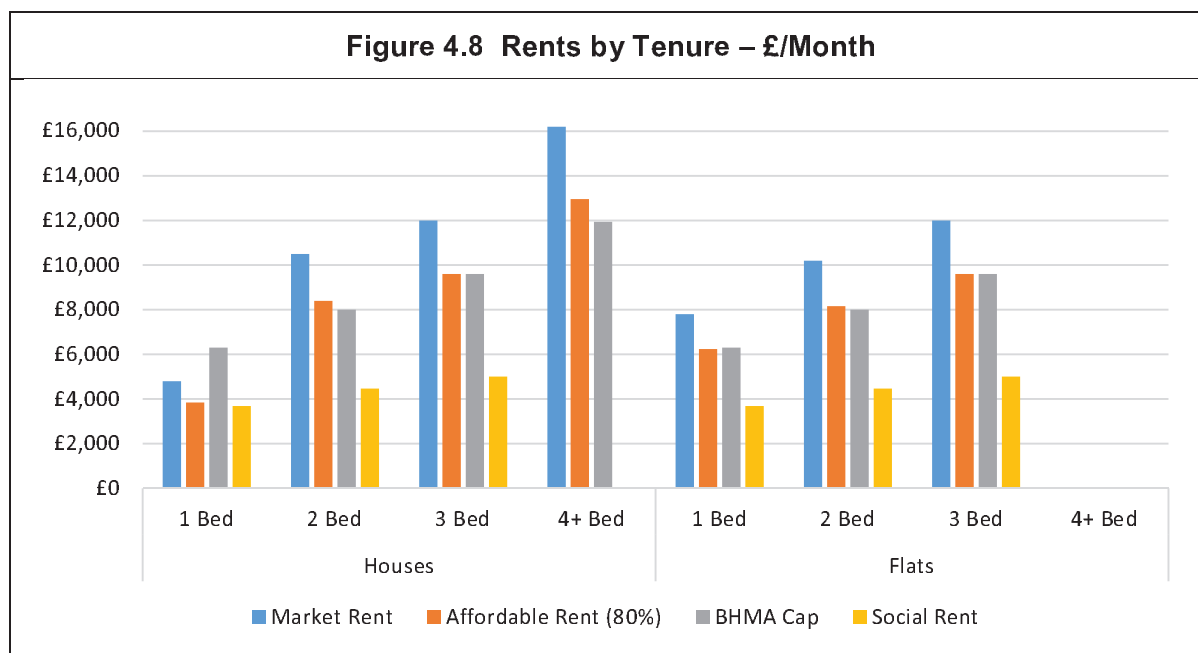
Source: Rightmove (February 2015)

4.59 As part of the reforms to the social security system, housing benefit /local housing allowance is capped at the 3rd decile of open market rents for that property type, so in practice affordable rents are unlikely to be set above these levels. The cap is set by the Valuation Office Agency by Broad Housing Market Area (BHMA) however these BHMA's do not follow local authority boundaries. The relevant BHMA LHA cap is shown below. Where this is below the level of Affordable Rent at 80% of the median rent, we have assumed that the Affordable Rent is set at the LHA Cap.

Table 4.16 Stevenage & North Herts BHMA Caps (£/month)	
Shared Accom	£300.17
1 Bedroom	£524.98
2 Bedroom	£666.60
3 Bedroom	£799.98
4 Bedroom	£995.02

Source: VOA (February 2015)

4.60 The prevailing rents can be summarised as follows and form the basis of the appraisals.



Source: Market Survey and VOA February 2015

4.61 We have assumed that affordable rent will be set at the LHA Cap in all areas. In calculating the value of affordable rents we have allowed for 10% management costs, 4% voids and bad debts and 6% repairs, and capitalised the income at 6%. On this basis affordable rented property has the following worth. It is important to note that prior to the changes in the rent regime we would have used a yield of 5.5% rather than 6%.

Table 4.17 Capitalisation of Affordable Rents				
	2 Bed		3 Bed	
	Flat	House	Flat	House
Affordable Rent (BHMA Cap)	£7,999	£7,999	£9,600	£9,600
Net Rent	£6,399	£6,399	£7,680	£7,680
Value	£106,655	£106,655	£127,996	£127,996
m ²	70	76	80	86
£/m ²	£1,524	£1,403	£1,600	£1,488

Source: HDH 2015

4.62 In the 2007 AHVS the value of intermediate rented housing was set out as follows:

Table 4.18 2007 Intermediate Rent Value Assumptions £					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£51,613	£77,419	£69,921	£89,011	£121,959
2	£58,651	£85,768	£80,409	£103,846	£134,735
3	£66,276	£94,876	£89,149	£120,659	£148,673
4	£73,314	£103,984	£99,637	£135,494	£161,450
5	£81,525	£113,092	£108,377	£152,307	£175,388
6	£89,149	£122,200	£118,865	£167,142	£189,326

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.63 These equate to the following values on a £/m² basis.

Table 4.19 2007 Intermediate Rent Value Assumptions £/m²					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£679	£900	£692	£1,745	£1,848
2	£772	£997	£796	£2,036	£2,041
3	£872	£1,103	£883	£2,366	£2,253
4	£965	£1,209	£987	£2,657	£2,446
5	£1,073	£1,315	£1,073	£2,986	£2,657
6	£1,173	£1,421	£1,177	£3,277	£2,869

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.64 In this study we have assumed a value of affordable rent of £1,440/m² which is about 10% less than previously assumed before the changes in the rent regime.

4.65 Housing Associations have indicated that whilst this valuation approach is sound, when it comes to bidding for affordable housing the relationship with market value is also important. Prior to the changes the normal range of bids for affordable rent accommodation was around 55% of open market value with, in exceptional circumstances, bids of up to 60%. Bids are anticipated to fall to be around 50%, being a fall of around 8%. This is broadly in line with the values above.

Intermediate Products for Sale

4.66 Intermediate products for sale include shared ownership and shared equity products. The market for these is slow at present and we have found little evidence of the availability of such products in the study area at the time of this study – although this is a factor of the lack of supply.

4.67 In the 2007 AHVS the value of intermediate housing was set out as follows²⁹:

Table 4.20 2007 Shared Ownership Value Assumptions £					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£85,044	£111,195	£128,042	£144,890	£171,322
2	£91,945	£119,923	£138,093	£156,263	£184,680
3	£102,052	£132,826	£152,951	£173,076	£204,425
4	£112,023	£145,729	£167,809	£190,878	£224,171
5	£121,993	£159,391	£183,541	£207,691	£243,916
6	£131,964	£172,294	£198,399	£224,504	£263,662

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.68 These equate to the following values on a £/m² basis.

Table 4.21 2007 Shared Ownership Value Assumptions £/m²					
Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£1,119	£1,293	£1,268	£2,841	£2,596
2	£1,210	£1,394	£1,367	£3,064	£2,798
3	£1,343	£1,544	£1,514	£3,394	£3,097
4	£1,474	£1,695	£1,661	£3,743	£3,397
5	£1,605	£1,853	£1,817	£4,072	£3,696
6	£1,736	£2,003	£1,964	£4,402	£3,995

Source: Figure 3 Affordable Housing Development Economics Study, Adams Integra, September 2007

4.69 We understand that these values were based on purchasers buying an initial 50% share of a property and a 2.5% per annum rent payable on the equity retained. In the 2013 CIL Viability Study the value of such units was derived assuming a 35% initial share, a rental charge of 2.75% of the retained equity. The rental income was capitalised at 5.5% having made a 10% management allowance.

²⁹ From paragraph 2.8, AHVS, Adams Integra 2011

Table 4.22 Value of Intermediate Housing			
		Flats	Housing
Market Value	Large Greenfield		£3,250
	Smaller Infill	£3,000	£2,550
	Town Centre	£2,500	
% sold (35%)	Large Greenfield		£1,138
	Smaller Infill	£1,050	£893
	Town Centre	£875	
Rent	Large Greenfield		£58
	Smaller Infill	£54	£46
	Town Centre	£45	
Value of Rent	Large Greenfield		£951
	Smaller Infill	£878	£746
	Town Centre	£731	
Value	Large Greenfield		£2,088
	Smaller Infill	£1,928	£1,638
	Town Centre	£1,606	
% OMV	Large Greenfield		64.25%
	Smaller Infill	64.25%	64.25%
	Town Centre	64.25%	

Source: HDH (February 2015)

4.70 We have assumed a value of 65% of open market value for these units.

Grant Funding

4.71 In this study we have assumed that grant is not available. It is important to note that this is a distinct difference to the approach taken in the AHVS where an assumption about grant was made in some scenarios.

Older People's Housing

4.72 Housing for older people is generally a growing sector due to the demographic changes and aging population. The sector brings forward two main types of product.

4.73 Sheltered or retirement housing is self-contained housing, normally developed as flats and other relatively small units. Where these schemes are brought forward by the private sector there are normally warden services and occasionally non-care support services (laundry, cleaning etc) but not care services.

- 4.74 Extracare housing is sometimes referred to as very sheltered housing or housing with care. It is self-contained housing that has been specifically designed to suit people with long-term conditions or disabilities that make living in their own home difficult, but who do not want to move into a residential care home. Schemes can be brought forward in the open market or in the social sector (normally with the help of subsidy).
- 4.75 Most residents are older people, but this type of housing is becoming popular with people with disabilities regardless of their age. Usually, it is seen as a long-term housing solution. Extracare housing residents still have access to means-tested local authority services.
- 4.76 The Council's SHMA has identified the need for both market and affordable older people's housing. The Council therefore asked that this study should test the viability of providing affordable housing within this sector.
- 4.77 We have received representations from the Retirement Housing Group (RHG) being a trade group representing private sector developers and operators of retirement, care and extracare homes. They have set out a case that sheltered housing and extracare housing should be tested separately. In line with the RHG representations we have assumed the price of a 1 bed sheltered property is about 75% of the price of existing 3 bed semi-detached houses and a 2 bed sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition we have assumed extracare housing is 25% more expensive than sheltered.
- 4.78 We have assumed a typical price of a 3 bed semi-detached home of £275,000. On this basis we have assumed retirement and extracare housing has the following worth:

Table 4.20 Worth of Sheltered and Extracare			
	Area (m ²)	£	£/m ²
3 bed semi-detached		275,000	
1 bed Sheltered	50	206,250	4,125
2 bed Sheltered	75	275,000	3,667
1 bed Extracare	65	257,813	3,966
2 bed Extracare	80	343,750	4,297

Source: HDH (May 2015)

- 4.79 We have considered the value of the units where provided as affordable housing. We have not been able to find any direct comparables where housing associations have purchased social units in a market led extracare scheme. We have consulted private sector developers of extracare housing. They have indicated that whilst they have never disposed of any units in this way they would expect the value to be in line with other affordable housing – however they stressed that the buyer (be that the local authority or housing association) would need to undertake to meet the full service and care charges.
- 4.80 In practice we believe that it is unlikely that a private sector developer would develop extracare housing where some of it is affordable housing. It is more likely that a scheme will be

developed by or for a Registered Provider. We have assumed that in such a case the affordable extracare housing is valued, as for affordable rent, at 55% of the market value.

5. Non-Residential Property Market

- 5.1 This chapter sets out an assessment of the markets for non-residential property, providing a basis for the assumptions of prices to be used in financial appraisals for the sites tested in the study.
- 5.2 The CIL Regulations and CIL Guidance require the use of existing available evidence and for the viability testing to be appropriate to the likelihood of raising CIL. There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward – or which, for that matter, are unlikely to be viable.
- 5.3 Although development schemes do have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions will broadly reflect a combination of national economic circumstances and local supply and demand factors, however even within a town there will be particular localities, and ultimately site specific factors, that generate different values and costs.

Stevenage Overview

- 5.4 The various non-residential markets in the Borough area reflect national trends, but there are local factors that underpin the market. The area is served by the A1(M) motorway and the East Coast mainline. The larger scale non-residential development tends to be focused on the two main employment areas of Gunnels Wood and Pin Green and in the town centre. The principal sites where new development are likely to take place are at Gunnels Wood and the areas to the north and northwest of the town.
- 5.5 The town centre has two distinct parts. The first is the Stevenage Old Town focusing on the High Street. This has a range of traditional town centre shops and restaurants. The second is the Town Centre being focused on the Westgate Shopping Centre and the areas surrounding it. This has a range of national chain shops as well as some local operators. In addition, the Roaring Meg Retail Park, to the south of the town centre has a wide range of out-of-town / retail warehouse type units.
- 5.6 Immediately to the west and south of the station lies the Leisure Park with a large multiplex cinema and various retail outlets.
- 5.7 We have considered the different elements in further detail below. **Appendix 5** includes a selection of non-residential properties currently available (February 2015) in and around the Borough.

Employment Uses.

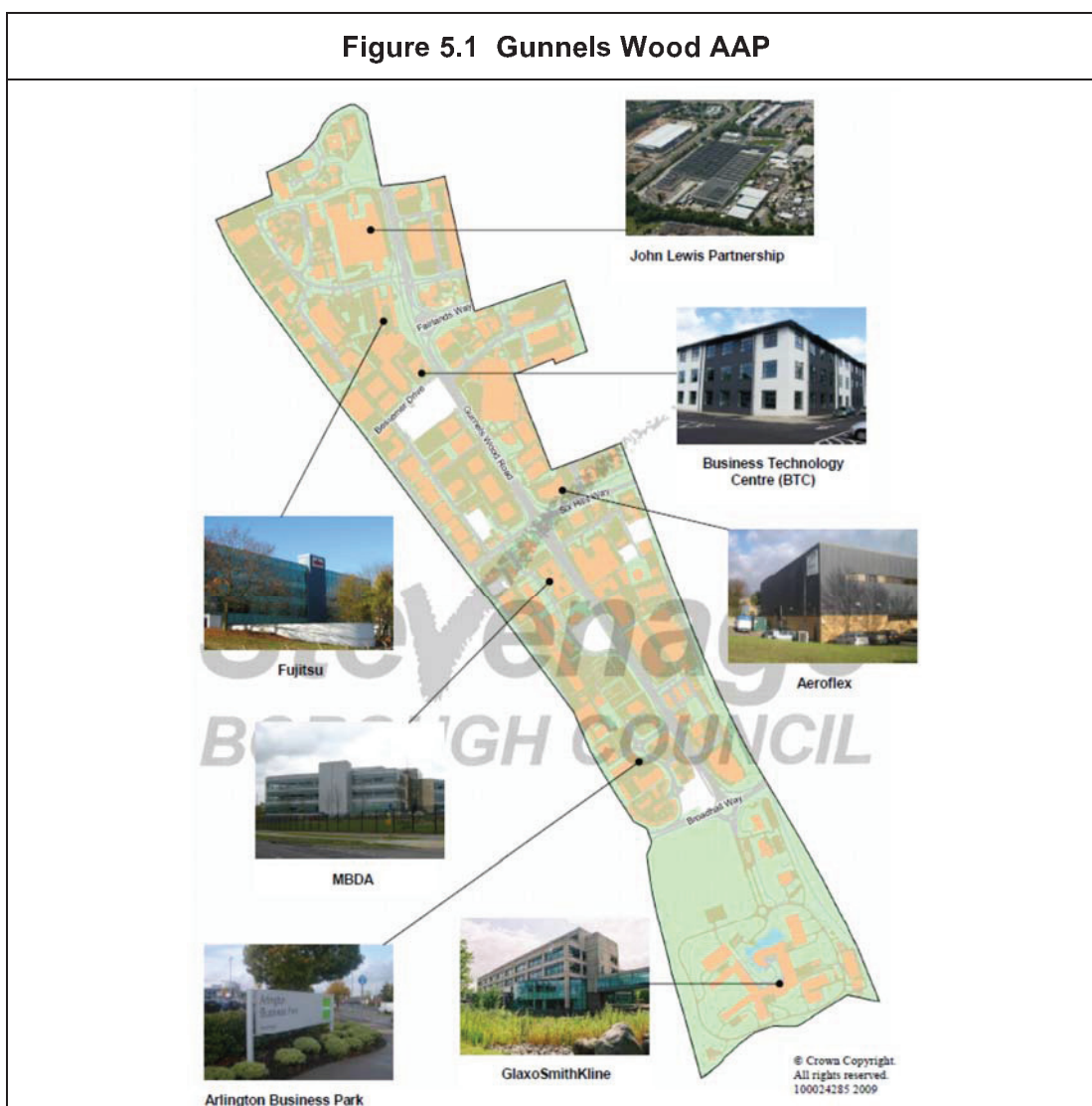
- 5.8 The main employment uses are currently focused on Gunnels Wood and to a lesser extent Pin Green. Future development is likely to be within these sites or 'out of area'.

- a. **Gunnels Wood.** This site is described in the 2013 Stevenage Employment & Economy Baseline Study (NLP) as follows:

Nearly 80% of the employment land in Stevenage is located within Gunnels Wood, originally designated for employment in the first masterplan for the New Town and now the largest employment area in the County. The remaining employment space is largely distributed between Pin Green, the Town Centre and the Old Town (Table 3.1).

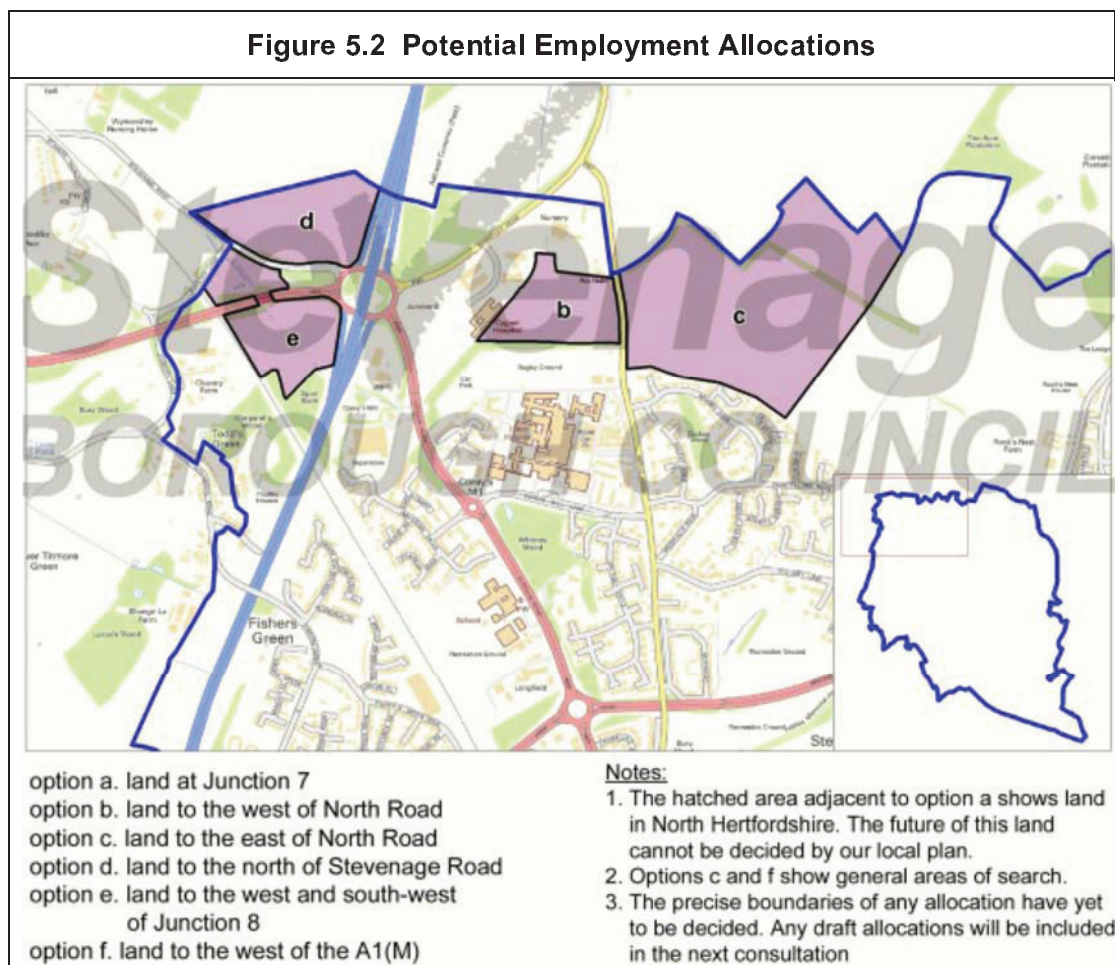
Gunnels Wood employment area provides more modern, good quality office accommodation at competitive rents, meeting demand from firms at the lower/smaller end of the market. An example of a recent development (completed earlier in 2012) is Gateway 1000 which provides small units located on a high profile site (Arlington Business Park) adjacent to Junction 7 of the A1. Feedback from agents suggests that about 80% of these units have either been let or sold. Newer developments such as this are taking what limited demand there is for office space away from older developments such as Meadway Court/Corporate Centre (to the north of Gunnels Wood) which tend to be more fragmented/open plan and are comparatively less attractive to occupiers.

The area has previously been subject to a draft Area Action Plan (which will be subsumed into the new Local Plan). The following plan taken from the Draft AAP documents and shows the key element of the site:



Source: Map 2 Gunnels Wood DRAFT AAP

- b. **Pin Green.** This area is to the north east of Stevenage and was developed in the 1960s and 1970s and is the second largest employment area in the town. Generally the units are smaller and less expensive than at Gunnels Wood. The occupiers of the units tend to be small and medium sized businesses.
- c. **Other Areas.** There are several smaller sites through the rest of the town although it is not anticipated that these will be expanded. The First Consultation – June 2013 Document includes several potential employment sites. A number of these have subsequently been declared unavailable or are being promoted and considered for alternate land uses:



Source: Page 83 The First Consultation – June 2013

Offices

- 5.9 The market in the town is segmented. Generally existing, better quality office space is being let in the range of £120/m² to £150/m² depending on the availability of carparking and the general condition of the offices. In some cases lower rents are available – however such units are not representative of likely future development, being over shops and the like.
- 5.10 The best office space in Gunnels Wood, that would be representative of new development, is in the range of £140/m² to £180/m² and is likely to be at or around £150/m², although this is

somewhat higher than the assumption used in the April 2013 CIL Viability Study by BNP Paribas.

- 5.11 **Appendix 6** includes data of recent transactions for Stevenage and a 5 mile radius (to include Hitching and Lechworth). It is important to note that the majority of these relate to older property rather than new lets or sales.
- 5.12 The capital value of offices is dependent on a range of factors including the quality of the tenant, the terms of the letting, the flexibility of the accommodation as well as the passing rent, location of the building. Typically yields are in the range of 5.25%³⁰ for the best units to 9% or 10% for units that are less attractive to investors. We have assumed 7.5% yield in the appraisals.

Industrial and Distribution

- 5.13 The market for industrial space varies in a similar way to office space. The rents for good quality modern industrial buildings are generally in the range of £50/m² to £60/m². For less good space rents are as low as £30/m² – although these should be considered exceptional. Generally, and very dependent on the quality and situation of the building, rents are about £60/m².
- 5.14 Rents for distribution uses are generally in line with those for industrial uses.
- 5.15 **Appendix 6** includes data of recent transactions for Stevenage and a 5 mile radius (to include Hitching and Letchworth). It is important to note that the majority of these relate to older property rather than new lets or sales.
- 5.16 As with the office sector, the capital value of industrial space is dependent on a range of factors including the quality of the tenant, the terms of the letting, and the flexibility of the accommodation as well as the passing rent and location of the building. Typically yields are in the range of 5.25% for large units to 9% or 10% for older units that are less attractive to investors. We have assumed 7.5% yield for industrial uses in the appraisals. Initially we assumed that the yields for distribution uses tend to be a little lower than for industrial uses at 7%. At the consultation event it was noted that there are very few distribution uses in or around Stevenage and it would be more appropriate to use the 7.5% assumption for this use.

Retail

- 5.17 Activity in the retail property market is highly concentrated in the Town Centre, although there has also been some activity at the Roaring Meg Retail Park. Rents for small units in the Town Centre are currently as high as £400/m², however these tend to be existing units on upwards only rent reviews that were let before the downturn. For new lets in either the Old Town or the

³⁰ The capitalisation of rents using the yields and Year's Purchase is widely used by Chartered Surveyors and others. The Year's Purchase is the factor by which the rent is multiplied to calculate the capital value (calculated at 1/yield).

Town Centre new lets for well-placed units are likely to be in the region of around £250/m² to £300/m², although we are aware of several units being let at over £500/m². Less well placed units and those in the neighbourhood centres will be less than this at around £200/m².

- 5.18 Central Stevenage is not an attractive place for retail investment at the current time, so yields tend to be relatively high at about 8% - although these are likely to fall if the regeneration initiatives in this area are successful.
- 5.19 We have given consideration to supermarkets and retail warehouses. There is little local evidence that is publically available relating to these in the Borough, however drawing on our wider experience we have assumed supermarket rents of £180/m² with a yield of 6.0%. This yield is somewhat higher than we would have used a year or so ago and the rent somewhat lower. These reflect the current challenges facing the traditional supermarket operators. We have compared these figures with information from CoStar for 36 sales across Bedfordshire, Hertfordshire, Cambridgeshire and Essex. These indicate a wide range of values, but support this assumption.
- 5.20 As well as mainstream supermarkets we have considered the smaller units developed by operators such as Lidl and Aldi, in this case we have assumed a rent of £140/m² and a 6.0% yield.
- 5.21 In the case of retail warehouses we have assumed a rent of £140/m² and a yield of 6.5%.
- 5.22 **Appendix 6** includes data of recent transactions for Stevenage and a 5 mile radius (to include Hitching and Letchworth). It is important to note that the majority of these relate to older property rather than new lets or sales.

Hotels

- 5.23 As well as the above development types we have assumed a rental of £3,750/room/year for newbuild hotels to apply across the area. Assuming a yield of 6.5%, this equates to a value of about £2,150/m². It is important to note that this study is only concerned with newbuild hotels.

Appraisal Assumptions

- 5.24 There is a very great variance in the levels of rents and values. We have used the following rents and yields in reaching our views about commercial capital values:

Table 5.1 Non-Residential Values (£/m²)				
		Rent	Yield	
Employment	Offices	£150	7.50%	£2,000
	Industrial	£60	7.50%	£800
	Distribution	£60	7.00%	£857
Retail	Shops - Central	£300	8.00%	£3,750
	Shops - Other	£200	8.00%	£2,500
	Supermarkets	£180	6.00%	£3,000
	Smaller supermarkets	£140	6.00%	£2,333
	Retail warehouse	£140	6.50%	£2,154
Hotels				£2,150

Source: HDH 2015

- 5.25 The above assumptions were presented to stakeholders and have been adjusted to reflect the comments. In the appraisals we have used a similar figure of £850/m² for both industrial and distribution uses.

6. Land Prices

- 6.1 In Chapters 2 and 3 we set out the methodology used in this study to assess viability. An important element of the assessment, under both sets of guidance, is the value of the land. Under the method recommended in the Harman Guidance, the worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the Existing Use Value (EUV) or Alternative Use Value (AUV). We use this as the starting point for the assessment as this is one of the key variables in the financial development appraisals.
- 6.2 In this chapter we have considered the values of different types of land. The value of land relates closely to the use to which it can be put and will range considerably from site to site; however, as this is a high level study, we have looked at the three main uses: agricultural, residential and industrial. We have then considered the amount of uplift that may be required to ensure that land will come forward and be released for development.

Current and Alternative Use Values

- 6.3 In order to assess development viability, it is necessary to analyse current and alternative use values. Current or Existing Use Values (EUV) refer to the value of the land in its current use before planning consent is granted, for example, as agricultural land. Alternative Use Values (AUV) refer to any other potential use for the site. For example, a brownfield site may have an alternative use as industrial land.
- 6.4 The PPG includes a definition of land value as follows:

Land Value

Central to the consideration of viability is the assessment of land or site value. The most appropriate way to assess land or site value will vary but there are common principles which should be reflected.

In all cases, estimated land or site value should:

- reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- provide a competitive return to willing developers and land owners (including equity resulting from those building their own homes); and*
- be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise.*

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- 6.5 It is important to fully appreciate that land value should reflect emerging policy requirements and planning obligations. When considering comparable sites, the value will need to be adjusted to reflect this requirement.
- 6.6 To assess viability, the value of the land for the particular scheme needs to be compared with the AUV, to determine if there is another use which would derive more revenue for the landowner. If the Residual Value does not exceed the AUV, then the development is not

viable; if there is a surplus (i.e. profit) over and above the 'normal' developer's profit having paid for the land, then there is scope to pay CIL.

6.7 For the purpose of the present study, it is necessary to take a comparatively simplistic approach to determining the AUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis the outcome might still be contentious.

6.8 Our 'model' approach is outlined below:

- i. For sites previously in agricultural use, then agricultural land represents the EUV. We have assumed that the sites of 0.5ha or more fall into this category.
- ii. For paddock and garden land on the edge of or in a smaller settlement we have adopted a 'paddock' value. We have assumed the sites of less than 0.5ha fall in this category.
- iii. Where the development is on brownfield land we have assumed an industrial value.

Residential Land

6.9 We have considered general figures from the Valuation Office Agency (VOA) relating to residential land values. Land values vary dramatically depending upon the development characteristics (size and nature of the site, density permitted etc.) and any affordable or other development contribution.

6.10 The VOA published figures for residential land in the Property Market Report. These cover areas which generate sufficient activity to discern a market pattern. Whilst not very local we have figures for Birmingham, Leicester and Cambridge. These values can only provide broad guidance, they can therefore be only indicative, and it is likely that values for 'oven ready' land (i.e. land with planning consent and ready for immediate building) with no affordable provision or other contribution, or servicing requirement, are in fact higher.

Table 6.1 Residential Land Values at January 2011 Bulk Land	
Suburban Site 0.5ha £/ha (£/acre)	
Birmingham	1,235,000 (500,000)
Leicester	1,580,000 (639,000)
Cambridge	2,900,000 (1,173,000)

Source: VOA Property Market Report 2011

6.11 The values in the Property Market Report are based on the assumption that land is situated in a typically average greenfield edge of centre/suburban location for the area and it has been assumed that services are available to the edge of the site and that it is ripe for development with planning permission being available. The values provided assume a maximum of a two

storey construction with density, S106 provision and affordable housing ratios to be based on market expectations for the locality. The report cautions that the values should be regarded as illustrative rather than definitive and represent typical levels of value for sites with no abnormal site constraints and a residential planning permission of a type generally found in the area. It is important to note that these values are net – that is to say they relate to the net developable area and do not take into account open space that may form part of the scheme.

- 6.12 It should be noted that the above values will assume that grant was available to assist the delivery of affordable housing. This grant is now very restricted so these figures should be given limited weight. Further due to the date of the report, these values are before the introduction of CIL, so do not reflect this new charge on development. As acknowledged by the RICS Guidance, a new charge such as CIL will inevitably have an impact (a negative one) on land values.
- 6.13 More recently (February 2014) DCLG published *Land value estimates for policy appraisal*³¹. This sets out land values as at January 2014 and was prepared by the VOA. The Stevenage figure is £2,480,000/ha. It is important to note this figure assumes nil affordable housing. As stressed in the paper, this is a hypothetical situation and ‘the figures on this basis, therefore, may be significantly higher than could be reasonably obtained in the actual market’³².
- 6.14 The Valuation Office Agency assumed that each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available; the site will have a net developable area equal to 80% of the gross area. For those local authorities outside London, the hypothetical scheme is for a development of 35 two storey, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
- 6.15 We also sought information about values from residential land currently on sale in the Borough. None is being publicly marketed at the time of this study (early 2015).
- 6.16 In the 2013 CIL Viability Study, benchmark residential land values were assumed to be £725,000/ha. It was noted that HCA Area Wide Viability Model Annex 1 “Transparent Viability Assumptions” (August 2010) Consultation Version suggested a benchmark of between 10 and 20 times agricultural value.
- 6.17 It is necessary to make an assumption about the value of residential land. We initially assumed a value of £600,000/ha (net) for residential land. This amount is on a net basis so does not include the areas of open space. It is inevitable that CIL will depress land prices somewhat (as recognised by the Greater Norwich CIL Inspector).

³¹ Land value estimates for policy appraisal. Department for Communities and Local Government, February 2015

³² Point 2, Page 14, Land value estimates for policy appraisal. DCLG, February 2015

- 6.18 This assumption was discussed at the consultation event held on 27th March 2015 and was considered to be too low. A range of alternatives were suggested, including that the assumption should be doubled. We have discussed this further towards the end of this chapter.

Industrial Land

- 6.19 The VOA's typical industrial land values for the nearby locations are set out in the table below.

Table 6.2 Industrial land values £/ha (/acre)	
Birmingham	650,000 (260,000)
Leicester	400,000 (162,000)
Cambridge	740,000 (300,000)

Source: VOA Property Market Report 2011

- 6.20 The figures in the above table reflect the downturn in values from 2008.
- 6.21 In the CIL 2013 Viability Study it was assumed that industrial land had a value of £705,000/ha. We have undertaken a market survey and there is a considerable variation in the prices and we believe that this is at the upper end of the range. Based on this we have assumed figures of £600,000/ha (£243,000/acre) for the study area.

Agricultural and Paddocks

- 6.22 Agricultural values rose for a time several years ago after a long historic period of stability. Values are around £15,000 - £25,000/ha depending upon the specific use. A benchmark of £25,000/ha is assumed to apply here.
- 6.23 Sites on the edge of a town or village may be used for an agricultural or grazing use but have a value over and above that of agricultural land due to their amenity use. They are attractive to neighbouring households for pony paddocks or simply to own to provide some protection and privacy. We have assumed a higher value of £50,000/ha for village and town edge paddocks.
- 6.24 This assumption was discussed at the consultation event and agreed to be appropriate.

Use of Alternative Use Benchmarks

- 6.25 The results from appraisals are compared with the Alternative Use Values set out above in order to form a view about each of the sites' viability. This is a controversial part of the viability process and the area of conflicting guidance (the Harman Guidance verses the RICS Guidance). In the context of this report it is important to note that it does not automatically follow that, if the Residual Value produces a surplus over the Existing Use Value (EUV) or

Alternative Use Value (AUV) benchmark, the site is viable. The land market is more complex than this and as recognised by paragraph 173 of the NPPF, the landowner and developer must receive a 'competitive return'. The phrase *competitive return* is not defined in the NPPF, nor in the Guidance.

- 6.26 Competitive return has not been fully defined through planning appeals and the court system³³. The RICS Guidance includes the following definition:

Competitive returns - A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

- 6.27 The PPG includes the following section:

Competitive return to developers and land owners

The National Planning Policy Framework states that viability should consider "competitive returns to a willing landowner and willing developer to enable the development to be deliverable." This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible.

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

PPG ID: 10-015-20140306.

- 6.28 Whilst this is useful it does not provide any guidance as to the size of that return. To date there has been much discussion within the industry and amongst planners as to what may and may not be a competitive return, as yet the term has not been given a firm definition through the appeal, planning examination or legal processes. The Shinfield appeal (January 2013) does shed some light on this. We have copied a number of key paragraphs below as, whilst these do not provide a strict definition of competitive return, the inspector (Clive Hughes BA (Hons) MA DMS MRTPI) does set out his analysis clearly. The following paragraphs are necessarily rather long however as they are the only current steer in this regard we have included all that are relevant.

38. Paragraph 173 of the Framework advises that to ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer

³³ In this context the following CIL Examination are relevant. Mid Devon District Council by David Hogger BA MSc MRTPI MCIHT, Date: 20 February 2013 and Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council. by Keith Holland BA (Hons) Dip TP, MRTPI ARICS Date: 4 December 2012

to enable the development to be deliverable. The Framework provides no advice as to what constitutes a competitive return; the interpretation of that term lies at the heart of a fundamental difference between the parties in this case. The glossary of terms appended to the very recent RICS guidance note Financial viability in planning (RICS GN) says that a competitive return in the context of land and/ or premises equates to the Site Value (SV), that is to say the Market Value subject to the assumption that the value has regard to development plan policies and all other material considerations and disregards that which is contrary to the development plan. It is also the case that despite much negotiated agreement, in respect of calculating the viability of the development, other significant areas of disagreement remain.

Competitive return

64. Determining what constitutes a competitive return inevitably involves making a subjective judgement based upon the evidence. Two very different viewpoints were put forward at the Inquiry with the appellants seeking a land value of £4,750,000 which is roughly the mid-point between the EUV/CUV and the RLV with planning permission for housing and no obligations. This ties in with the 50:50 split between the community and the landowner sought by the appellants. The Council considered that a sum of £1.865m would ensure a competitive return; that is to say the Council's calculation of the EUV/CUV.

65. Paragraph 173 of the Framework says that the costs of any requirements should provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable. The paragraph heading is "Ensuring viability and deliverability"; it is clear that its objective is to ensure that land comes forward for development. I am not convinced that a land value that equates to the EUV/CUV would provide any incentive to the landowner to sell the site. Due to the particular circumstances of this site, including the need to remediate the highly significant level of contamination, such a conclusion would not provide any incentive to the landowner to carry out any remediation work. There would be no incentive to sell the land and so such a low return would fail to achieve the delivery of this site for housing development. In these circumstances, and given the fact that in this case only two very different viewpoints on what constitutes a competitive return have been put forward, the appellants' conclusions are to be preferred. In the scenario preferred by the Council, I do not consider that the appellants would be a willing vendor.

Viable amount of Affordable Housing

66. The RICS GN says that any planning obligations imposed on a development will need to be paid out of the uplift in the value of the land but it cannot use up the whole of the difference, other than in exceptional circumstances, as that would remove the likelihood of land being released for development. That is exactly what is at issue here in that the Council's valuation witness, in cross examination, stated that a landowner should be content to receive what the land is worth, that is to say the SV. In his opinion this stands at £1.865m. I accept that, if this figure was agreed (and it is not), it would mean that the development would be viable. However, it would not result in the land being released for development. Not only is this SV well below that calculated by the appellants, there is no incentive to sell. In short, the appellants would not be willing landowners. If a site is not willingly delivered, development will not take place. The appellants, rightly in my opinion, say that this would not represent a competitive return. They argue that the uplift in value should be split 50:50 between the landowner and the Council. This would, in this instance, represent the identified s106 requirements being paid as well as a contribution of 2% of the dwellings as affordable housing.

70. I conclude on this issue that, allowing the landowner a competitive return of 50% of the uplift in value, the calculations in the development appraisal allowing for 2% affordable housing are reasonable and demonstrate that at this level of affordable housing the development would be viable (Document 26). The only alterations to these calculations are the relatively minor change to the s106 contribution to allow for a contribution to country parks and additions to the contributions to support sustainable modes of travel. These changes would have only a limited impact on the return to the landowner. The development would remain viable and I am satisfied that the return would remain sufficiently competitive to enable the land to come forward for development. Overall, therefore I conclude that the proposed amount of affordable housing (2%) would be appropriate in the context of the viability of the development, the Framework, development plan policy and all other material planning considerations.

- 6.29 More recently, further clarification has been added in the Oxenholme Road appeal (October 2013). The inspector confirmed that the principle set out in Shinfield is very site specific and should only be given limited weight. At Oxenholme Road the inspector said:

47. The parties refer to an appeal decision for land at Shinfield, Berkshire, which is quoted in the LADPD Viability Study. However, little weight can be given to that decision in the present case, as the nature of the site was quite different, being partly previously developed, and the positions taken by the parties on the proportion of uplift in site value that should be directed to the provision of affordable housing were at odds with those now proposed. There is no reason in the present case to assume that either 100% or 50% of the uplift in site value is the correct proportion to fund community benefits.

48. Both the RICS Guidance Note and the Harman report comment on the danger of reliance on historic market land values, which do not take adequate account of future policy demands.....

- 6.30 It is clear that for land to be released for development, the uplift over the existing use value needs to be sufficiently large to provide an incentive to the landowner to release the site and cover any other appropriate costs required to bring the site forward for development. It is therefore appropriate and an important part of this assessment to have regard to the market value of land as it stands. However the Shinfield appeal was determined on the specific circumstances that were put forward to the inspector. Whilst it sets out an approach it does not form a binding precedent, appeals will continue to be determined on the facts that relate to the particular site in question. At Shinfield the inspector only considered the two approaches put to him and did not consider the landowners' competitive return in any other ways. The appellant's method and approach was preferred to the Council's – but it should not be considered to be the only acceptable approach.
- 6.31 The RICS Guidance recognises that the value of land will be influenced by the requirements imposed by planning authorities. It recognises that the cost to the developer of providing affordable housing, building to increased environmental standards, and paying CIL, all have a cumulative effect on viability and are reflected in the ultimate price of the land. A central question for this study is at what point do the requirements imposed by the planning authorities make the price payable for land so unattractive that the land does not provide a competitive return to the landowner, and so does not induce the owner to make the land available for development.
- 6.32 The reality of the market is that each and every landowner has different requirements and different needs and will judge whether or not to sell by their own criteria. We therefore have to consider how large such an 'uplift' or 'cushion' should be for each type of site to broadly provide a competitive return. The assumptions must be a generalisation as in practice the size of the uplift will vary from case to case depending on how many landowners are involved, each landowner's attitude and their degree of involvement in the current property market, the location of the site and so on. An 'uplift' of, say, 5% or £25,000/ha might be sufficient in some cases, whilst in a particular case it might need to be five times that figure, or even more.
- 6.33 We have assumed that the Viability Threshold (being the amount that the Residual Value must exceed for a site to be viable) of the EUV / AUV plus a 20% uplift on all sites would be sufficient. This is supported both by work we have done elsewhere and by appeal decisions (see Chapter 2). Based on our knowledge of rural development, and from working with farmers, landowners

and their agents, we have made a further adjustment for those sites coming forward on greenfield land. We added a further £350,000/ha (£141,000/acre) to reflect this premium. We also added this amount to sites that were modelled on land that was previously paddock. We fully accept that this is a simplification of the market, however in a high level study of this type that is based on modelled sites, simplifications and general assumptions need to be made.

- 6.34 These assumptions were presented to stakeholders on 27th March 2015. The consensus was that 'existing use plus' is an appropriate methodology to use. One consultee suggested that they had seen a 25% uplift being used elsewhere, but did not advocate its use here.
- 6.35 This methodology does reflect a very considerable uplift for a landowner selling a greenfield site with consent for development³⁴. In the event of the grant of planning consent they would receive over ten times the value compared with before consent was granted. This approach is the one suggested in the Harman Guidance (see Chapter 2 above) and by the Planning Advisory Service (PAS). The approach was endorsed by the Planning Inspector who approved the London Mayoral CIL Charging Schedule in January 2012³⁵.
- 6.36 We have considered how these amounts relate to prices for land in the market (see above) and with a view to providing competitive returns to the land owner. Whilst there are certainly land transactions at higher values than these, we do believe that these are appropriate for a study of this type.
- 6.37 It is useful to consider the assumptions used in other studies in other parts of England. We have reviewed viability thresholds used by other councils in England in development plans approved during the first half of 2014. These are set out in the table below.

³⁴ See Chapter 2 for further details and debate around EUV plus v Market Value methodologies.

³⁵ Paragraphs 7 to 9 of REPORT ON THE EXAMINATION OF THE DRAFT MAYORAL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE by Keith Holland BA (Hons) DipTP MRTPI ARICS an Examiner appointed by the Mayor Date: 27th January 2012

Table 6.3 Viability thresholds used elsewhere	
Local Authority	Threshold Land Value
Babergh	£370,000/ha
Cannock Chase	£100,000-£400,000/ha
Christchurch & East Dorset	£308,000/ha (un-serviced)
	£1,235,000/ha (serviced)
East Hampshire	£450,000/ha
Erewash	£300,000/ha
Fenland	£1-2m/ha (serviced)
GNDP	£370,000-£430,000/ha
Reigate & Banstead	£500,000/ha
Stafford	£250,000/ha
Staffordshire Moorlands	£1.26-£1.41m/ha (serviced)
Warrington	£100,000-£300,000/ha

Source: Planning Advisory Service (collated by URS) July 2014

- 6.38 Care has to be taken drawing on such general figures without understanding the wider context and other assumptions in the studies but generally the assumption used in this work are within the range.
- 6.39 There is no doubt that CIL will be an additional cost on some development sites, and that some sites may not be able to bear the costs of all the requirements a planning authority makes – such as delivering affordable homes and higher environmental standards. This is noted in the RICS Guidance which recognises that there may well be a period of adjustment in the price of land following the introduction of CIL.
- 6.40 Having considered representations through the consultation process, in this study we have assumed alternative land prices of:
- i. Agricultural Land £25,000/ha
 - ii. Paddock Land £50,000/ha
 - iii. Industrial Land £600,000/ha
 - iv. Residential Land £1,000,000/ha (net) (being an increase from £600,000/ha)
- 6.41 During the consultation process various ways of assessing viability were discussed, with one consultee highlighting the roles of land promoters and the need for appropriate regard being given with reference to a discount of 10% to 20%.
- 6.42 On reflection we have assumed a dual viability test. On all sites we have assumed the following Viability Thresholds:
- i. Agricultural Land £25,000/ha plus £400,000 – assessed on a gross basis.

- ii. Paddock Land £50,000/ha plus £400,000 – assessed on a gross basis.
- iii. Industrial Land £600,000/ha plus 25% – assessed on a gross basis.
- iv. Town Centre Land £1,000,000/ha

- 6.43 As a second test we have also considered the Residual Value on a net developable area basis. It is clear that landowners consider land values on a gross basis (i.e. the amount of land they would sell) and developers on a net basis (i.e. the area on which they could build houses). On all sites we have considered a second Viability Threshold of £750,000/net developable ha.
- 6.44 We accept that the transactional evidence to support these assumptions is thin – but very little residential land has been transacted recently within the area.
- 6.45 In the case of non-residential uses we have taken a similar approach to that taken with residential land except in cases where there is no change of use. Where industrial land is being developed for industrial purposes we have assumed a Viability Threshold of the value of industrial land.

7. Appraisal Assumptions – Development Costs

- 7.1 This chapter considers the costs and other assumptions required to produce financial appraisals for the development sites and typologies. These assumptions were presented to stakeholders at the 27th March 2015 consultation event. On the whole these were considered to be appropriate, however we have commented where changes were suggested.

Development Costs

Construction costs: baseline costs

- 7.2 We have based the cost assumptions on the Building Cost Information Service (BCIS)³⁶ data – using the figures re-based for Stevenage. There has been an increase in construction costs since the earlier viability work and this is an important area of change.
- 7.3 The cost figure for 'Estate Housing – Generally' is £995/m² at the time of this study³⁷.
- 7.4 In August 2015 a report was published that considered the construction costs on smaller sites. *Housing development: the economics of small sites – the effect of project size on the cost of housing construction* (August 2015) was carried out by BCIS, having been commissioned by the Federation of Small Businesses. This study concluded that the construction price for schemes of 1 to 5 units was about 13% higher than the for schemes of over 10 units and that the construction price for schemes of 1 to 10 units was about 6% higher than the for schemes of over 10 units. These adjustments have been made to the smallest schemes modelled in this report.
- 7.5 At this stage the Council has not reached a decision in relation to policies relating to the construction and environmental standards of new buildings. The base assumption in this report is that homes are built to the basic Building Regulation Part L 2010 Standards but not to higher environmental standards.
- 7.6 The exception to this is in relation to water standards where the Council anticipates that the Environment Agency will be requesting the Council to pursue a higher water standard.
- 7.7 The Department for Communities and Local Government (DCLG) publishes occasional reviews of the costs of building to the Code for Sustainable Homes (CfSH). Whilst the CfSH is not being pursued as a result of the Standards Review, these provide useful guidance as to the costs of the implementation of the various environmental standards. Bearing in mind the move towards higher standards with the amendments to Building Regulations, we have

³⁶ BCIS is the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

³⁷ BCIS Rebased to Stevenage £/m² study, Rate per m² gross internal floor area for the building cost including prelims. Last updated: 07-Mar-2015

referred to *Cost of building to the Code for Sustainable Homes, Updated cost review. (DCLG, Aug 2011)*. The national policies in relation to climate change and overall national minimum building standards have been clarified and not all the requirements of CfSH Level 4 will become mandatory (and are not a requirement of the emerging Local Plan). Having said this environmental standards are increasing.

- 7.8 Based on the best currently available information, the costs of building to the now clarified, enhanced building standards is estimated to be between 1% and 2% of the BCIS costs. In this viability assessment, we have used the median BCIS costs. For residential property this has been increased by 1.5% to reflect the increases in environmental standards contained in the Building Regulations.
- 7.9 We have assumed that all new non-residential development is built to the BREEAM Very Good standard. We have assumed the additional cost of this is negligible as outlined in recent research³⁸ by BRE.

Construction costs: site specific adjustments

- 7.10 It is necessary to consider whether any site specific factors would suggest adjustments to these baseline cost figures. During the mid-1990s, planning guidance on affordable housing was based on the view that construction costs were appreciably higher for smaller sites with the consequence that, as site size declined, an unchanging affordable percentage requirement would eventually render the development uneconomic. Hence the need for a 'site size threshold', below which the requirement would not be sought.
- 7.11 It is not clear to us that this view is completely justified. Whilst, other things being held equal, build costs would increase for smaller sites, other things are not normally equal and there are other factors which may offset the increase. The nature of the development will change. The nature of the developer will also change as small local firms with lower central overheads replace the regional and national house builders. Furthermore, very small sites may be able to secure a 'non-estate' price premium.

Construction costs: affordable dwellings

- 7.12 The procurement route for affordable housing is assumed to be through construction by the developer and then disposal to a housing association on completion. In the past, when considering the build cost of affordable housing provided through this route, we took the view that it should be possible to make a saving on the market housing cost figure, on the basis that one might expect the affordable housing to be built to a slightly different specification than market housing. However, the pressures of increasingly demanding standards for housing association properties have meant that, for conventional schemes of houses at least, it is no longer appropriate to use a reduced build cost; the assumption is of parity.

³⁸ Delivering sustainable buildings: Savings and payback. Yetunde Abdul, BRE and Richard Quartermaine, Sweett Group. Published by IHS BRE Press, 7 August 2014

Other normal development costs

- 7.13 In addition to the BCIS £/m² build cost figures described above, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping and other external costs). Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. This is not practical within this broad brush study and the approach taken is in line with the PPG and the Harman Guidance.
- 7.14 Nevertheless, it is possible to generalise. Drawing on experience and the comments of stakeholders it is possible to determine an allowance related to total build costs. This is normally lower for higher density than for lower density schemes since there is a smaller area of external works, and services can be used more efficiently. Large greenfield sites would also be more likely to require substantial expenditure on bringing mains services to the site.
- 7.15 In the light of these considerations we have developed a scale of allowances for the residential sites, ranging from 10% of build costs for the smaller sites, to 20% for the larger greenfield schemes. On the high density flatted schemes we have assumed site costs of 5%.

Abnormal development costs

- 7.16 In some cases where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on.
- 7.17 In the case of brownfield sites we have made an additional allowance of 5% of the BCIS costs. The exception to this is on the town centre flatted schemes where we have assumed 3%. There was a suggestion from a consultee that this may be a little low. We recognise that that site preparation costs can be substantial, however having considered this we have not made a change in this regard. The abnormal development costs are calculated relative to the overall costs of the scheme, and when considered on this basis are very substantial.
- 7.18 For the non-residential property, we have run a scenario where the site is on previously developed land. With this variable we have increased the costs by an additional 5% of BCIS base cost.
- 7.19 It is important to note that NPPF says (with our emphasis) at Paragraph 174:
- ... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable...*
- 7.20 Abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs. It is not the purpose of a study of this type to standardise land prices across an area.

Fees

- 7.21 For residential development we have assumed professional fees amount to 10% of build costs in each case. This is made up as follows and includes the various assessments and appraisals that the Council requires under its various Local Plan policies:

Architects	6%	Quantity Surveyors	0.5%
Planning Consultants	1%	Others	2.5%

- 7.22 For non-residential development we have assumed 8%.

Contingencies

- 7.23 For previously undeveloped and otherwise straightforward sites, we would normally allow a contingency of 2.5%, with a higher figure of 5% on more risky types of development, previously developed land and on central locations. So the 5% figure was used on the brownfield sites and the 2.5% figure on the remainder.

S106 Contributions and the costs of infrastructure

- 7.24 For many years the Council has sought payments from developers to mitigate the impact of the development through improvements to the local infrastructure. The Council has a number of 'calculators' to work out the contributions per development. The Council is yet to make a decision as to whether or not to introduce CIL but it is inevitable that this current practice will alter as a consequence of CIL Regulations 122 and 123 – although this may not alter the total quantum of contribution sought by the Council.
- 7.25 In this study it is important that the costs of mitigation are reflected in the analysis. We have assumed, as a starting point, that all the modelled sites will contribute £2,000 per unit towards infrastructure – either site specific or more general. The introduction of CIL will result in changes to this area of policy. Historically much of the contributions from smaller sites either relate to very local matters (such as improvements to the highway close to or adjacent to the site) or more usually to more general contributions to off-site education and highways that will in future be limited though the restrictions on pooling s106 payments from five or more sites that come into effect from April 2015 (see Chapter 2 above). In the analysis in relation to CIL we have assumed that a s106 payment of £2,000 per unit will continue after the adoption of CIL. This is a cautious approach that it may be appropriate to revisit when the local impacts of CIL Regulations 122 and 123 are better known.
- 7.26 When considering the strategic sites we have incorporated the best estimate of the site specific s106 costs into the appraisals as set out below. These are the costs that would meet the post April 2015 restrictions on pooling s106 contributions. These sites do put significant further pressure on the infrastructure and improvements will be required that will not be sufficiently site specific to pass the tests for payments to be required through s106. These items will be funded through a range of other sources including CIL.

a.	Stevenage North	£7,180,000
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- | | | |
|----|----------------------|-------------|
| b. | Stevenage West | £13,950,000 |
| c. | Stevenage South-east | £7,000,000 |

- 7.27 At this early stage of the work we have tested a range of infrastructure costs ranging from £0 to £30,000 per unit. No distinction is made as to how this is paid, be that through s106 or through CIL.

Financial and Other Appraisal Assumptions

VAT

- 7.28 For simplicity it has been assumed throughout, that either VAT does not arise, or that it can be recovered in full.

Interest rate

- 7.29 Our appraisals assume 7% pa for total debit balances, we have made no allowance for any equity provided by the developer. This does not reflect the current working of the market nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites.
- 7.30 The 7% assumption may seem high given the very low base rate figure (0.5% August 2015). Developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. In the residential appraisals we have prepared a simple cashflow to calculate interest.
- 7.31 For the non-residential appraisals, and in line with the 'high level' nature of this study, we have used the developer's rule of thumb to calculate the interest – being the amount due over one year on half the total cost. We accept that is a simplification, however, due to the high level and broad brush nature of this analysis, we believe that it is proportionate bearing in mind the requirements of the NPPF and CIL Regulations.
- 7.32 The relatively high assumption of the 7% interest rate, and the assumption that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest as most developers are required to put some equity into most projects. In this study a cautious approach is being taken, so we believe this is a sound assumption.

Developers' profit

- 7.33 An allowance needs to be made for developers' profit / return and to reflect the risk of development. Neither the NPPF, nor the CIL Regulations, nor the CIL Guidance provide useful guidance in this regard so, in reaching this decision, we have considered the RICS's '*Financial Viability in Planning*' (August 2012), the Harman Guidance *Viability Testing Local Plans, Advice for planning practitioners* (June 2012), and referred to the HCA's Economic

Appraisal Tool. None of these documents are prescriptive, but they do set out some different approaches.

7.34 RICS's 'Financial Viability in Planning' (August 2012) says:

3.3.2 The benchmark return, which is reflected in a developer's profit allowance, should be at a level reflective of the market at the time of the assessment being undertaken. It will include the risks attached to the specific scheme. This will include both property-specific risk, i.e. the direct development risks within the scheme being considered, and also broader market risk issues, such as the strength of the economy and occupational demand, the level of rents and capital values, the level of interest rates and availability of finance. The level of profit required will vary from scheme to scheme, given different risk profiles as well as the stage in the economic cycle. For example, a small scheme constructed over a shorter timeframe may be considered relatively less risky and therefore attract a lower profit margin, given the exit position is more certain, than a large redevelopment spanning a number of years where the outturn is considerably more uncertain.

7.35 The Harman Guidance says:

Return on development and overhead

The viability assessment will require assumptions to be made about the average level of developer overhead and profit (before interest and tax).

The level of overhead will differ according to the size of developer and the nature and scale of the development. A 'normal' level of developer's profit margin, adjusted for development risk, can be determined from market evidence and having regard to the profit requirements of the providers of development finance. The return on capital employed (ROCE) is a measure of the level of profit relative to level of capital required to deliver a project, including build costs, land purchase, infrastructure, etc.

As with other elements of the assessment, the figures used for developer return should also be considered in light of the type of sites likely to come forward within the plan period. This is because the required developer return varies with the risk associated with a given development and the level of capital employed.

Smaller scale, urban infill sites will generally be regarded as lower risk investments when compared with complex urban regeneration schemes or large scale urban extensions.

Appraisal methodologies frequently apply a standard assumed developer margin based upon either a percentage of Gross Development Value (GDV) or a percentage of development cost. The great majority of housing developers base their business models on a return expressed as a percentage of anticipated gross development value, together with an assessment of anticipated return on capital employed. Schemes with high upfront capital costs generally require a higher gross margin in order to improve the return on capital employed. Conversely, small scale schemes with low infrastructure and servicing costs provide a better return on capital employed and are generally lower risk investments. Accordingly, lower gross margins may be acceptable.

This sort of modelling – with residential developer margin expressed as a percentage of GDV – should be the default methodology, with alternative modelling techniques used as the exception. Such an exception might be, for example, a complex mixed use development with only small scale specialist housing such as affordable rent, sheltered housing or student accommodation.

7.36 The HCA's Economic Appraisal Tool – the accompanying guidance for the tool kit says:

Developer's Return for Risk and Profit (including developer's overheads)

Open Market Housing

The developer 'profit' (before taxation) on the open market housing as a percentage of the value of the open market housing. A typical figure currently may be in the region of 17.5-20% and overheads being deducted, but this is only a guide as it will depend on the state of the market and the size and complexity

of the scheme. Flatted schemes may carry a higher risk due to the high capital employed before income is received.

Affordable Housing

The developer 'profit' (before taxation) on the affordable housing as a percentage of the value of the affordable housing (excluding SHG). A typical figure may be in the region of 6% (the profit is less than that for the open market element of the scheme, as risks are reduced), but this is only a guide.

- 7.37 It is unfortunate that the above are not consistent, but it is clear that the purpose of including a developers' profit figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending the costs of construction before selling the property. The use of developers' profit in the context of area wide viability testing of the type required by the NPPF and CIL Regulation 14, is to reflect that level of risk.
- 7.38 At the Shinfield appeal³⁹ (January 2013) the inspector considered this specifically saying:

Developer's profit

43. The parties were agreed that costs⁴⁰ should be assessed at 25% of costs or 20% of gross development value (GDV). The parties disagreed in respect of the profit required in respect of the affordable housing element of the development with the Council suggesting that the figure for this should be reduced to 6%. This does not greatly affect the appellants' costs, as the affordable housing element is 2%, but it does impact rather more upon the Council's calculations.

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

- 7.39 Generally we do not agree that linking the developer's profit to GDV is reflective of risk, as the risk relates to the cost of a scheme – the cost being the money put at risk as the scheme is developed. As an example (albeit an extreme one to illustrate the point) we can take two schemes, A and B, each with a GDV £1,000,000, but scheme A has a development cost of £750,000 and scheme B a lesser cost of £500,000. All other things being equal, in A the developer stands to lose £750,000 (and make a profit of £250,000), but in B 'only' £500,000 (and make a profit of £500,000). Scheme A is therefore more risky, and it therefore follows that the developer will wish (and need) a higher return. By calculating profit on costs, the developer's return in scheme A would be £150,000 and in scheme B would be £100,000 and so reflect the risk – whereas if calculated on GDV the profits would be £200,000 in both.
- 7.40 Broadly there are four different approaches that could be taken:

³⁹ APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

⁴⁰ i.e. the developers profit / competitive return.

- a. To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.
- b. To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.
- c. To set the rate relative to costs – and thus reflect the risks of development.
- d. To set the rate relative to the gross development value.

7.41 In deciding which option to adopt, it is important to note that we are not trying to re-create any particular developer's business model. Different developers will always adopt different models and have different approaches to risk.

7.42 The argument is sometimes made that financial institutions require a 20% return on development value and if that is not shown they will not provide development funding. In the pre-Credit Crunch era there were some lenders who did take a relatively simplistic view to risk analysis but that is no longer the case. Most financial institutions now base their decisions behind providing development finance on sophisticated financial modelling that it is not possible to replicate in a study of this type. They require the developer to demonstrate a sufficient margin, to protect them in the case of changes in prices or development costs, but they will also consider a wide range of other factors, including the amount of equity the developer is contributing – both on a loan to value and loan to cost basis, the nature of development and the development risks that may arise due to demolition works or similar, the warranties offered by the professional team, whether or not the directors will provide personal guarantees, and the number of pre-sold units.

7.43 In the 2007 Affordable Housing Development Economics Viability Study, it was assumed that Developers' Profit would be 15% of GDV.

7.44 This is a high level study where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (either site by site or split between market and affordable housing) it is appropriate to make some broad assumptions.

7.45 We have calculated the profit to reflect risk from development as 20% of Gross Development Cost – being approximately equal to 17.5% of the GDV. This assumption should be considered with the assumption about interest rates in the previous section, where a cautious approach was taken with a relatively high interest rate, and the assumption that interest is charged on the whole of the development cost. Further consideration should also be given to the contingency sum in the appraisals which is also reflective of the risks.

7.46 It is useful to consider the assumptions used in other studies in other parts of England. We have reviewed developer return assumptions used by other councils in England in development plans approved during the first half of 2014. These are set out in the table below.

Table 7.1 Developer's Return Assumptions Used Elsewhere	
Local Authority	Developer's Profit
Babergh	17%
Cannock Chase	20% on GDV
Christchurch & East Dorset	20% on GDC
East Hampshire	20% market/ 6% Affordable
Erewash	17%
Fenland	15-20%
GNDP	20% market/17.5% large sites/ 6% Affordable
Reigate & Banstead	17.5% market/ 6% Affordable
Stafford	20% (comprising 5% for internal overheads).
Staffordshire Moorlands	17.5% market/ 6% Affordable
Warrington	17.5%

Source: Planning Advisory Service (collated by URS) July 2014

- 7.47 The assumptions with regard to developers' return / profit are at the upper end of the range. Together these assumptions illustrate the generally cautious approach taken through the viability work and the comments made by the development industry through the consultation process.
- 7.48 One developer made representations in this regard suggesting developers return should be assessed at 20% (or higher) of GDV rather than costs. We have run an alternative appraisal on this basis.

Voids

- 7.49 On a scheme comprising mainly individual houses, one would normally assume only a nominal void period as the housing would not be progressed if there was no demand. In the case of apartments in blocks this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited.
- 7.50 For the purpose of the present study, a three month void period is assumed for all residential and non-residential developments. We have given careful consideration to this assumption in connection to the commercial developments. There is very little speculative commercial development taking place so we believe that this is the appropriate assumption to make.

Phasing and timetable

- 7.51 A pre-construction period of six months is assumed for all of the sites. Each dwelling is assumed to be built over a nine month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. We have developed a suite of modelled assumptions to reflect site size and development type.

- 7.52 The rate of delivery will be an important factor when the Council is considering the release of sites so as to manage the delivery of housing and infrastructure. We have considered two aspects, the first is the number of outlets that a development site may have, and secondly the number of units that an outlet may deliver.
- 7.53 We have assumed a maximum, per outlet, delivery rate of 35 market units per year. On the smaller sites we have assumed much slower rates to reflect the nature of the developer that is likely to be bringing smaller sites forward.
- 7.54 We believe that these are conservative and do, properly, reflect current practice. This is the appropriate assumption to make to be in line with the PPG and Harman Guidance.

Site Acquisition and Disposal Costs

Site holding costs and receipts

- 7.55 Each site is assumed to proceed immediately (following a 6 month mobilisation period) and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

Acquisition costs

- 7.56 We have taken a simplistic approach and assumed an allowance 1% for acquisition agents' and legal fees. Stamp duty is calculated at the prevailing rates.

Disposal costs

- 7.57 For the market and the affordable housing, sales and promotion and legal fees are assumed to amount to some 3.5% of receipts. For disposals of affordable housing, these figures can be reduced significantly depending on the category, so in fact the marketing and disposal of the affordable element is probably less expensive than this.

8. Local Plan Requirements

8.1 The purpose of this study is to assess the deliverability of the indicative development strategy identified in the emerging Plan and the effect that CIL will have on development viability. In this chapter we have reviewed policy options in the **Stevenage Borough Local Plan 2011-2031**. At this stage this is an emerging document with political decisions to be made with regard to the policy options. The analysis is therefore to inform the further development of policy. In due course, when the final set of policies is concluded it will be necessary to check the cumulative impact of the policies in the Plan as required by the NPPF.

8.2 In this assessment we considered each of the areas development management policies. In each case we have considered whether or not they add to the costs of development over and above the base costs (derived from the BCIS costs etc. as set out in Chapter 7 above).

Construction Standards

8.3 We have assumed that construction is to the full current building regulation standards.

8.4 In March 2015 the Government published *Nationally Described Space Standard – technical requirements*. If introduced, this would allow councils to include a policy within their Plan with regard to the minimum size of dwelling. This says

This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height.

8.5 The following unit sizes are set out.

Table 8.1 National Space Standards. Minimum gross internal floor areas and storage (m²)					
number of bedrooms	number of bedspaces	1 storey dwellings	2 storey dwellings	3 storey dwellings	built-in storage
studio	1p	39(37)			1
1b	2p	50	58		1.5
2b	3p	61	70		2
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4
	8p	125	132	138	

Source: Table 1, Nationally Described Space Standard – technical requirements - Consultation draft (September 2014)

- 8.6 The Council have no current plans to introduce these standards, we have however reflected these in our modelling.
- 8.7 The requirements for Sustainable Urban Drainage Systems (SUDS) and the like can add to the costs of a scheme – although in larger projects these can be incorporated into public open space. We have assumed that the costs of SUDS add 2% to the costs of construction on brownfield sites, however we have assumed that on the larger greenfield sites that SUDS will be incorporated into the green spaces and be delivered through soft landscaping within the wider site costs.
- 8.8 The emerging Plan does not seek to specify development densities. In the SHLAA assumptions are made that are appropriate to the nature of the site. We have followed these assumptions in the modelling.
- 8.9 The emerging Plan does not seek to specify amounts of open space within new development. We have followed the assumptions with regard to the net developable area as set out in Chapter 5 of the SHLAA:
- Less than 0.4 hectares: 100%

- Between 0.4 and 2 hectares: 90%
- Between 2 and 20 hectares: 75%
- Greater than 20 hectares 50%.

8.10 On the 8th July 2015, the Chancellor of the Exchequer gave his post-election Summer Budget to Parliament. With the budget a number of changes were announced that relate to planning. The Government also confirmed within the *Fixing the foundations productivity report*⁴¹ its intention not to proceed with the zero carbon buildings policy, which was initially announced in 2007.

... repeat its successful target from the previous Parliament to reduce net regulation on housebuilders. The government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards, but will keep energy efficiency standards under review, recognising that existing measures to increase energy efficiency of new buildings should be allowed time to become established

8.11 As a result, there will be no uplift to Part L of the Building Regulations during 2016 and both the 2016 zero carbon homes target and the 2019 target for non-domestic zero carbon buildings will be dropped, including the Allowable Solutions programme.

Mix of Housing

8.12 The Council's Strategic Housing Market Assessment (SHMA) sets out the future requirement for housing in the Borough. This is summarised as follows:

Table 8.2 SHMA Mix of Market Housing	
Bedrooms	%
1	0.00%
2	32.90%
3	47.50%
4	15.00%
5+	4.60%

Source: Table 12.3 Stevenage SHMA 2013

⁴¹ <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

Table 8.3 SHMA mix of Affordable Housing			
Bedrooms	Stevenage Homes Rent	RP Rent	RP Shared Ownership
1	27.30%	0.00%	0.00%
2	32.50%	64.30%	77.30%
3	33.90%	35.70%	22.70%
4+	6.30%	0.00%	0.00%

Source: Table 13.4 Stevenage SHMA 2013

8.13 The SHMA identifies a high need for older people's housing. We have assumed all homes are built to Lifetime Homes Standard. The additional costs of developing to the Lifetime Homes Standards⁴² is about an additional £11/m². We have tested this additional cost.

8.14 The Council is seeking to balance the market over the plan-period and over the housing market area but does not seek these proportions on a site by site basis. It is important to note that the above proportions are based on the space standards used in the SHMA process. This is derived from the Housing, Health and Safety Rating System (HHSRS) that was introduced by the Housing Act 2004 and is based on absolute minimum standards about same sex and different sex people, sharing bedrooms depending on their age. It does not make allowance for households to have any spare bedrooms and assumes households will always reside in the smallest house that meets their requirements under the space standards. No allowance is made for changes in family circumstances or for aspirations for children to have their own bedrooms.

8.15 The area has a clear need for affordable housing. The current approach to affordable housing is set out in the Interim Planning Policy Statement (IPPS). The IPPS says that affordable housing should be provided at the following levels:

- 10% for sites of 1 - 4 homes (to be secured as a financial contribution)
- 20% for sites of 5 - 9 homes
- 30% for sites of 10 - 14 homes
- 35% for sites of 15 - 24 homes; and
- 40% for sites of 25 or more homes.

8.16 On the 28th November 2014, the PPG was updated with the following paragraph being added:

Are there any circumstances where infrastructure contributions through planning obligations should not be sought from developers? There are specific circumstances where contributions for affordable

⁴² Based on *Assessing the cost of Lifetime Homes Standards*. Building Cost Information Service (BICS), July 2012 published by Department for Communities and Local Government.

housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development.

- *contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm*
- *in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty*
- *affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home*

- 8.17 On the same day (28th November 2014), in a written statement to Parliament, headed, *Small-scale developers*, by Brandon Lewis MP of Department for Communities and Local Government, thresholds for affordable housing and developer contributions were introduced:

Due to the disproportionate burden of developer contributions on small-scale developers, for sites of 10-units or less, and which have a maximum combined gross floor space of 1,000 square metres, affordable housing and tariff style contributions should not be sought. This will also apply to all residential annexes and extensions.

For designated rural areas under section 157 of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty, authorities may choose to implement a lower threshold of 5-units or less, beneath which affordable housing and tariff style contributions should not be sought. This will also apply to all residential annexes and extensions. Within these designated areas, if the 5-unit threshold is implemented then payment of affordable housing and tariff style contributions on developments of between 6 to 10 units should also be sought as a cash payment only and be commuted until after completion of units within the development.

These changes in national planning policy will not apply to rural exception sites which, subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people. However, affordable housing and tariff style contributions should not be sought in relation to residential annexes and extensions.

A financial credit, equivalent to the existing gross floorspace of any vacant buildings brought back into any lawful use or demolished for re-development, should be deducted from the calculation of any affordable housing contributions sought from relevant development schemes.

This will not however apply to vacant buildings which have been abandoned.

- 8.18 Since then some further clarity was provided by The Rt Hon Eric Pickles of Department for Communities and Local Government on 25th March 2015 headed *Energy efficiency in buildings and Planning system* which said:

We have previously revised national policy on Section 106 thresholds to help small builders and to encourage empty buildings to be brought back into use. Some councils have misinterpreted the written ministerial statement of 28 November 2014, official report, column 54WS as just a change in guidance – to clarify, this was a change in national policy and we will be updating the online planning guidance/policy website to make this crystal clear. We are also publishing guidance tomorrow on the vacant building credit to assist in the delivery of the new policy.

Plan making

From the date the Deregulation Bill 2015 is given Royal Assent, local planning authorities and qualifying bodies preparing neighbourhood plans should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements

relating to the construction, internal layout or performance of new dwellings. This includes any policy requiring any level of the Code for Sustainable Homes to be achieved by new development; the government has now withdrawn the code, aside from the management of legacy cases. Particular standards or requirements for energy performance are considered later in this statement.

Local planning authorities and qualifying bodies preparing neighbourhood plans should consider their existing plan policies on technical housing standards or requirements and update them as appropriate, for example through a partial Local Plan review, or a full neighbourhood plan replacement in due course. Local planning authorities may also need to review their local information requirements to ensure that technical detail that is no longer necessary is not requested to support planning applications.

The optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the National Planning Policy Framework and Planning Guidance. Neighbourhood plans should not be used to apply the new national technical standards.

For the specific issue of energy performance, local planning authorities will continue to be able to set and apply policies in their Local Plans which require compliance with energy performance standards that exceed the energy requirements of Building Regulations until commencement of amendments to the Planning and Energy Act 2008 in the Deregulation Bill 2015.

This is expected to happen alongside the introduction of zero carbon homes policy in late 2016. The government has stated that, from then, the energy performance requirements in Building Regulations will be set at a level equivalent to the (outgoing) Code for Sustainable Homes Level 4. Until the amendment is commenced, we would expect local planning authorities to take this statement of the government's intention into account in applying existing policies and not set conditions with requirements above a Code level 4 equivalent. This statement does not modify the National Planning Policy Framework policy allowing the connection of new housing development to low carbon infrastructure such as district heating networks.

Measures relating to flood resilience and resistance and external noise will remain a matter to be dealt with through the planning process, in line with the existing national policy and guidance. In cases of very specific and clearly evidenced housing accessibility needs, where individual household requirements are clearly outside the new national technical standards, local planning authorities may ask for specific requirements outside of the access standard, subject to overall viability considerations.

- 8.19 In parallel to these announcements, changes were also made in relation to Vacant Buildings Credit whereby affordable housing contributions and CIL would not be sought on the elements (or proportion) of schemes that were existing vacant buildings. It is not necessary to consider these changes in the context of this study as whilst they would have a direct impact on the amount of affordable housing delivered there is no adverse impact on viability.
- 8.20 These changes were considered by the Council, and a decision had been made to reflect these changes in development management.
- 8.21 Since then, on the 1st August 2015, the changes were reversed and the PPG was amended and a new paragraph (paragraph 30) was added as follows⁴³:

Please note that paragraphs 012-023 of the guidance on planning obligations will be removed following the judgment in R (on the application of West Berkshire District Council and Reading Borough Council) v Secretary of State for Communities and Local Government [2015] EWHC 2222 (Admin).

⁴³ <http://planningguidance.planningportal.gov.uk/revisions/23b/030/>

- 8.22 In this study we have run a range of appraisals with affordable housing at a range of requirements. We have also considered zero affordable housing.
- 8.23 The Council does not currently differentiate between the Affordable Rent and Social Rent tenures. We have tested both to inform the policy development process.
- 8.24 We have assumed that 30% of affordable housing is affordable housing to buy – i.e. shared ownership housing.
- 8.25 Paragraph 2a-021-20150326 of the PPG (How should the needs for all types of housing be addressed?) refers to the needs of different groups of households and their need for housing. This includes the Private Rented Sector (PRS). The Council has no plans to introduce policies to redistrict some new homes to the PRS and has no planning mechanism (existing or emerging policy) to do. The PRS has therefore not been modelled separately.

Starter Homes

- 8.26 The Budget included the following statement⁴⁴:

Starter Homes – 58,000 people have already signed up to show their interest in owning one of these new homes – exclusively for first time buyers under 40, at a 20% discount. 200,000 of these new homes will be built over the next 5 years. And to deliver this, the government is today announcing that every reasonable sized housing site must include starter homes – and a new duty will be placed on councils to make sure they include starter homes in their future housing plans for their area

- 8.27 It is not clear what 'every reasonable sized housing site, means and it is expected that this will be clarified in due course. The PPG has not been updated since the budget and at the time of this update the Starter Homes of the PPG⁴⁵ only relates to 'exception' sites. Particular uncertainty remains around whether or not Starter Homes are in addition to or instead of some or all affordable housing.

- 8.28 When pressed on this DCLG provided us with the following statement (23rd July 2015):

We will engage developers and local authorities on the exact details of this proposed new requirement for all suitable reasonably sized housing sites that are coming through the planning system to offer some Starter Homes. This will include the size and type of housing development that is expected to be covered and the proportion of Starter Home envisaged on these sites. The intention is to legislate for this new requirement through the Housing Bill and so we are not going to have the final policy framework until summer 2016 at the earliest.

- 8.29 A Starter Home will have to remain available at 20% below market value for the first five years – meaning any first-time buyer who looks to resell within the first five years will have to offer this discount to the next first time buyer. Starter Homes are not subject to CIL.

⁴⁴ <https://www.gov.uk/government/news/pm-and-chancellor-announce-one-nation-plans-to-spread-homeownership-across-the-country>

⁴⁵ From PPG Paragraph: 001 Reference ID: 55-001-20150318

Developer Contributions

8.30 The emerging Plan is clear that new development will be required to mitigate its impact. This will need to cover a wide range of headings including (but not limited to):

- Education
- Transport
- Health
- Open Space, Green Infrastructure, Sport and Recreation

8.31 These requirements will be met through CIL and s106 contributions. The future approach to such payments is, as set out in Chapter 2 above, restricted by CIL Regulations 122 and 123. At this stage we have tested a wide range of developer contributions up to £30,000 per unit.

8.32 In relation to the larger strategic sites, we have tested the best available information on the actual infrastructure costs as set out below (taken from Chapter 7 above). As there remains some uncertainty as to the precise costs, we have also tested a range of infrastructure costs.

a.	Stevenage North (800 homes)	£7,180,000
b.	Stevenage West (1,350)	£13,950,000
c.	Stevenage South-east (550 across two sites)	£7,000,000

Town Centre Renewal

8.33 At the core of the emerging Plan and the Council's wider policy requirements is the regeneration of the Town Centre. It is expected that this will result in a lifting of this area and this will consequently result in increased residential and non-residential values. Whilst it would not be appropriate to base new policy requirements on an expected rise in values we have tested a range of price changes to inform the process and to allow the Council to consider whether greater levels of developer contributions or affordable housing may be achievable in the future.

9. Modelled Sites

- 9.1 In the previous chapters we have set out the general assumptions to be inputted into the development appraisals. In this chapter we have set out the modelling. We stress that this is a high level study that is seeking to capture the generality rather than the specific. The purpose is to establish the cumulative impact of the Council's policies on development viability and to inform the CIL setting process. This information will be used with the other information gathered by the Council to assess whether or not the sites are actually deliverable.
- 9.2 Our approach is to model a set of residential development sites that are broadly representative of the type of development that is likely to come forward in Stevenage.
- 9.3 The Council's Strategic Housing Land Availability Assessment (SHLAA) includes 52 sites. Overall these have a capacity of just over 7,400 units. The site selection process is ongoing and as part of that they have been ranked as Deliverable or Developable by the Council, these are listed in **Appendix 7** and distributed as follows:

Table 9.1 Distribution of Potential Residential Sites

	Sites	Gross Area	Net Area	Dwellings
Allocation	3	2.77	2.53	113
Commercial	4	9.39	7.25	1,972
Community	9	6.56	5.6	609
Employment	3	0.85	0.8	235
Garage court	3	0.74	0.74	132
Greenfield	13	212.28	118.04	3,561
Neighbourhood centre	12	13.29	11.27	644
Open space	5	4.55	4.16	139
	52	250.43	150.39	7,405
	Sites	Gross Area	Net Area	Dwellings
Previously Developed	23	23.52	19.39	3,443
Greenfield sites within urban area	16	14.63	12.96	401
Greenfield sites outside urban area	6	100.91	54.42	1,592
Green Belt	7	111.37	63.62	1,969
	52	250.43	150.39	7,405

Source: HDH Analysis of SBC SHLAA 2014

9.4 The analysis in this report reflects this mix of sites.

- 9.5 These sites range from 54.2ha down to .010 ha with the average size being 4.82ha, although it is pertinent to note that the median size is somewhat smaller at 0.94ha. The capacity ranges from about 1,500 units down to 5 units with an average of 154 units (median 39 units). The bulk of future development will be on these sites so the modelling is based on these, although some development will be on smaller sites so we have incorporated a single unit site and a site of 2 units into the modelling as CIL, if introduced, would apply to these as well.
- 9.6 The sites in the SHLAA have been modelled through a relatively detailed process. Net developable area of the largest greenfield sites is assumed to 60%, whilst the smaller brownfield sites are assumed to have equal net and gross developable areas. The development density ranges from just 7.4 units/ha to a high of 980 units/ha (average 94.4units/ha, median 36.4units/ha) when considered on a gross basis and from 8.2units/ha to 980units/ha (average 103units/ha, median 40units/ha) when considered on a net basis.
- 9.7 In addition we have modelled a range of non-residential development types that are likely to come forward over the plan-period – and have a reasonable prospect of yielding some CIL. The current iteration of the emerging Plan includes several potential allocations for employment space – we have drawn on this information.

Residential Development Sites

- 9.8 To inform the modelling the characteristics of the sites were considered in terms of location, size and current use as set out in Table 9.1 above.
- 9.9 We have modelled 16 representative sites in the Borough. These include:
- a. 3 large strategic sites to be representative of the three potential greenfield sites identified under Options b and Option c of the housing sections of the Stevenage Borough Local Plan 2011-2031, First Consultation – June 2013. It should be noted that no decision has been taken as to whether these sites will be included in the Plan, this modelling will inform that process.
 - b. 4 medium greenfield sites to be representative of the SHLAA sites within and adjacent to the urban area.
 - c. 6 sites on previously developed land, within the urban area so as to be representative of the most likely type of development to come forward. This includes two flatted schemes to be representative of the Town Centre.
 - d. 3 smaller sites of 10 units or less that would not be subject to affordable housing.
- 9.10 We acknowledge that modelling cannot be totally representative, however the aim of this work is to test the effect of CIL on viability on sites likely to come forward over the plan-period. This will assist with developing the Plan and the policies within it and to inform the Council's CIL setting process. The work is high level, so there are likely to be sites that will not be able to deliver the affordable housing target and CIL, indeed as set out at the start of this report, there are some sites that will be unviable even without any policy requirements (for example

brownfield sites with high remediation costs), but there will also be sites that can afford more. Once CIL has been adopted, there is little scope for exemptions to be granted, however, where the affordable housing target and other policy requirements cannot be met, the developer will continue to be able to negotiate with the planning authority. The planning authority will have to weigh up the factors for and against a scheme, and the ability to deliver affordable housing will be an important factor. The modelled sites are reflective of development sites in the study area that are likely to come forward during the plan-period.

- 9.11 One of the developers of a strategic site had some concerns about whether the modelling properly reflected the masterplan (pointing out that the masterplan is in need of updating). The modelling is generally reflective and appropriate for the development of policy, however as set out towards the end of our report, it is our firm recommendation that the Council continues to work with developers, with a view to producing a statement of common ground setting out the strategy for delivery of the site.

Development assumptions

- 9.12 In arriving at appropriate assumptions for residential development on each site we have ensured that the built form used in our appraisals is appropriate to the current development practices. We have developed a typology which responds to the variety of development situations and densities typical in Stevenage, and this is used to inform development assumptions for sites. The typology enables us to form a view about floorspace density, based on the amount of development, measured in net floorspace per hectare, to be accommodated upon the site. This is a key variable because the amount of floorspace which can be accommodated on a site relates directly to the Residual Value, and is an amount which developers will normally seek to maximise (within the constraints set by the market).
- 9.13 The typology uses as a base or benchmark typical of post-PPG3/PPS3 built form which would provide development at between 3,000m²/ha to 3,550m²/ha on a substantial site, or sensibly shaped smaller site. A representative housing density might be around 35/net ha. This has become a common development format. It provides for a majority of houses but with a small element of flats, in a mixture of two storey and two and a half to three storey form, with some rectangular emphasis to the layout.
- 9.14 Some schemes have an appreciably higher density development providing largely or wholly apartments, in blocks of three storeys or higher, with development densities of 6,900m²/ha and dwelling densities of 100units/ha upwards; and schemes of lower density, in the rural edge situations.
- 9.15 The density, in terms of units and floorspace, has been used to ensure appropriate development assumptions for a majority of the sites.
- 9.16 We have based the densities used in the site modelling on the expected density that is likely to come forward in current market conditions. These follow the densities used in the SHLAA as set out above.

9.17 We have set out the main characteristics of the modelled sites in the tables below. It is important to note that these are modelled sites and not actual sites. These modelled typologies have been informed by the sites included in the SHLAA, both in terms of scale and location. A proportion of the housing to come forward over the plan-period will be on smaller sites, therefore several smaller sites have been included. Single plots have not been included as these will, predominantly be brought forward by 'self-builders' so be exempt of CIL.

Table 9.2 Summary of modelled sites			
Northern Extension Greenfield 1	Units	800	Larger urban edge, greenfield site. 50% open space, 25ha net developable. Mix of family housing. Note – this is part of a larger site that would have a greater capacity if the whole area was developed. The modelling is based on 32/ha and 50% openspace.
	Area (Gross ha)	50.00	
	Density /ha	32	
Western Extension Greenfield 2	Units	1,350	Larger urban edge, greenfield site. 50% open space, 47.12ha net developable. Mix of family housing.
	Area (Gross ha)	90.53	
	Density /ha	29	
Southeast Extension Greenfield 3	Units	550	Settlement edge greenfield site. 30% open space, 19.97ha net developable. Mix of family housing.
	Area (Gross ha)	28.12	
	Density /ha	28	
Greenfield 1 Greenfield 4	Units	45	Greenfield site within urban area. 10% openspace, 1.3ha net developable. Mix of family housing.
	Area (Gross ha)	1.42	
	Density /ha	35	
Greenfield 2 Greenfield 5	Units	30	Greenfield site within urban area. 10% openspace, 0.75ha net developable. Mix of terraced and semi-detached housing with several detached.
	Area (Gross ha)	1.0	
	Density /ha	40	
Greenfield 3 Greenfield 6	Units	16	Greenfield site within urban area. 10% openspace, 0.4ha net developable. Mix of terraced and semi-detached housing.
	Area (Gross ha)	0.46	
	Density /ha	40	
Greenfield 4 Greenfield 7	Units	40	Greenfield site on urban edge. 25% openspace, 3.5ha net developable. Mix of terraced and semi-detached housing.
	Area (Gross ha)	0.70	
	Density /ha	35	
High Town Centre Flats Brownfield 8	Units	350	High density, flatted development in town centre.
	Area (Gross ha)	0.67	
	Density /ha	500	
Town Centre Flats Brownfield 9	Units	50	Small brownfield site in town centre. No open space. High density flats
	Area (Gross ha)	0.5	
	Density /ha	40	

Table 9.2 (continued) Summary of modelled sites			
PDL 1 Brownfield 10	Units	50	Larger brownfield site developed with a mix of family housing. 10% openspace, 1.25ha net developable.
	Area (Gross ha)	1.4	
	Density /ha	20	
PDL 2 Brownfield 11	Units	24	Brownfield site developed with a mix of family housing. 10% openspace, 0.6ha net developable.
	Area (Gross ha)	0.7	
	Density /ha	40	
PDL 3 Brownfield 12	Units	14	Brownfield site with mix of terraced and semi-detached housing.
	Area (Gross ha)	0.35	
	Density /ha	40	
PDL 4 - Flats Brownfield 13	Units	12	Small constrained site developed as flats.
	Area (Gross ha)	0.2	
	Density /ha	60	
Small A Brownfield 14	Units	10	Cleared site for mix of family housing. No open space. No Affordable.
	Area (Gross ha)	0.33	
	Density /ha	30	
Small B Brownfield 15	Units	6	3 pairs of semi-detached on small site. No Affordable.
	Area (Gross ha)	0.2	
	Density /ha	30	
Small C Greenfield 16	Units	3	Brownfield infill. Pair of semi-detached and a detached. No Affordable.
	Area (Gross ha)	0.10	
	Density /ha	30	

Source: HDH 2015. Note density calculated on net area

9.18 The gross and net areas and the site densities are summarised below.

Table 9.3 Modelled Sites development assumptions

				Green/ Brown	Current Use	Units	Area Ha		Density Units/ha		Average Unit Size	Density m2/ha
							Gross	Net	Gross	Net		
1	Northern Extension		North	Green	Agricultural	800	50.00	25.00	16.00	32.00	85.55	2,737
2	Western Extension		West	Green	Agricultural	1,350	90.53	47.12	14.91	28.65	85.51	2,450
3	Southeast Extension		South East	Green	Agricultural	550	28.12	19.97	19.56	27.54	85.49	2,354
4	Greenfield 1	0		Green	Paddock	45	1.42	1.30	31.69	34.62	84.87	2,938
5	Greenfield 2	0		Green	Paddock	30	1.00	0.75	30.00	40.00	86.50	3,460
6	Greenfield 3	0		Green	Paddock	16	0.46	0.40	34.78	40.00	82.31	3,293
7	Greenfield 4	0		Green	Paddock	122	4.65	3.50	26.24	34.86	85.80	2,991
8	High Town Centre Flats		Town Centre	Brown	Retail	350	0.70	0.70	500.00	500.00	67.86	33,931
9	Town Centre Flats		Town Centre	Brown	Community	50	0.50	0.50	100.00	100.00	67.64	6,764
10	PDL 1	0		Brown	PDL	50	1.40	1.25	35.71	40.00	86.00	3,440
11	PDL 2	0		Brown	Commercial	24	0.70	0.60	34.29	40.00	84.88	3,395
12	PDL 3	0		Brown	PDL	14	0.35	0.35	40.00	40.00	78.50	3,140
13	PDL 4 - Flats	0		Brown	Community	12	0.20	0.20	60.00	60.00	68.00	4,080
14	Small A	0		Brown	PDL	10	0.33	0.33	30.30	30.30	82.60	2,503
15	Small B	0		Brown	PDL	6	0.20	0.20	30.00	30.00	83.33	2,500
16	Small C	0		Brown	PDL	3	0.10	0.10	30.00	30.00	94.33	2,830
						3,432	180.66	102.27	19.00	33.56		2,797

Source: SBC Whole Plan Viability Study May 2015

- 9.19 The modelling does not exactly follow the density assumptions used in the SHLAA or the policy as the modelling has been informed by the actual characteristics of the sites on the

ground. In order to tailor the appraisals to the local circumstances we have applied the geographical appropriate affordable housing targets and prices.

- 9.20 The price of units is one of the most significant inputs into the appraisals. This applies not just to the market homes but also the affordable uses (intermediate, social rented and affordable rented). Informed by the findings set out in Chapter 4 we have used the prices set out towards the end of that chapter.

Older People's Housing

- 9.21 We have modelled a private sheltered/retirement and an extracare scheme, each on a 0.5ha site as follows.
- 9.22 A private sheltered/retirement scheme of 20 x 1 bed units of 50m² and 25 x 2 bed units of 75m² to give a net saleable area (GIA) of 2,875m². We have assumed a further 20% non-saleable service and common areas to give a scheme GIA of 3,450m².
- 9.23 An extracare scheme of 24 x 1 bed units of 65m² and 16 x 2 bed units of 80m² to give a net saleable area (GIA) of 2,840m². We have assumed a further 35% non-saleable service and common areas to give a scheme GIA of 3,834m².

Non-Residential Sites

- 9.24 For the purpose of this study we have assessed a number of development types. We have based our modelling on the following development types:
- a. **Offices.** These typically are more than 500m², will be of steel frame construction, and will be located on larger business parks. Typical units in the Borough are around 750m² – we will use this as the basis of our modelling. We have assumed two storey construction.
 - b. **Large industrial.** Modern industrial units of over 500m². There is little new space being constructed. Typical units in the Borough are around 1,000m² – we will use this as the basis of our modelling.
 - c. **Distribution.** A large 'shed' of 3,000m² of steel portal frame construction.
- 9.25 In developing these typologies, we have made assumptions about the site coverage and density of development on the sites. We have assumed 66% coverage on the industrial sites, 60% coverage on the offices and a lower amount of 30% to allow for loading bays and parking etc. on distribution sites.
- 9.26 We have not looked at the plethora of other types of commercial and employment development beyond office and industrial/storage uses in this study.

Hotels and Leisure

- 9.27 The leisure industry is very diverse and ranges from conventional hotels and roadside budget hotels, to cinemas, theatres, historic attractions, equestrian centres, stables and ménages. We have reviewed this sector and there is very little activity in this sector at the moment, either at the planning stage or the construction stage. This is an indication that development in this sector is at the margins of viability at the moment. Having considered this further we have assessed a modern hotel on a town edge site (both Travelodge and Premier Inn are seeking sites in the area). We have assumed that this is a 60 bedroom product with ample carparking on a 0.4 ha (1 acre) site.

Community and Institutional

- 9.28 This includes development used for the provision of any medical or health services and development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education. The majority of development in this sector is mainly brought forward by the public sector or by not-for-profit organisations – many of which have charitable status (thus making them potentially exempt from CIL).

Retail

- 9.29 For the purpose of this study, we have assessed the following types of space. It is important to remember that this assessment is looking at the ability of new projects to bear an element of CIL – it is only therefore necessary to look at the main types of development likely to come forward in the future. We have modelled the following distinct types of retail development for the sake of completeness – although it should be noted that no such development is scheduled to take place on the specific sites.

- a. **Supermarkets.** Two typologies have been modelled.

First is a single storey retail unit development with a gross (i.e. GIA) area of 4,000m². It is assumed to require 400 car parking spaces, and to occupy a total site area of 1.6ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.

Second and based on a smaller supermarket, typical of the units that may be developed by operators such as Aldi and Lidl. We have assumed a 1,200m² unit on a 0.4ha site (30% coverage) to allow for car parking.

- b. **Retail Warehouse** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000m². It is assumed to require 150 car parking spaces, and to occupy a total site area of 0.8ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.
- c. **Shop** is a brick built development on two storeys, of 150 m². No car parking or loading space is allowed for, and the total site area (effectively the building footprint) is 0.019ha.

- 9.30 In line with the Regulations, we have only assessed developments of over 100m². There are other types of retail development, such as small single farm shops, petrol filling stations and garden centres. We have not included these in this high level study due to the great diversity of project that may arise.
- 9.31 In developing these typologies, we have made assumptions about the site coverage and density of development on the sites. We have assumed simple, single storey construction and have assumed there are no mezzanine floors.

10. Residential Appraisal Results

- 10.1 At the start of this chapter it is important to stress that the results of the appraisals do not, in themselves, determine the viability of the Plan or set CIL. In due course the evidence will also be used to refine the emerging Plan and to inform the CIL setting process. The results of this study are one of a number of factors that the Council will consider, including the need for infrastructure, other available evidence, such as the Council's track record in delivering affordable housing and collecting payments under s106, and, importantly, the results of the consultation process with developers. The purpose of the appraisals is to provide an indication of the viability in different areas under different scenarios. In due course, the Council will have to take a view as to whether or not to proceed with CIL.
- 10.2 The appraisals use the residual valuation approach – that is, they are designed to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents and an appropriate amount of developers' profit. The Residual Value would represent the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the Existing Use Value by a satisfactory margin. We have discussed this in Chapter 6.
- 10.3 In order to assist the Council, we have run several sets of appraisals. The appraisals' main output is the Residual Value. The Residual Value is calculated using the formula set out in Chapter 2 above. Additionally the appraisals also derive the Additional Profit to assist with setting CIL, as set out in Chapter 3.
- 10.4 The initial appraisals are based on the assumptions provided in the previous chapters of this report, including the affordable housing requirement.
- 10.5 Development appraisals are sensitive to changes in price so appraisals have been run with various changes in the cost of construction and an increase and decrease in prices. We have then considered a number of different price levels informed by our discussion with the Council.
- 10.6 As set out above, for each development type we have calculated the Residual Value. In the tables in this chapter we have colour coded the results using a simple traffic light system:
- a. **Green Viable** – where the Residual Value per hectare exceeds the indicative Viability Threshold Value per hectare (being the Existing Use Value plus the appropriate uplift to provide a competitive return for the landowner).
 - b. **Amber Marginal** – where the Residual Value per hectare exceeds the Existing Use Value or Alternative Use Value, but not Viability Threshold Value per hectare. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.

- c. **Red Non-viable** – where the Residual Value does not exceed the Existing Use Value or Alternative Use Value.

- 10.7 The results are set out and presented for each site and per gross hectare to allow comparison between sites.
- 10.8 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to make an assessment of viability. The fact that a site is shown as viable does not necessarily mean that it will come forward and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development and what planning applications are being determined – and on what basis.

Financial appraisal approach and assumptions

- 10.9 On the basis of the assumptions set out in the earlier chapters, we prepared financial appraisals for each of the modelled residential sites using a bespoke spreadsheet-based financial analysis package. We produced financial appraisals based on the build costs, abnormal costs, and infrastructure costs and financial assumptions for the different options. The detailed appraisal base results for the modelled sites are included in **Appendix 8**.

Base Appraisals – full current policy requirements

- 10.10 We prepared financial appraisals for each of the modelled and strategic residential sites using a bespoke spreadsheet-based financial analysis package. These appraisals are based on the full policy requirements of the Local Plan, but with a range of affordable housing and developer contribution assumptions base options:

- | | | |
|----|-------------------------|--|
| a) | Affordable Housing | 40% (30% Intermediate for sale / 70% Affordable Rent) on all sites. |
| b) | Environmental Standards | Enhanced Building Regulations (Part L) (BCIS +1.5%). Lifetime £11/m ² . |
| c) | CIL and s106 | £2,000 per unit (market and affordable). |
| | Stevenage North | £7,180,000 |
| | Stevenage West | £13,950,000 |
| | Stevenage South-east | £7,000,000 |

Table 10.1 Residual Values

						Area (ha)		Units	Residual Value (£)		
						Gross	Net		Gross ha	Net ha	Site
1	Northern Extension				Green						
		North			Agricultural	50	25	800	524,915	1,049,830	26,245,760
2	Western Extension	West			Agricultural	90.53	47.12	1350	426,850	820,093	38,642,774
3	Southeast Extension	South East			Agricultural	28.12	19.97	550	599,614	844,323	16,861,132
4	Greenfield 1				Paddock	1.42	1.3	45	766,170	836,893	1,087,961
5	Greenfield 2				Paddock	1	0.75	30	655,242	873,656	655,242
6	Greenfield 3				Paddock	0.46	0.4	16	912,488	1,049,361	419,744
7	Greenfield 4				Paddock	4.65	3.5	122	647,894	860,773	3,012,707
8	High Town Centre Flats	Town Centre			Retail	0.7	0.7	350	-15,406,746	-15,406,746	-10,784,722
9	Town Centre Flats	Town Centre			Community	0.5	0.5	50	-3,236,169	-3,236,169	-1,618,084
10	PDL 1				PDL	1.4	1.25	50	598,863	670,726	838,408
11	PDL 2				Commercial	0.7	0.6	24	526,491	614,240	368,544
12	PDL 3				PDL	0.35	0.35	14	686,470	686,470	240,264
13	PDL 4 - Flats				Community	0.2	0.2	12	-1,255,230	-1,255,230	-251,046
14	Small A				PDL	0.33	0.33	10	757,576	757,576	250,000
15	Small B				PDL	0.2	0.2	6	747,058	747,058	149,412
16	Small C				PDL	0.1	0.1	3	587,017	587,017	58,702

Source: SBC Whole Plan Viability Study August 2015

- 10.11 The results vary across the modelled sites, although this is largely due to the different assumptions around density. The additional costs associated with brownfield sites also results in significantly lower values. The Residual Value is not a good indication of viability by itself, being the maximum price a developer may bid for a parcel of land and still make an adequate return (competitive return).
- 10.12 In the following tables we have compared the Residual Value with the Viability Threshold. The Viability Threshold being an amount over and above the existing use value that is sufficient to provide the willing landowner with a competitive return and induce them to sell the land for development as set out in Chapter 6 above.

Table 10.2 Residual Value compared to Viability Threshold					
Full Development Plan Policy Requirements					
			Alternative Use Value	Viability Threshold	Residual Value
			£/ha	£/ha	£/ha
1	Northern Extension	North	25,000	425,000	524,915
2	Western Extension	West	25,000	425,000	426,850
3	Southeast Extension	South East	25,000	425,000	599,614
4	Greenfield 1		50,000	450,000	766,170
5	Greenfield 2		50,000	450,000	655,242
6	Greenfield 3		50,000	450,000	912,488
7	Greenfield 4		50,000	450,000	647,894
8	High Town Centre Flats	Town Centre	600,000	750,000	-15,406,746
9	Town Centre Flats	Town Centre	600,000	750,000	-3,236,169
10	PDL 1		600,000	750,000	598,863
11	PDL 2		600,000	750,000	526,491
12	PDL 3		600,000	750,000	686,470
13	PDL 4 - Flats		600,000	750,000	-1,255,230
14	Small A		600,000	750,000	757,576
15	Small B		600,000	750,000	747,058
16	Small C		600,000	750,000	587,017

Source: SBC Whole Plan Viability Study August 2015

- 10.13 Overall the results are broadly consistent with those experienced on the ground, confirming that the vast majority of development on greenfield sites can bear the Council's policy requirements, although some sites, particularly the brownfield sites on previously developed land (PDL) cannot.
- 10.14 The Council has two principle policy requirements. The first is affordable housing and the second is in relation to developer contributions / impact mitigation. To inform the policy refinement process, and in line with the requirements of the NPPF, we have considered the

impact of the Council's discretionary policy requirements separately before considering the cumulative impact.

- 10.15 First we have considered development viability with no contributions at all, including not making the site specific payments on the strategic sites (Stevenage North £7,180,000, Stevenage West £13,950,000, Stevenage South-east £7,000,000), and not including affordable housing, but we have assumed the lifetime homes and other policy requirements continue.

Table 10.3 Residual Value compared to Viability Threshold					
No Policy Requirements					
			Alternative Use Value	Viability Threshold	Residual Value
			£/ha	£/ha	£/ha
1	Northern Extension	North	25,000	425,000	1,140,572
2	Western Extension	West	25,000	425,000	962,185
3	Southeast Extension	South East	25,000	425,000	1,425,005
4	Greenfield 1		50,000	450,000	1,602,712
5	Greenfield 2		50,000	450,000	1,450,136
6	Greenfield 3		50,000	450,000	1,830,397
7	Greenfield 4		50,000	450,000	1,336,036
8	High Town Centre Flats	Town Centre	600,000	750,000	-4,701,112
9	Town Centre Flats	Town Centre	600,000	750,000	-1,049,281
10	PDL 1		600,000	750,000	1,516,904
11	PDL 2		600,000	750,000	1,422,959
12	PDL 3		600,000	750,000	1,663,284
13	PDL 4 - Flats		600,000	750,000	10,251
14	Small A		600,000	750,000	1,733,444
15	Small B		600,000	750,000	1,715,710
16	Small C		600,000	750,000	1,691,658

Source: SBC Whole Plan Viability Study August 2015

- 10.16 Without the policy requirements, most sites are shown as viable, which to a large extent is to be expected. There is however a notable exception and that relates to the flatted schemes. These are inevitably on previously developed land with the additional costs associated with those, and higher direct construction costs and site preparation costs.
- 10.17 Of particular concern are the two larger town centre flatted schemes, these not only are not viable, but are loss making. These findings are consistent with the independent work carried out for the Council concerning the regeneration of the town centre carried out by Turner and Townsend in early 2015.

Impact of affordable housing

- 10.18 In the following table we have compared the Residual Values without any developer contributions, but with affordable housing from zero to 40%. We have undertaken this analysis firstly assuming the affordable housing is delivered as 70% Affordable Rent and 30% intermediate housing to buy, and then as 70% Social Rent and 30% intermediate housing to buy. It is important to note that Affordable Rent and Social Rent are both affordable housing within the definitions contained within the NPPF.

Table 10.4 Residual Values

Affordable Housing to 40% (30% Intermediate / 70% Affordable to Rent)

No Developer Contributions

Affordable Rent										Residual Value	Viability Threshold	Alternative Use Value											0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
1	Northern Extension									1,140,572	425,000	25,000	North											1,080,064	1,019,555	959,047	898,538	838,030	777,522	717,013	656,505	595,996	535,488
2	Western Extension									982,185	425,000	25,000	West											910,087	850,032	807,976	756,920	705,864	654,809	603,753	552,697	501,285	449,805
3	Southeast Extension									1,425,005	425,000	25,000	South East											1,349,507	1,274,009	1,198,511	1,123,012	1,047,514	972,016	896,518	821,020	745,522	669,551
4	Greenfield 1									1,602,712	450,000	50,000												1,506,135	1,405,558	1,312,981	1,216,404	1,119,827	1,023,250	926,673	830,095	733,518	643,007
5	Greenfield 2									1,450,136	450,000	50,000												1,357,567	1,264,988	1,172,428	1,079,859	986,692	903,241	809,790	716,339	622,888	529,437
6	Greenfield 3									1,830,397	450,000	50,000												1,723,428	1,616,459	1,509,490	1,402,521	1,295,552	1,188,583	1,086,957	984,016	876,019	768,021
7	Greenfield 4									1,336,036	450,000	50,000												1,256,632	1,177,229	1,097,825	1,018,422	939,018	859,615	780,211	700,808	621,404	542,001
8	High Town Centre Flats									-4,701,112	750,000	600,000	Town Centre											-5,885,362	-7,069,612	-8,257,617	-9,459,750	-10,661,882	-11,877,146	-13,097,391	-14,317,637	-15,537,883	-16,772,994
9	Town Centre Flats									-1,049,281	750,000	600,000	Town Centre											-1,293,955	-1,538,629	-1,783,303	-2,027,978	-2,273,346	-2,521,680	-2,770,013	-3,018,347	-3,266,680	-3,515,014
10	PDL 1									1,516,904	750,000	600,000												1,410,448	1,303,991	1,197,535	1,091,078	984,621	878,165	771,708	671,587	564,117	456,646
11	PDL 2									1,422,959	750,000	600,000												1,319,002	1,215,046	1,111,089	1,007,133	903,176	799,220	701,949	598,993	492,036	387,080
12	PDL 3									1,663,284	750,000	600,000												1,548,914	1,434,545	1,332,570	1,231,401	1,131,933	1,036,454	940,995	848,526	756,067	663,607
13	PDL 4 - Flats									10,251	750,000	600,000												-129,376	-269,003	-408,631	-549,186	-693,024	-836,862	-980,699	-1,124,537	-1,268,375	-1,412,213
14	Small A									1,733,444	750,000	600,000												1,617,018	1,515,021	1,397,476	1,279,931	1,162,385	1,044,840	927,295	809,750	705,777	585,927
15	Small B									1,715,710	750,000	600,000												1,600,543	1,485,377	1,370,211	1,255,045	1,162,229	1,044,805	927,381	809,957	692,532	580,802
16	Small C									1,691,658	750,000	600,000												1,560,721	1,429,785	1,298,848	1,179,475	1,047,241	915,008	782,775	650,542	518,309	386,076
Social Rent										Residual Value	Viability Threshold	Alternative Use Value											0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
1	Northern Extension									1,140,572	425,000	25,000	North											1,087,180	993,788	920,395	847,003	773,611	700,218	626,826	553,434	480,041	406,007
2	Western Extension									982,185	425,000	25,000	West											890,243	837,343	775,443	713,543	651,643	589,742	527,634	465,196	402,758	340,320
3	Southeast Extension									1,425,005	425,000	25,000	South East											1,333,561	1,242,117	1,150,672	1,059,228	967,784	876,340	784,896	693,055	600,716	508,377
4	Greenfield 1									1,602,712	450,000	50,000												1,475,221	1,347,729	1,220,237	1,092,745	965,253	837,761	710,269	588,327	459,621	334,097
5	Greenfield 2									1,450,136	450,000	50,000												1,327,502	1,204,867	1,082,232	968,737	844,934	721,132	597,329	478,079	353,086	232,566
6	Greenfield 3									1,830,397	450,000	50,000												1,690,290	1,550,184	1,410,078	1,269,971	1,129,865	999,276	878,822	761,369	648,915	536,961
7	Greenfield 4									1,336,036	450,000	50,000												1,231,320	1,126,604	1,021,889	917,173	812,457	707,742	603,026	498,310	393,595	288,879
8	High Town Centre Flats									-4,701,112	750,000	600,000	Town Centre											-6,355,920	-8,010,803	-9,690,595	-11,376,056	-13,081,153	-14,786,249	-16,502,138	-18,232,863	-19,963,589	-21,702,523
9	Town Centre Flats									-1,049,281	750,000	600,000	Town Centre											-1,391,395	-1,733,509	-2,075,624	-2,420,568	-2,767,790	-3,115,012	-3,462,234	-3,809,456	-4,160,685	-4,513,094
10	PDL 1									1,516,904	750,000	600,000												1,376,935	1,236,965	1,096,995	957,025	817,055	683,534	542,231	400,928	262,122	121,803
11	PDL 2									1,422,959	750,000	600,000												1,286,320	1,149,682	1,013,043	876,404	739,766	608,926	470,974	339,551	198,894	58,813
12	PDL 3									1,663,284	750,000	600,000												1,510,653	1,371,079	1,236,981	1,102,882	968,783	837,685	706,685	575,685	445,242	301,074
13	PDL 4 - Flats									10,251	750,000	600,000												-184,529	-379,308	-575,742	-776,378	-977,013	-1,177,649	-1,378,285	-1,578,920	-1,779,556	-1,980,384
14	Small A									1,733,444	750,000	600,000												1,588,027	1,456,482	1,309,667	1,162,852	1,016,037	869,222	736,572	586,879	437,185	290,338
15	Small B									1,715,710	750,000	600,000												1,574,395	1,433,081	1,291,767	1,173,011	1,028,925	884,840	740,755	602,578	457,066	311,554
16	Small C									1,691,658	750,000	600,000												1,527,611	1,363,563	1,211,392	1,045,721	880,049	714,377	548,706	383,034	217,362	51,891

Source: SBC Whole Plan Viability Study August 2015

- 10.19 The results reflect the lower values of Social Rent, relative to the values of Affordable Rents, with modelled sites being able to bear less affordable housing when that affordable housing is provided as social rent.
- 10.20 The impact of this is twofold. The first point is that the lower the rent charged on a home the more households that are likely to be able to afford it. With the higher Affordable Rent fewer households would be able to afford the rent without recourse to Local Housing Allowance or Housing Benefit. The Council may have a preference for one tenure (on non-viability grounds) over another informed by the Strategic Housing Market Assessment (SHMA).
- 10.21 The second point is around the relationship between affordable housing and developer contributions. If the Council were to prefer Social Rent over Affordable Rent and require developers to provide Social Rent rather than Affordable Rent, an inevitable consequence would be a reduced ability to collect developer contributions.
- 10.22 At this stage we understand that the Council has no preference in terms of tenure but appreciates a need to deliver affordable housing and to fund infrastructure.

Impact of developer contributions

- 10.23 In the following table we have compared the Residual Values without any affordable housing but with developer contributions from zero to £40,000 per unit.

Table 10.5 Residual Values
with Developer Contributions to £20,000 and No Affordable Housing

		Alternative Use Value	Viability Threshold	Residual Value	£0	£2,500	£5,000	£7,500	£10,000	£12,500	£15,000	£17,500
1	Northern Extension	25,000	425,000	1,140,572	1,110,597	936,818	910,409	885,042	859,675	834,308	808,941	783,574
2	Western Extension	25,000	425,000	962,185	1,080,623	936,818	910,409	885,042	859,675	834,308	808,941	783,574
3	Southeast Extension	25,000	425,000	1,425,005	1,387,849	1,350,692	1,313,536	1,276,380	1,239,223	1,202,067	1,164,910	1,127,754
4	Greenfield 1	50,000	450,000	1,602,712	1,522,805	1,442,898	1,362,991	1,283,084	1,203,177	1,123,270	1,043,363	963,456
5	Greenfield 2	50,000	450,000	1,450,136	1,374,486	1,298,835	1,223,185	1,147,534	1,071,883	1,000,000	929,349	858,698
6	Greenfield 3	50,000	450,000	1,830,397	1,741,838	1,653,279	1,564,720	1,476,162	1,387,603	1,299,044	1,210,485	1,121,926
7	Greenfield 4	50,000	450,000	1,336,036	1,269,893	1,203,751	1,137,609	1,071,466	1,005,324	939,181	873,039	806,896
8	High Town Centre Flats	600,000	750,000	-4,701,112	-6,062,498	-7,423,884	-8,785,270	-10,146,656	-11,508,042	-12,869,428	-14,230,814	-15,592,201
9	Town Centre Flats	600,000	750,000	-1,049,281	-1,321,558	-1,593,835	-1,866,112	-2,138,390	-2,410,667	-2,682,944	-2,955,221	-3,227,498
10	PDL 1	600,000	750,000	1,516,904	1,426,856	1,336,809	1,246,761	1,156,713	1,066,665	976,617	886,569	796,521
11	PDL 2	600,000	750,000	1,422,959	1,336,671	1,248,384	1,161,097	1,073,809	986,522	899,234	811,947	724,660
12	PDL 3	600,000	750,000	1,663,284	1,561,441	1,459,599	1,370,811	1,287,989	1,165,168	1,062,346	959,524	856,702
13	PDL 4 - Flats	600,000	750,000	10,251	-148,598	-307,447	-466,295	-625,143	-783,991	-942,839	-1,101,687	-1,260,535
14	Small A	600,000	750,000	1,733,444	1,656,290	1,579,137	1,501,984	1,424,831	1,347,678	1,270,525	1,193,372	1,116,219
15	Small B	600,000	750,000	1,715,710	1,638,599	1,561,488	1,484,377	1,407,266	1,330,155	1,253,044	1,175,933	1,098,822
16	Small C	600,000	750,000	1,691,658	1,613,030	1,534,401	1,455,773	1,377,144	1,298,516	1,219,887	1,141,259	1,062,630
		Alternative Use Value	Viability Threshold									
1	Northern Extension	25,000	425,000	900,774	870,799	840,824	810,849	780,874	750,900	720,925	690,950	660,975
2	Western Extension	25,000	425,000	758,207	732,840	707,317	681,578	655,840	630,102	604,363	578,625	552,887
3	Southeast Extension	25,000	425,000	1,127,754	1,090,598	1,053,441	1,016,285	979,128	941,971	904,814	867,657	830,500
4	Greenfield 1	50,000	450,000	963,456	883,549	803,641	723,734	643,827	563,920	484,013	404,106	324,199
5	Greenfield 2	50,000	450,000	852,978	776,607	700,236	623,865	547,494	471,123	394,752	318,381	241,990
6	Greenfield 3	50,000	450,000	1,121,927	1,043,304	963,894	884,484	805,074	725,664	646,254	566,844	487,434
7	Greenfield 4	50,000	450,000	806,897	740,754	674,612	608,470	542,327	476,185	410,042	343,899	277,756
8	High Town Centre Flats	600,000	750,000	-15,592,201	-16,953,587	-18,314,973	-19,676,359	-21,037,745	-22,399,131	-23,760,517	-25,121,904	-26,483,290
9	Town Centre Flats	600,000	750,000	-3,227,498	-3,499,776	-3,772,053	-4,044,330	-4,316,607	-4,588,885	-4,861,162	-5,133,439	-5,405,716
10	PDL 1	600,000	750,000	796,521	713,202	622,296	531,391	440,486	352,941	261,162	172,704	79,908
11	PDL 2	600,000	750,000	724,660	643,501	555,374	467,247	379,121	296,700	206,845	118,149	27,404
12	PDL 3	600,000	750,000	856,702	753,860	663,624	568,987	474,149	382,769	296,893	206,017	115,141
13	PDL 4 - Flats	600,000	750,000	-1,280,766	-1,444,132	-1,607,498	-1,770,865	-1,934,231	-2,097,597	-2,260,964	-2,424,330	-2,587,696
14	Small A	600,000	750,000	1,126,949	1,049,054	971,158	893,263	815,368	737,473	659,578	581,683	503,788
15	Small B	600,000	750,000	1,120,368	1,041,745	963,122	884,500	805,877	727,254	648,631	569,008	489,385
16	Small C	600,000	750,000	1,073,152	993,745	914,338	834,931	755,524	676,117	596,710	517,303	437,896

Source: SBC Whole Plan Viability Study August 2015

10.24 When read together, the tables above show that developments in Stevenage are able to bear significant levels of affordable housing or significant levels of developer contributions. The Council can therefore have confidence that the Plan is deliverable. Generally both affordable

housing and developer contributions will be required. In the following sections we have considered how these relate.

Combined impact of developer contributions and affordable housing.

- 10.25 In the following tables we have set out the results of appraisals with affordable housing from 20% to 40% (where the affordable housing is the 70% Affordable Rent / 30% Intermediate Housing mix) and from £0 per unit to £25,000 per unit. All other policy requirements are assumed to apply including the site specific payments on the strategic sites (Stevenage North £7,180,000, Stevenage West £13,950,000, Stevenage South-east £7,000,000).

**Table 10.6a Residual Values,
varied Developer Contributions and Affordable Housing**

20% Affordable															
		Alternative Use Value	Viability Threshold	Residual Value											
1	Northern Extension	25,000	425,000	790,929	701,044	671,030	641,055	580,733	550,237	519,741	489,245	458,749	428,253	397,757	367,261
2	Western Extension	25,000	425,000	626,619	600,890	575,142	549,404	523,665	497,927	472,189	446,450	420,712	394,974	369,236	343,498
3	Southeast Extension	25,000	425,000	896,696	859,199	821,449	783,700	745,950	708,200	670,451	632,701	594,951	557,202	519,452	481,702
4	Greenfield 1	50,000	450,000	1,136,497	1,056,590	976,683	896,776	816,868	736,961	657,054	577,147	497,240	417,333	337,426	257,519
5	Greenfield 2	50,000	450,000	1,004,208	937,401	861,030	784,859	708,688	631,916	555,545	483,782	406,676	329,571	252,465	177,359
6	Greenfield 3	50,000	450,000	1,402,621	1,225,403	1,136,844	1,058,365	968,955	879,545	790,135	700,724	611,314	521,904	432,494	343,084
7	Greenfield 4	50,000	450,000	952,279	886,137	819,995	753,852	687,710	621,567	555,425	489,283	423,140	356,998	290,856	224,713
8	High Town Centre Flats	800,000	750,000	-9,459,750	-12,182,522	-13,543,908	-14,905,294	-16,266,680	-17,628,067	-18,989,453	-20,350,839	-21,712,225	-23,073,611	-24,434,997	-25,796,383
9	Town Centre Flats	800,000	750,000	-2,027,978	-2,300,255	-2,572,532	-2,844,809	-3,117,087	-3,389,364	-3,661,641	-3,933,918	-4,206,196	-4,478,473	-4,750,750	-5,023,027
10	PDL 1	600,000	750,000	1,081,078	1,001,030	910,982	820,934	730,887	640,839	550,791	460,743	370,695	280,647	190,599	100,551
11	PDL 2	600,000	750,000	1,081,078	919,845	832,558	745,271	658,000	570,713	483,426	396,139	308,852	221,565	134,278	46,991
12	PDL 3	600,000	750,000	1,217,401	1,114,890	1,011,758	908,636	805,514	702,392	600,270	498,148	396,026	293,904	191,782	89,660
13	PDL 4 - Flats	600,000	750,000	-549,186	-712,552	-875,919	-1,039,285	-1,202,651	-1,366,018	-1,529,384	-1,692,750	-1,856,117	-2,019,483	-2,182,849	-2,346,215
14	Small A	600,000	750,000	1,279,931	1,202,035	1,124,140	1,046,245	968,349	890,454	812,559	734,664	656,769	578,874	500,979	423,084
15	Small B	600,000	750,000	1,251,045	1,201,031	1,122,408	1,043,785	965,162	886,539	807,917	729,294	650,671	572,048	493,425	414,802
16	Small C	600,000	750,000	1,179,475	1,100,068	1,020,661	941,254	861,847	782,440	703,033	623,626	544,219	464,812	385,405	305,998
25% Affordable															
		Alternative Use Value	Viability Threshold	Residual Value											
1	Northern Extension	25,000	425,000	730,420	640,486	610,521	580,521	550,521	520,521	490,521	460,521	430,521	400,521	370,521	340,521
2	Western Extension	25,000	425,000	610,888	575,129	549,391	523,653	497,914	472,176	446,437	420,699	394,960	369,222	343,484	317,746
3	Southeast Extension	25,000	425,000	868,364	820,727	782,978	745,228	707,478	669,729	631,979	594,229	556,480	518,730	480,980	443,230
4	Greenfield 1	50,000	450,000	1,119,827	1,039,920	960,013	880,106	800,199	720,291	640,384	560,477	480,570	400,663	320,756	240,849
5	Greenfield 2	50,000	450,000	986,692	920,321	843,950	767,579	691,208	614,837	538,465	462,094	385,722	309,351	232,980	156,609
6	Greenfield 3	50,000	450,000	1,265,552	1,206,993	1,118,434	1,039,778	950,368	860,957	771,547	682,137	592,727	503,317	413,907	324,497
7	Greenfield 4	50,000	450,000	939,018	872,876	806,734	740,591	674,449	608,306	542,164	476,022	409,879	343,737	277,594	211,452
8	High Town Centre Flats	800,000	750,000	-10,081,892	-12,023,288	-13,964,684	-15,906,080	-17,847,476	-19,788,872	-21,730,268	-23,671,664	-25,613,060	-27,554,456	-29,495,852	-31,437,248
9	Town Centre Flats	800,000	750,000	-2,273,346	-2,545,624	-2,817,901	-3,090,178	-3,362,455	-3,634,733	-3,907,010	-4,179,287	-4,451,564	-4,723,841	-5,000,118	-5,276,395
10	PDL 1	600,000	750,000	984,621	894,574	804,526	714,478	624,430	534,383	444,335	354,287	264,240	174,192	84,145	-7,002
11	PDL 2	600,000	750,000	933,176	815,889	699,111	584,646	470,181	355,716	240,751	126,286	11,821	-92,244	-207,799	-323,354
12	PDL 3	600,000	750,000	1,101,933	999,111	896,289	793,467	690,645	587,823	484,999	382,177	279,355	176,533	73,711	-29,111
13	PDL 4 - Flats	600,000	750,000	-683,024	-856,390	-1,019,757	-1,183,123	-1,346,489	-1,509,855	-1,673,221	-1,836,587	-2,000,953	-2,164,319	-2,328,685	-2,493,051
14	Small A	600,000	750,000	1,162,365	1,064,490	966,615	868,740	770,865	672,990	575,115	477,240	379,365	281,490	183,615	85,740
15	Small B	600,000	750,000	1,162,229	1,063,361	964,486	866,611	768,736	670,861	572,986	475,111	377,236	279,361	181,486	83,611
16	Small C	600,000	750,000	1,047,241	967,835	888,428	809,021	729,614	650,207	570,800	491,393	411,986	332,579	253,172	173,765

Source: SBC Whole Plan Viability Study August 2015

**Table 10.6b Residual Values,
varied Developer Contributions and Affordable Housing**

30% Affordable															
		Alternative Use Value	Viability Threshold	Residual Value											
1	Northern Extension	25,000	425,000	639,937	59,987	£7,500	£10,000	£12,500	£15,000	£17,500	£20,000	£22,500	£25,000	£27,500	£30,000
2	Western Extension	25,000	425,000	523,640	497,901	472,163	446,425	420,686	394,948	369,210	343,472	317,734	291,996	266,258	240,520
3	Southeast Extension	25,000	425,000	744,906	689,007	633,257	578,558	523,859	469,160	414,461	359,762	305,063	250,364	195,665	140,966
4	Greenfield 1	50,000	450,000	863,436	783,528	704,225	624,317	544,409	464,501	384,593	304,685	224,777	144,869	64,961	-15,947
5	Greenfield 2	50,000	450,000	826,870	750,499	674,128	597,757	521,386	445,015	368,644	292,273	215,902	139,531	63,160	-13,736
6	Greenfield 3	50,000	450,000	1,100,024	1,021,191	931,780	842,370	752,960	663,550	574,139	484,729	395,319	305,909	216,499	127,089
7	Greenfield 4	50,000	450,000	793,472	727,330	661,188	595,045	528,903	462,760	396,618	330,476	264,333	200,078	135,825	61,672
8	High Town Centre Flats	800,000	750,000	-13,238,532	-14,599,918	-15,961,304	-17,322,690	-18,684,076	-20,045,462	-21,406,848	-22,768,235	-24,129,621	-25,491,007	-26,852,393	-28,213,779
9	Town Centre Flats	800,000	750,000	-2,793,957	-3,066,234	-3,338,512	-3,610,789	-3,883,066	-4,155,343	-4,427,620	-4,699,898	-4,972,175	-5,244,452	-5,516,729	-5,789,007
10	PDL 1	600,000	750,000	768,117	704,717	641,317	577,917	514,517	451,117	387,717	324,317	260,917	197,517	134,117	70,717
11	PDL 2	600,000	750,000	714,286	630,651	547,016	463,381	379,746	296,111	212,476	128,841	45,206	-138,129	-224,494	-290,859
12	PDL 3	600,000	750,000	863,642	780,820	698,000	615,178	532,356	449,534	366,712	283,890	201,068	118,246	35,424	-48,402
13	PDL 4 - Flats	600,000	750,000	-1,000,228	-1,163,594	-1,326,960	-1,490,327	-1,653,693	-1,817,059	-1,980,426	-2,143,792	-2,307,158	-2,470,525	-2,633,891	-2,797,258
14	Small A	600,000	750,000	1,044,840	889,050	733,260	577,470	421,680	265,890	110,100	-45,690	-201,480	-357,270	-513,060	-668,850
15	Small B	600,000	750,000	1,044,805	887,559	730,314	574,068	417,822	261,576	105,330	-40,916	-196,706	-352,496	-508,286	-664,076
16	Small C	600,000	750,000	835,801	756,194	676,587	597,381	518,175	438,969	359,763	280,557	201,351	122,145	42,939	-37,275
35% Affordable															
		Alternative Use Value	Viability Threshold	Residual Value											
1	Northern Extension	25,000	425,000	639,937	59,987	£7,500	£10,000	£12,500	£15,000	£17,500	£20,000	£22,500	£25,000	£27,500	£30,000
2	Western Extension	25,000	425,000	523,640	497,901	472,163	446,425	420,686	394,948	369,210	343,472	317,734	291,996	266,258	240,520
3	Southeast Extension	25,000	425,000	744,906	689,007	633,257	578,558	523,859	469,160	414,461	359,762	305,063	250,364	195,665	140,966
4	Greenfield 1	50,000	450,000	863,436	783,528	704,225	624,317	544,409	464,501	384,593	304,685	224,777	144,869	64,961	-15,947
5	Greenfield 2	50,000	450,000	826,870	750,499	674,128	597,757	521,386	445,015	368,644	292,273	215,902	139,531	63,160	-13,736
6	Greenfield 3	50,000	450,000	1,100,024	1,021,191	931,780	842,370	752,960	663,550	574,139	484,729	395,319	305,909	216,499	127,089
7	Greenfield 4	50,000	450,000	793,472	727,330	661,188	595,045	528,903	462,760	396,618	330,476	264,333	200,078	135,825	61,672
8	High Town Centre Flats	800,000	750,000	-13,238,532	-14,599,918	-15,961,304	-17,322,690	-18,684,076	-20,045,462	-21,406,848	-22,768,235	-24,129,621	-25,491,007	-26,852,393	-28,213,779
9	Town Centre Flats	800,000	750,000	-2,793,957	-3,066,234	-3,338,512	-3,610,789	-3,883,066	-4,155,343	-4,427,620	-4,699,898	-4,972,175	-5,244,452	-5,516,729	-5,789,007
10	PDL 1	600,000	750,000	768,117	704,717	641,317	577,917	514,517	451,117	387,717	324,317	260,917	197,517	134,117	70,717
11	PDL 2	600,000	750,000	714,286	630,651	547,016	463,381	379,746	296,111	212,476	128,841	45,206	-138,129	-224,494	-290,859
12	PDL 3	600,000	750,000	863,642	780,820	698,000	615,178	532,356	449,534	366,712	283,890	201,068	118,246	35,424	-48,402
13	PDL 4 - Flats	600,000	750,000	-1,000,228	-1,163,594	-1,326,960	-1,490,327	-1,653,693	-1,817,059	-1,980,426	-2,143,792	-2,307,158	-2,470,525	-2,633,891	-2,797,258
14	Small A	600,000	750,000	1,044,840	889,050	733,260	577,470	421,680	265,890	110,100	-45,690	-201,480	-357,270	-513,060	-668,850
15	Small B	600,000	750,000	1,044,805	887,559	730,314	574,068	417,822	261,576	105,330	-40,916	-196,706	-352,496	-508,286	-664,076
16	Small C	600,000	750,000	835,801	756,194	676,587	597,381	518,175	438,969	359,763	280,557	201,351	122,145	42,939	-37,275

Source: SBC Whole Plan Viability Study August 2015

Table 10.6c Residual Values.

[illegible]

Source: SBC Whole Plan Viability Study August 2015

10.26 It is clear that, as the amount of affordable housing increases, the ability to bear developer contributions decreases. Assuming that the affordable housing to rent is provided as Affordable Rent we can summarise the findings as follows:

- a. Flatted development in the town centre is unable to bear affordable housing and is unlikely to be able to bear developer contributions in the current market. Having said this there is some recent evidence, through the development management system that schemes are coming forward in this area and are delivering affordable housing.
- b. At modest levels of affordable housing in the range of 20% to 25%, development on brownfield sites would be able to contribute towards infrastructure at rates of up to £7,500/unit or so, but at higher rates of affordable housing there would be little scope to contribute towards infrastructure and site mitigation.
- c. The modelling shows that, for smaller sites, having taken into account the BCIS updated small site costs referred to in Chapter 7 above, the results are similar to that of brownfield sites. It is timely to note that, as set out in Chapter 8, the national 11 unit threshold for affordable housing was overturned as a result of a judicial review. We understand that this decision is likely to be appealed so it will be necessary for the Council to monitor this.
- d. On large strategic greenfield sites there is scope to have a higher level of affordable housing and to bear the infrastructure costs. At 35% or 40% there is would only be limited scope to request infrastructure payments through CIL over and above the s106 costs incorporated into the modelling..
- e. The remaining greenfield sites are able to bear the Council's current affordable housing target of 40% and to bear an element of developer contributions, however, if the amount of affordable housing was reduced to say 30% the ability to bear developer contributions is improved notably.

10.27 The owners and promoters of the large strategic sites are actively pursuing development. The modelling and appraisals carried out in a high level strategic report such as this are based on generic and Borough wide assumptions, albeit with the best available information in relation to the site specific costs. We strongly recommend that prior to the Examination, that the Council and the sites' promoters work together, bearing in mind page 23 of the Harman Guidance which says:

Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.

10.28 Whilst CIL has not been considered at this stage, it may be necessary to develop site specific rates of CIL for these sites and ensure that a clear delivery strategy can be demonstrated for the Examination.

Impact of Price and Cost Change

10.29 It is important that, whatever policies are adopted, that the Plan is not unduly sensitive to future changes in prices and costs. We have therefore tested various variables in this regard. We

have followed the time horizons set out in the NPPF and in the methodology in the Harman Guidance.

- 10.30 In this report we have used the build costs produced by BCIS. As well as producing estimates of build costs, BCIS also produce various indices and forecasts to track and predict how build costs may change over time. The BCIS forecasts an increase of just over 15% in prices over the next 5 years⁴⁶. We have tested a scenario with this increase in build costs.
- 10.31 As set out in Chapter 4, we are in a current period of uncertainty in the property market. It is not the purpose of this report to predict the future of the market. We have therefore tested four price change scenarios, minus 10% and 5%, and plus 10% and 5%. In this analysis we have assumed all other matters in the base appraisals remain unchanged.
- 10.32 A proportion of the development anticipated is to be in the town centre. This is an area that is undergoing a programme of regeneration and transformation as the Council recognises the problems in the area. As set out in Chapter 4 above, this area is within a few minutes' walk of the train station, from where trains run to Kings Cross in less than 20 minutes. The Council's expectation is to be able change the perception of the town and to make the town a sought after housing market area. In order to enable the Council to understand what increase in house prices may be necessary to ensure development is viable in this area, we have run a further set of appraisals.
- 10.33 It is important to note that in the following table only the costs of construction and the value of the market housing are altered.
- 10.34 In this analysis we have followed the assumptions used in the base appraisals as set out below:

a. Affordable Housing	40% (30% Intermediate for sale / 70% Affordable Rent) on all sites.	
b. Environmental Standards	Enhanced Building Regulations (Part L) (BCIS +1.5%). Lifetime £11/m ² .	
c. CIL and s106	£2,000 per unit (market and affordable).	
	Stevenage North	£7,180,000
	Stevenage West	£13,950,000
	Stevenage South-east	£7,000,000

⁴⁶ See Table 1.1 (Page 6) of in *Quarterly Review of Building Prices* (Issue No 136 – February 2015)

Table 10.7 Sensitivity to Price Change

			Alternative Use Value £/ha	Viability Threshold £/ha	BCS +15%	Residual Value				
						Value -10%	Value -5%	Value +0%	Value +5%	Value +10%
1	Northern Extension	North	25,000	425,000	334,830	355,774	440,384	524,915	608,476	692,037
2	Western Extension	West	25,000	425,000	264,772	283,657	355,635	426,850	498,066	569,282
3	Southeast Extension	South East	25,000	425,000	362,920	388,853	494,383	599,614	704,844	810,074
4	Greenfield 1		50,000	450,000	328,307	446,814	610,140	766,170	927,955	1,089,741
5	Greenfield 2		50,000	450,000	217,940	343,329	500,000	655,242	812,834	970,425
6	Greenfield 3		50,000	450,000	451,737	554,899	733,693	912,488	1,086,957	1,257,981
7	Greenfield 4		50,000	450,000	284,396	382,040	514,967	647,894	780,821	913,748
8	High Town Centre Flats	Town Centre	600,000	750,000	-25,161,683	-19,573,313	-17,479,114	-15,406,746	-13,343,533	-11,292,164
9	Town Centre Flats	Town Centre	600,000	750,000	-5,239,782	-4,086,856	-3,661,512	-3,236,169	-2,810,825	-2,386,271
10	PDL 1		600,000	750,000	49,907	226,449	411,578	598,863	778,732	964,250
11	PDL 2		600,000	750,000	-17,139	163,858	349,533	526,491	710,171	885,338
12	PDL 3		600,000	750,000	102,247	289,374	486,503	686,470	869,390	1,065,511
13	PDL 4 - Flats		600,000	750,000	-2,346,437	-1,777,835	-1,516,533	-1,255,230	-993,928	-732,626
14	Small A		600,000	750,000	260,342	393,505	577,797	757,576	928,182	1,108,929
15	Small B		600,000	750,000	257,063	382,686	568,570	747,058	931,120	1,115,183
16	Small C		600,000	750,000	-9,339	172,550	379,783	587,017	794,250	1,001,483

Source: SBC Whole Plan Viability Study August 2015

- 10.35 The analysis demonstrates that a relatively small fall in prices will adversely impact on the deliverability of the smaller brownfield sites. The vast majority of land allocated for housing is greenfield land so the impact on the delivery of the overall Plan would be minimal.
- 10.36 It is clear, across all sites, that the relatively small changes in price and costs can have a significant impact on the Residual Value and that there is sensitivity to changes in prices and costs. This is particularly important when it comes to considering larger sites that will be delivered over many years through multiple phases. On larger sites, where developers make a case for a lower affordable housing requirement on the grounds of viability, we would recommend that a review mechanism is incorporated to allow the affordable housing requirements be adjusted over the life of the project.
- 10.37 Based on the above analysis flatted development in the town centre is shown to be unviable, even without affordable housing or developer contributions. As mentioned above, this is at odds with some recent evidence through the development management system that schemes are coming forward in this area and are delivering affordable housing. In the following analysis we have set out the residual values for the two town centre flatted schemes with affordable housing being reduced to zero and prices increased by 50%:

Table 10.8 Sensitivity to Price Change and Affordable Housing						
Town Centre Flatted Schemes						
Price Increase		Affordable %				
		0%	10%	20%	30%	40%
	0%	-5,790,220				
		-1,267,102				
	10%	4,190	-2,755,879			
		-50,606	-622,744			
	20%	5,466,669	2,396,842	-706,302		
		1,107,680	477,583	-186,926		
	30%		7,419,568	3,909,790	407,705	-3,263,713
			1,526,895	797,346	54,692	-711,646
	40%				4,542,839	604,517
					937,694	102,109
	50%					4,295,987
						889,445

Source: SBC Whole Plan Viability Study August 2015

- 10.38 The results show that to achieve the full 40% affordable requirement, house prices would have to increase somewhere in the order of 40% to 50% for schemes to be viable. Even with no affordable housing, an uplift in prices of 10% to 20% or so is required. Clearly there are a

number of permutation that could occur, but an increase in prices of 20% to 30% is likely to allow 20% or so affordable housing to be viable.

- 10.39 Bearing in mind the evidence on the ground it would not be appropriate to only refer to the evidence in this report and we do recommend that affordable housing is sought in this core town centre area. This is explored further in Chapter 12 below.
- 10.40 The PPG is very clear that viability testing for a study of this type should be done at today's prices and costs. It is therefore necessary to use this information with caution. Our recommendation is to set current policy requirements based on current prices and costs, but keep this under regular review and revisit the policy should viability improve.

Developers' Return

- 10.41 The analysis in the earlier tables in this chapter is based on the assumption that the developer's return should be calculated as a 20% of the total development costs. This approach was agreed through the consultation, having been discussed at some length at the event held on 27th March 2015.
- 10.42 A suggestion was made by one developer that the developer's return should be calculated as a portion of the Gross Development Value rather than total development cost. We have re-run the base appraisals as set out in Tables 10.1 and 10.2 above with the developers' return calculated as 20% of GDV. All other assumptions have been held unchanged:

Table 10.9 Residual Values – Developers' Return 20% GDV

							Area (ha)		Units	Residual Value (£)		
							Gross	Net		Gross ha	Net ha	Site
1	Northern Extension		Green		Agricultural		50	25	800	432,093	864,186	21,604,658
2	Western Extension	West	Green		Agricultural		90.53	47.12	1350	348,066	668,727	31,510,404
3	Southeast Extension	South East	Green		Agricultural		28.12	19.97	550	487,244	686,094	13,701,300
4	Greenfield 1		Green		Paddock		1.42	1.3	45	582,068	635,797	826,536
5	Greenfield 2		Green		Paddock		1	0.75	30	472,722	630,295	472,722
6	Greenfield 3		Green		Paddock		0.46	0.4	16	696,566	801,051	320,420
7	Greenfield 4		Green		Paddock		4.65	3.5	122	493,717	655,939	2,295,786
8	High Town Centre Flats	Town Centre	Brown		Retail		0.7	0.7	350	-17,530,602	-17,530,602	-12,271,421
9	Town Centre Flats	Town Centre	Brown		Community		0.5	0.5	50	-3,716,271	-3,716,271	-1,858,136
10	PDL 1		Brown		PDL		1.4	1.25	50	387,080	433,529	541,912
11	PDL 2		Brown		Commercial		0.7	0.6	24	318,640	371,747	223,048
12	PDL 3		Brown		PDL		0.35	0.35	14	448,952	448,952	157,133
13	PDL 4 - Flats		Brown		Community		0.2	0.2	12	-1,565,766	-1,565,766	-313,153
14	Small A		Brown		PDL		0.33	0.33	10	548,671	548,671	181,061
15	Small B		Brown		PDL		0.2	0.2	6	541,208	541,208	108,242
16	Small C		Brown		PDL		0.1	0.1	3	350,195	350,195	35,019

Source: SBC Whole Plan Viability Study August 2015

Table 10.10 Residual Value compared to Viability Threshold – Developers' Return 20% GDV					
Full Development Plan Policy Requirements					
			Alternative Use Value	Viability Threshold	Residual Value
			£/ha	£/ha	£/ha
1	Northern Extension	North	25,000	425,000	432,093
2	Western Extension	West	25,000	425,000	348,066
3	Southeast Extension	South East	25,000	425,000	487,244
4	Greenfield 1		50,000	450,000	582,068
5	Greenfield 2		50,000	450,000	472,722
6	Greenfield 3		50,000	450,000	696,566
7	Greenfield 4		50,000	450,000	493,717
8	High Town Centre Flats	Town Centre	600,000	750,000	-17,530,602
9	Town Centre Flats	Town Centre	600,000	750,000	-3,716,271
10	PDL 1		600,000	750,000	387,080
11	PDL 2		600,000	750,000	318,640
12	PDL 3		600,000	750,000	448,952
13	PDL 4 - Flats		600,000	750,000	-1,565,766
14	Small A		600,000	750,000	548,671
15	Small B		600,000	750,000	541,208
16	Small C		600,000	750,000	350,195

Source: SBC Whole Plan Viability Study August 2015

10.43 Whilst these results are a little less good (in that the Residual Value is a little lower) than when the developer's return is calculated on the development costs, it is however notable that the proportion of development that is viable is similar. The Council can have confidence that the plan is deliverable on this basis.

Older People's Housing

10.44 As well as mainstream housing, we have considered the sheltered and extracare sectors separately. Appraisals were run for a range of affordable housing requirements. The results of these are summarised as follows. In each case allowance has been made for a s106 developer contribution of £100,000. The full appraisals are set out in **Appendix 9** below:

Table 10.11 Older People's Housing, Appraisal Results

Greenfield	AFFORDABLE %	SHELTERED									
		CIL	£/m2	Site	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Residual Land Worth											
Existing Use Value											
Viability Threshold											
Residual Value											
Brownfield	AFFORDABLE %	SHELTERED									
		CIL	£/m2	Site	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Residual Land Worth											
Existing Use Value											
Viability Threshold											
Residual Value											
Greenfield	AFFORDABLE %	EXTRACARE									
		CIL	£/m2	Site	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Residual Land Worth											
Existing Use Value											
Viability Threshold											
Residual Value											
Brownfield	AFFORDABLE %	EXTRACARE									
		CIL	£/m2	Site	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Residual Land Worth											
Existing Use Value											
Viability Threshold											
Residual Value											

Source: SBC Whole Plan Viability Study August 2015

- 10.45 In practice, extracare housing falls under the definition of residential institutions rather than dwelling houses so is not normally considered to be subject to the Council's affordable housing policies. We have not pursued this further.
- 10.46 The sheltered housing is shown as viable on greenfield and brownfield sites and is able to bear affordable housing at significant levels.

Conclusions

- 10.47 We take this opportunity to stress again that the results in themselves do not determine policy. We have discussed the consequences of these results in Chapter 12.

11. Non-Residential Appraisal Results

- 11.1 Based on the assumptions set out previously, we have run a set of development financial appraisals for the non-residential development types. The detailed appraisal results are set out in Appendix 10 and summarised in the table below.
- 11.2 As with the residential appraisals, we have used the Residual Valuation approach. We have run appraisals to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use. To assess viability we have used the same methodology with regard to the Viability Thresholds (Existing / Alternative Land Use 'plus').
- 11.3 When testing the non-residential development types we have not run multiple sets of appraisals for different levels of policy requirement as the Council does not seek to impose layers of policy requirements on these types of development.

Table 11.1 Appraisal Results showing Approximate Residual Value

		Greenfield	Offices	Industrial	Distribution	Shops - Central	Shops - Other	Supermarket	Smaller Supermarket	Retail Warehouse	Hotel
	£/m2		0	0	0	0	0	0	0	0	0
	Site		-237,269	-398,932	-271,395			2,125,889	473,445	3,877,423	-746,296
	RESIDUAL VALUE										
Existing Use Value	£/ha		25,000	25,000	25,000			25,000	25,000	25,000	25,000
Viability Threshold	£/ha		380,000	380,000	380,000			380,000	380,000	380,000	380,000
Residual Value	£/ha		-1,898,150	-2,632,949	-271,395			1,328,681	1,183,612	2,908,067	-1,842,706
		Brownfield	Offices	Industrial	Distribution	Shops - Central	Shops - Other	Supermarket	Smaller Supermarket	Retail Warehouse	Hotel
	£/m2		0	0	0	0	0	0	0	0	0
	Site		-345,637	-474,796	-459,856	270,928	96,314	1,491,986	334,557	3,578,366	-1,019,167
	RESIDUAL VALUE										
Existing Use Value	£/ha		600,000	600,000	600,000	4,000,000	3,000,000	600,000	600,000	600,000	600,000
Viability Threshold	£/ha		600,000	600,000	600,000	4,800,000	3,600,000	720,000	720,000	720,000	720,000
Residual Value	£/ha		-2,765,093	-3,133,651	-459,856	14,449,505	5,136,727	932,491	836,392	2,683,775	-2,516,461

Source: SBC Whole Plan Viability Study August 2015

- 11.4 To a large extent the above results are reflective of the current market in Stevenage and more widely. Office and industrial/distribution development are shown as being unviable, however this is not just a Stevenage issue – a finding supported by the fact that such development is only being brought forward to a limited extent on a speculative basis by the development industry. Where development is coming forward it tends to be from existing businesses for operational reasons – rather than to make a return through property development.
- 11.5 It is notable that, through the consultation process, agents operating in the local market, reported that over the last 18 or so months, that there has been a change in sentiment and an improvement in the market, and that this is expected to continue.
- 11.6 Further, the analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long term view as to the direction of the market based on the prospects of an area and wider economic factors. Much of the development coming forward in Stevenage is ‘user led’ being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.
- 11.7 It is clear that non-residential development is challenging in the current market, but it is improving. We would urge caution in relation to setting policy requirements for employment uses that would unduly impact on viability.
- 11.8 Supermarkets and retail warehouses are both shown as viable, on greenfield sites and brownfield sites, with the Residual Value exceeding the Viability Threshold by a substantial margin (indicating the ability to make developer contributions). The Plan supports the development of retail uses in the town centre and there are limited remaining opportunities within the town centre beyond those being currently pursued. Whilst the Council wishes to see a broad range of retailing in the town, the Plan directs this towards the town centre.
- 11.9 Other town centre retailing is shown as viable (by the shop typology that represents typical high street shops). This finding should be treated with caution as town centre development is most likely to be on land that is currently in a retail use and will have higher costs. In the current market such development is unlikely to be viable and it is important to note that there are multiple empty premises in prime locations, and more in the locations around the periphery of the town centre. The Council has several policies seeking to further enhance the town centre.
- 11.10 The analysis included hotel use. This is shown to be unviable on greenfield and on brownfield land. We would suggest caution when considering CIL in relation to this use.

Conclusions

- 11.11 The delivery of non-residential space is an important part of the Plan. The Council will need to consider how this can be facilitated.
- 11.12 We take this opportunity to stress again that the results in themselves do not determine policy. We have discussed the consequences of these results in Chapter 12 and the ability for development types to bear CIL in the CIL Viability Assessment.

12. Local Plan Viability

- 12.1 This document sets out the methodology used, the key assumptions adopted, and the results, and has been prepared to assist the Council with the assessment of the viability of the emerging **Stevenage Borough Local Plan 2011-2031**. The NPPF, the PPG, the CIL Guidance and the Harman Viability Guidance all require stakeholder engagement – particularly with members of the development industry. Consultation has taken place and, whilst there was not universal agreement, a broad consensus on most matters was achieved.

Cumulative Impact of Policies

- 12.2 In Chapter 10 we set out the results of a range of appraisals considering the impact on viability of individual policies and the different levels of developer contributions that residential development can bear. The purpose of this analysis is to inform the plan-making process. As set out in Chapter 2 above, the NPPF introduced a requirement to assess the viability of the delivery of Local Plan and the impact on development of policies contained within it saying:

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

- 12.3 This needs to be considered with the fourth bullet point of paragraph 182 of the NPPF that requires that the Plan is effective.
- 12.4 The other purpose is in the context of CIL to assess the 'effects' on development viability of the imposition of CIL – Regulation 14 of the CIL Regulations says:

'councils must strike an appropriate balance between (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability'.

Residential Development

- 12.5 In the appraisals set out in Chapter 10 above, the strategic sites and the typologies were modelled and appraised relative to their ability to bear the Council's affordable housing and other requirements and to pay developer contributions.
- 12.6 It is clear that as the amount of affordable housing increases, the ability to bear developer contributions decreases. We can summarise the findings as follows:
- The delivery of affordable housing for rent as Affordable Rent is more viable than the development of affordable housing for rent as Social Rent. The lower the rent charged on a home, the more households there are who are likely to be able to afford it. With

the higher Affordable Rent fewer households would be able to afford the rent without recourse to Local Housing Allowance or Housing Benefit, although it is important to note that a high proportion of households in affordable housing are in receipt of assistance with this rent.

The impact is seen across all sites – however the consequence is more clearly seen in relation to the smaller and brownfield sites.

In this study and the subsequent analysis it has assumed that affordable housing for rent will be delivered as Affordable Rent rather than Social Rent. We take this opportunity to highlight that the Council has not made a decision as to which its preferred tenure will be.

- b. At modest levels of affordable housing in the range of 20% to 25%, development on brownfield sites would be able to contribute towards infrastructure at rates of up to £7,500/unit or so, but at higher rates of affordable housing there would be little scope to contribute towards infrastructure and site mitigation.
- c. The flatted development in the town centre is unable to bear affordable housing and is unlikely to be able to bear developer contributions in the current market. An increase of around 20% in house prices is required. Bearing in mind the town's excellent train link to London and the Council's regeneration plans for the town centre, we recommend that this is kept under review.

These findings, based on the viability evidence in this report are at odds with some recent evidence, through the Council's development management system, that schemes are coming forward in this area and are delivering affordable housing.

The nature of the sites in the town centre varies considerably, but all are complicated and most will have a range of uses within them. Rather than take the worst case scenario we do not recommend that a separate affordable housing policy requirement is applied on this area. It is inevitable that not all sites would be able to bear the full policy requirements, but some will. It will be necessary for the Council to have clear system for engaging with the development industry and discussing viability in the context of infrastructure and affordable housing requirements.

- d. The modelling shows, having taken into account the BCIS updated small site costs referred to in Chapter 7 above, that the results are similar to that of brownfield sites. As set out in Chapter 8, the national 11 unit threshold for affordable housing has been removed. We understand that this decision is likely to be appealed so it will be necessary for the Council to monitor this.
- e. On large strategic greenfield sites there is scope to have a higher level of affordable housing and to bear the infrastructure costs. At 35% or 40% there would only be limited scope to request infrastructure payments through CIL over and above the s106 costs incorporated into the modelling.
- f. The remaining greenfield sites are able to bear the Council's current affordable housing target of 40% and to bear an element of developer contributions, however, if

the amount of affordable housing was reduced to say 30% the ability to bear developer contributions is improved notably.

- g. As set out in Chapter 10, relatively small changes in price and costs can have a significant impact on the Residual Value and that there is sensitivity to changes in prices and costs. This is particularly important when it comes to considering larger sites that will be delivered over many years through multiple phases. On larger sites, where developers make a case for a lower affordable housing requirement on the grounds of viability, we would recommend that a review mechanism is incorporated to allow the affordable housing requirements be adjusted over the life of the project.

- 12.7 The owners and promoters of the large strategic sites are actively pursuing development. The modelling and appraisals carried out in a high level strategic report such as this are based on generic and Borough wide assumptions, albeit with the best available information in relation to the site specific costs. We strongly recommend that, prior to the Examination, that the Council and the sites' promoters work together (bearing in mind page 23 of the Harman Guidance).
- 12.8 In the final chapter of this report we have considered CIL and the balance between affordable housing and funding infrastructure. The final decision as to at what level affordable housing requirements can be set will also be informed by the need for affordable housing identified in the Council's Strategic Housing Market Assessment (SHMA) and the need for infrastructure.
- 12.9 In the case of the strategic sites, the appraisals incorporate the s106 contributions set out in Chapter 7 above (Stevenage North £7,180,000, Stevenage West £13,950,000, Stevenage South-east £7,000,000). In the case of the modelled sites that represent the general development across the Stevenage area, the appraisals incorporate a £2,000/unit allowance for site specific s106 contributions. These are the costs that would meet the post April 2015 restrictions on pooling s106 contributions. As noted in Chapter 7, these strategic sites may put significant further pressure on the infrastructure and improvements will be required that will not be sufficiently site specific to pass the tests for payments to be required through s106. These items will be funded through a range of other sources that may include CIL so it may be necessary to apply CIL to the Strategic Sites as well as general development.
- 12.10 The Council has undertaken a review of its infrastructure requirements and its ability to fund that infrastructure required to support new development. This has not only identified a need for infrastructure – but a significant shortfall in funding that can be significantly reduced by CIL receipts. As a result it wishes to strike a balance between delivering affordable housing and delivering infrastructure.
- 12.11 It is important that the development in the Plan is able to meet the costs of infrastructure to support that development, and to mitigate the impact of that development on the locality, through developer contributions (including work in kind). Both the provision of affordable housing and developer contributions are a direct cost on development and the impact they have on viability is therefore related. If the scale of one contribution was to increase, the scheme's ability to bear the other would fall, and vice versa.

- 12.12 The test is whether the cumulative impact of the policies in the Plan puts the Development Plan at serious risk. It is not a requirement that each and every policy can be delivered in full on all sites. Most sites must be able to bear the Council's policy burden so that site by site viability testing at the development management stage is the exception rather than the rule.
- 12.13 Based on the analysis in Table 10.6, we cannot confirm that the cumulative impact of the policies, including the 40% affordable housing (where the affordable housing for rent is Affordable Rent rather than Social Rent) and the site specific s106 costs, but excluding further infrastructure contributions, does not put the strategic sites at *serious risk*. We recommend that the target is revisited. There is further a concern that, as the level of financial contribution increases, the Residual Value falls significantly reducing the cushion or margin by which the Residual Value exceeds the Viability Threshold.
- 12.14 As shown in Table 10.6 above, as would be expected, as the amount of affordable housing is reduced, the Residual Value increases. Similarly as the amount of developer contribution increases, the Residual Value is reduced. Bearing in mind the levels of infrastructure funding required we would recommend that the Council consider move to a lower level of affordable housing than the current 40%. This would increase the cushion or margin between the Viability Threshold and the Residual Value.
- 12.15 The situation is similar in relation to the modelled typologies, as with the strategic sites and as would be expected, as the amount of affordable housing is reduced, the Residual Value increases. Similarly as the amount of developer contribution increases, the Residual Value is reduced.
- 12.16 Based on the above we confirm that the cumulative impact of the policies, including the 40% affordable housing, but excluding additional developer contributions, is not deliverable in the town centre and on brownfield sites, so does put the residential development at *serious risk*.
- 12.17 Bearing in mind the levels of infrastructure funding required **we recommend that the Council moves to a two tiered affordable housing policy with a 25% requirement on brownfield sites (including the Town Centre Regeneration Area) and 30% on the remaining areas (including strategic sites)**. Whilst there is scope to have higher targets than these, there would only be limited scope to introduce CIL in addition. The ability to levy CIL over and above these targets is explored in the next chapter.

Non-Residential Development

- 12.18 To a large extent the above results are reflective of the current market in Stevenage and more widely. Office and industrial/distribution development are shown as unviable, however this is not just a Stevenage issue – a finding supported by the fact that such development is only being brought forward to a limited extent on a speculative basis by the development industry. Where development is coming forward it tends to be from existing businesses for operational reasons – rather than to make a return through property development.
- 12.19 Further, the analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. To a large extent it assumes that development takes place for

its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long term view as to the direction of the market based on the prospects of an area and wider economic factors. Much of the development coming forward in Stevenage is 'user led' being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.

- 12.20 It is clear that non-residential development is challenging in the current market, but it is improving. We would urge caution in relation to setting policy requirements for employment uses that would unduly impact on viability.
- 12.21 Supermarkets and retail warehouses are both shown as viable, on greenfield sites and brownfield sites with the Residual Value exceeding the Viability Threshold by a substantial margin (indicating the ability to make developer contributions). The Plan supports the development of retail uses in the town centre and there are limited remaining opportunities within the town centres beyond those being currently pursued. Whilst the Council wish to see a broad range of retailing in the Borough, the Plan directs this towards the town centre.
- 12.22 Other town centre retailing is shown as viable (by the shop typology that represents typical high street shops). This finding should be treated with caution as town centre development is most likely to be on land that is currently in a retail use and will have higher costs. In the current market such development is unlikely to be viable and it is important to note that there are multiple empty premises in prime locations, and more in the locations around the periphery of the town centre. The Council have several policies seeking to further enhance the town centre.
- 12.23 The analysis included hotel use. This is shown to be unviable on greenfield and on brownfield land. We would suggest caution when considering CIL in relation to this use.
- 12.24 The lack of viability is not as a result of the cumulative impact of the Council's policies rendering development unviable through imposing layers of additional costs. The Council has few policies adding to the costs of development in this area. **We conclude that the cumulative impact of the Council's policies does not put employment uses at serious risk, however we also note that employment development has little capacity to bear developer contributions.**
- 12.25 The test of soundness of the Plan goes beyond simply demonstrating that the cumulative impact of the Council's policies does not put employment uses at serious risk. As set out in paragraph 174 of the NPPF it should also 'facilitate development throughout the economic cycle'. The Council is doing much in this regard already, including:

- a. Working closely with the LEP to secure infrastructure funding to support employment uses (amongst other things).
- b. Recognising the Council's limited supply of employment land and continuing to work with neighbouring authorities to bring forward employment land.
- c. Working with Hertfordshire County Council to ensure that the infrastructure to support employment uses is given appropriate priority – for example through co-operation through the CIL Regulation 123 infrastructure list.

12.26 Town centre retailing is unlikely to be viable. This is also reflective of the current market and again not as a result of the cumulative impact of the Council's policies. The Council has several policies and initiatives seeking to further enhance the town centre.

12.27 Supermarkets and retail warehouses are both shown as viable, on greenfield sites and brownfield sites with the Residual Value exceeding the Viability Threshold by a significant margin indicating the ability to make developer contributions.

Conclusions

12.28 Stevenage is situated in a high value and vibrant area with strong house prices that are able to support an active housing market. The town itself has suffered from a poor image and the style of much of the housing offer is not appealing to many buyers (being fairly homogenous mid-20th Century housing estates). Care will need to be taken when planning new development to ensure that it is appealing to the current market.

12.29 We recommend that the Council moves to a **two tiered affordable housing policy with a 25% requirement on brownfield sites (including the Town Centre Regeneration Area) and 30% on the remaining areas (including strategic sites)**. Set at these levels residential development is not put at serious risk by the cumulative impact of the Council's policies and would be able to bear developer contributions in the range as set out in the following Chapter without threatening development. The ability to bear developer contributions is limited at higher rates of affordable housing.

12.30 Whilst some non-residential uses are not viable, they are not rendered unviable by the cumulative impact of the Council's policies, rather by the general market conditions. The employment uses (office and industrial), town centre retail and hotel uses are unlikely to be able to bear additional developer contributions, however supermarket and retail warehouse development is able to make significant contributions.

CIL and Developer Contributions

12.31 In the following chapter we have set out the ability to bear CIL and discussed the issues around setting CIL.

Review

- 12.32 It is clear from the direction of the market as set out in Chapter 4 above, and from improved sentiment, that the economy and property markets are improving. There is however some level of uncertainty. Bearing in mind the Council's wish to develop housing, and the requirements to fund infrastructure, it is our firm recommendation that the Council keeps viability under review and should the economics of development change significantly it should not hesitate to undertake a limited review of the Plan to adjust the affordable housing requirements or levels of developer contribution.
- 12.33 We recommend a review is undertaken three yearly or in the event of a 10% change in house prices.

13. Setting CIL

- 13.1 This document sets out the methodology used, the key assumptions adopted, and the findings, and has been prepared as a first step towards assisting the Council with the development of CIL and to engage with stakeholders. The CIL Guidance requires stakeholder engagement – particularly with members of the development industry.
- 13.2 If following the consideration of this report, the Council decides to pursue CIL, it will be necessary to prepare a Preliminary Draft Charging Schedule (PDCS) and consult on this with the development industry and other interested parties. This process will include publishing the proposed rates, as well as the supporting evidence and rational for the charges.
- 13.3 Following the consultation on the PDCS the evidence will be updated as required and Council will prepare a Draft Charging Schedule (DCS) and consult on this, again with the development industry and other interested parties. Finally the Council will consider the consultation responses and then submit a Draft Charging Schedule for independent examination by the Planning Inspectorate (or other appropriate examiner).
- 13.4 The findings of this report do not determine the rates of CIL, but are one of a number of factors that the Council may consider when setting CIL. In setting CIL there are three main elements that need to be brought together:
- a. Evidence of the Infrastructure Requirements
 - b. Viability Evidence
 - c. The Input of Stakeholders.
- 13.5 It is important to note that the recommendations made in this chapter are based on the recommended reduced rates of affordable housing set out in Chapter 12 above. These are:
- a. Brownfield Sites 25%
 - b. Remaining Areas (including strategic sites) 30%
- 13.6 These revised rates of affordable housing have not been accepted by the Council so if different requirements are incorporated into the Local Plan, it would be necessary to revisit these recommendations. Higher levels of affordable housing would result in lower rates of CIL.
- 13.7 Outside this report the Council has carried out a substantial amount of work looking at the infrastructure requirements of the area. The Council has drawn on three principle sources of information to inform the decision making process:
- a. The viability evidence set out in this report (and the earlier viability studies).
 - b. Information about the requirements for infrastructure and, in relation to the larger sites, what of that infrastructure can be funded under s106 bearing in mind CIL Regulations 122 and 123.

- c. Projections of expected CIL receipts through considering the amount and types of development planned for and anticipated in different parts of the Borough.

- 13.8 In striking a balance between the different rates of CIL, the Council needs to consider a range of factors including those set out below.
- 13.9 Before considering these it is timely to note that an important principle of CIL is that the Levy is set on the assumption that all other policy requirements (such as affordable housing, environmental standards and the requirements of any Neighbourhood Plans) are paid first. That is to say CIL should be set on the assumption that the full affordable housing requirement is achieved. In this context the Council has a poor track record of achieving affordable housing in the central area of Stevenage – thus limiting the ability to introduce CIL in this area. Conversely the Council has a strong track record in securing both affordable housing and substantial developer contributions areas across the remainder of the Borough.

Regulations and Guidance

- 13.10 CIL Regulation 14 (as amended) sets out the core principle for setting CIL:

In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between— (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.....

- 13.11 Viability testing in the context of CIL concerns the 'effects' on development viability of the imposition of CIL. The Council has taken into account the importance of the provision of infrastructure on the ability of the Council to meet its objectives through development and deliver its Development Plan.

- 13.12 The test that will be applied to the proposed rates of CIL are set out in the updated CIL Guidance, putting greater emphasis on demonstrating how CIL will be used to deliver the infrastructure required to support the Plan.

The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

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- 13.13 The test is whether the sites and the scale of development identified in the Plan are subject to such a scale of obligations and policy burdens (when considered together) that their ability to be developed viably is threatened by CIL. The viability evidence has considered the full range

of the Council's policy requirements, including the need for infrastructure funding. The test is whether CIL threatens the Development Plan as a whole – it is important to note that the CIL Regulation 14 is clear that the purpose of the viability testing is to establish '*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*' rather than on specific sites.

Differential Rates

- 13.14 CIL Regulation 13 gives the flexibility to charge variable rates by zone and development type, however there has been some uncertainty around the charging of differential rates. This follows the objection made by supermarket operator Sainsbury's to the Poole Charging Schedule. We recommend that the Charging Authorities adopt the definitions agreed in South Lakeland⁴⁷:

Supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix. The majority of custom at supermarkets arrives by car, using the large adjacent car parks provided.

Retail warehouses – are large stores specialising in the sale of comparison goods (such as carpets, furniture, and electrical goods) DIY items and other ranges of goods catering mainly for car borne customers.

Charging Zones

- 13.15 During the early consultation phases of this project, we discussed the setting of site specific rates for large urban extensions, we have considered this below, however it is important to note that it this is based on the best available information, at the time of this report. As the plan making process continues and the details of the scheme (in terms of size) and site specific infrastructure requirements is further developed it may be necessary to revisit these.

- 13.16 This should be read in conjunction with the Harman Guidance that says (page 23):

Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.

We recommend that developers and landowners are given the opportunity to make submissions – and we would recommend that they are actively encouraged to do so. If the Council decides to follow this advice, then detailed, scheme specific, viability appraisals will need to be prepared – such a task is beyond the scope of this project, however as we have said elsewhere, this Viability Study forms just part of the viability evidence.

⁴⁷ By Sarah Housden sitting as an Independent CIL Examiner and set out in her report following her examination of the South Lakeland District Council CIL Charging Schedule (20th March 2015).

New Regulations and Guidance

- 13.17 This Viability Study has been prepared in line with the current CIL Guidance and the CIL Regulations, best practice, and the various other sources of relevant Guidance. It may be necessary to revisit the CIL setting process in the light of any new Regulations or Guidance.
- 13.18 The Government has suggested that further amendments will be published later this year (2015) or next year, so it is necessary to keep this under review.

CIL v s106

- 13.19 In Chapter 2 above, we have set out the restrictions on future use of s106 agreements.
- 13.20 In the modelling in this report we have assumed a s106 payment of £2,000 /unit across all sites. It is important to note that the Council does not anticipate the large greenfield strategic sites to come forward before the adoption of the new Local Plan. The strategic sites may put significant pressure on the infrastructure and improvements may be required that will not be sufficiently site specific to pass the tests for payments to be required through s106. These items will be funded through a range of other sources including CIL, so it will be necessary to reconsider CIL if large strategic sites are identified.

Infrastructure Delivery

- 13.21 Under the pre April 2015 s106 regime, the delivery of site specific infrastructure largely fell to the developer of a site. If improvements to the infrastructure were required, then normally it was for the developer to procure and construct those items – albeit under the supervision of the relevant authority. The exception to this was in relation to education and public open space, where some councils had developed tariff systems for contributions to be made into a central ‘pot’ which is then spent across a general area. The use of s106 agreements to deliver infrastructure and mitigation measures is now limited through CIL Regulations 122 and 123.
- 13.22 The advantage of that system was that, to a large extent, the developer had control of the process and could carry out (directly or indirectly) the works required to enable a scheme to come forward. By way of an example, these may be to provide a new roundabout and upgrade a stretch of road, and on a very big scheme provide community buildings such as a school. Under s106, the developer carries much of the financial and development risk associated with the process⁴⁸.
- 13.23 If the Council moves to a system whereby CIL is set at the upper limit of viability, it is likely that the delivery of these infrastructure items will fall to the Council. The Council will need to consider the practicalities of this. Do they want to take responsibility for delivering infrastructure that is currently delivered by developers under the s106 regime, and if so, how

⁴⁸ It should be noted that there is some uncertainty around how the provision of infrastructure sits within the EU Procurement Rules and whether the provision of such items should be subject to competitive tendering. We recommend that the Council takes independent legal advice in this regard.

they will manage and fund it? If the Council does not have a mechanism in place (that may involve borrowing monies), the Development Plan could be put at risk as consented schemes may not be able to proceed.

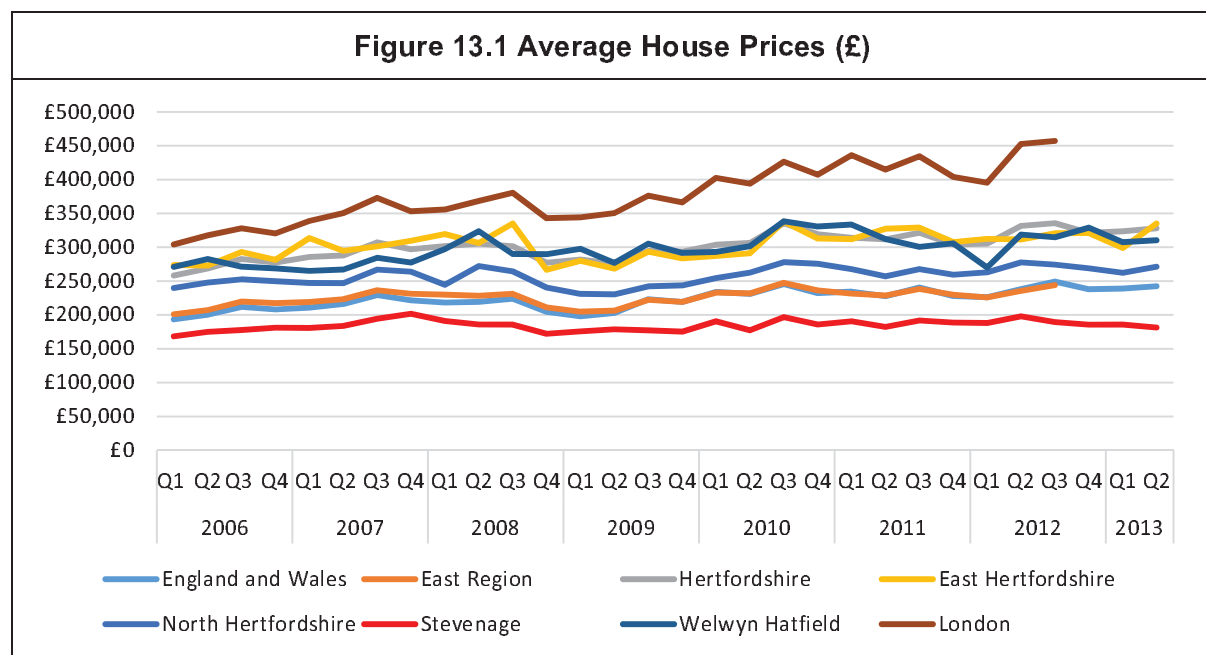
- 13.24 As part of the process of working towards getting CIL in place, Stevenage has made an assessment of the infrastructure required to support new development. An important part of striking the balance as to what level of CIL to charge, may be around the nature of infrastructure and how it is to be delivered.

Developers' Comments

- 13.25 An important part of the process of preparing this report has been engagement with the development industry. In due course the Council will consult further at both the Preliminary Draft Charging Schedule and Draft Charging Schedule stages. It will be necessary to take the views of the industry into account.

Uncertain Market

- 13.26 Chapter 4 above includes a commentary on the property markets. It was noted that the current direction and state of the housing market has improved markedly over the last few years. The figure below shows that prices in Stevenage have seen a recovery since the bottom of the market in mid-2008, but the direction of the market is uncertain.



Source: Land Registry via CLG Live Table (February 2015)

- 13.27 Whilst the housing market has seen a recovery and there is considerable optimism in the non-residential sectors, there remain a number of uncertainties around the UK's relationship with Europe and the wider world economies. It is therefore appropriate to take a cautious approach when setting CIL and ensure that the cumulative impact of policies does not result in a total policy burden that is close to the limits of viability.

- 13.28 Sensitivity testing has been carried out and is set out in the latter parts of Chapter 10 above. A reduction in house prices of 10% or an increase in build costs of 15% would result in a tightening of viability, however the Council can have confidence that CIL would not prejudice the Plan.

Neighbouring Authorities

- 13.29 The rates of CIL introduced by neighbouring local authorities are going to be a material factor when the Council comes to set its rates of CIL. A very high rate may be viable, however if a neighbouring authority has set a low rate, then the Development Plan could be put at risk as developers may prefer to develop in an area with a lower rate of CIL. Limited weight should be given to those not adopted.

North Hertfordshire – PDCS Consultation (February 2013)

- 13.30 The Council's PDCS was published in February 2013⁴⁹ but no further information has been published by the Council:

Type of development	Zone	Charge £/m ²
Residential dwellings	Lower Value Areas	£80
	All other Areas	£120
Retail development > 280m ²	Districtwide	£120
Retail development < 280m ²		£60
All other development	Districtwide	£0

East Hertfordshire

- 13.31 No rates published, but continuing work on evidence base.

Central Bedfordshire – DCS Consultation

- 13.32 The Central Bedfordshire CIL Preliminary Draft Charging Schedule was published for a 6 week consultation period on 14 January 2013. The second consultation stage of the statutory CIL process, the Draft Charge Schedule, is expected to be carried out in the summer of 2015 with submission and examination later in 2015⁵⁰.

⁴⁹ http://www.north-herts.gov.uk/sites/northherts-cms/files/files/cil_pdcs_130129_cabinet_approved.pdf

⁵⁰ <http://www.centralbedfordshire.gov.uk/planning/strategic-planning/cil.aspx>

Type of development	Zone	Charge £/m ²
Residential dwellings	Area A	£225
	Area B	£150
	Area C	£45
Retail development > 2,500m ²	Districtwide	£200
Retail development - other		£100
All other development	Districtwide	£0

South Cambridgeshire

- 13.33 South Cambridgeshire District Council has submitted a Draft Charging Schedule, under the Planning Act 2008 and Community Infrastructure Levy Regulations (CIL), for independent examination⁵¹.

Type of development	Zone	Charge £/m ²
Residential dwellings	Area A	£100
	Area B (Strategic)	£0
	Area C	£125
Retail development > 280m ²	Districtwide	£125
Retail development < 280m ²		£50
All other development	Districtwide	£0

Uttlesford

- 13.34 The Council has no current plans to progress CIL.

Harlow

- 13.35 The Council has no current plans to progress CIL, but may do so following the further development of the Plan in the autumn.

Welwyn Hatfield

- 13.36 The Council proposes to introduce a CIL charging schedule, but will only do so once its core strategy has been adopted and has not yet published a PDCS⁵².

⁵¹ <https://www.scambs.gov.uk/content/examination-draft-charging-schedule>

⁵² <http://www.welhat.gov.uk/article/1048/Planning-Obligations-Section-106-legal-agreements-and-unilateral-under takings>

Luton

- 13.37 CIL is not currently considered viable in Luton.
- 13.38 We would urge caution about getting out of line in introducing CIL rates. In particular this applies to commercial uses.

S106 History

- 13.39 The Council has a mechanism for collecting contributions under the s106 system. This evidence is presented outside of this report.

Costs of Infrastructure and Sources of Funding

- 13.40 AECOM have assisted the Council in establishing the requirement for infrastructure to support new development and the costs of providing this. The Council will consider the amounts of funding that may or not available from other sources. The Council has a funding gap, that is to say the cost of providing the infrastructure is more than the identified funding.
- 13.41 When the Council strikes the balance and sets the levels of CIL, the amount of funding required will be a material consideration as it may be that the delivery of the Plan is threatened in the absence of CIL to pay for infrastructure. However, it should be stressed that CIL should be set with regard to the effect of CIL on development viability. There is no expectation that CIL should pay for all of the infrastructure requirements in an area. There are a range of other sources, as set out above, that are taken into account. The Council will need to consider the total amount of money that may be received through the consequence of development; from CIL, from s106 payments, and from the New Homes Bonus, when striking the balance as to its level of CIL.
- 13.42 Bearing in mind the requirements of Paragraph 8 of the CIL Guidance, and as set out above, it is best practice that the 123 List is prepared and set out at the time of the Consultation on the PDCS. We recommend that the Council sets out those items of infrastructure that are vital to the delivery of the Development Plan in a draft 123 List, and consults stakeholders on its content. In this regard the Council should set out the other available sources of funding, the role CIL will play, and how these items of infrastructure will enable the Plan to be delivered.
- 13.43 When setting out the costs and other sources of funding, the Council will need to consider the amount that can be retained to cover the cost of administering CIL (5%) and the amount to be passed to the local neighbourhood (see below) under the localism provisions as these will substantially reduce the monies available.

Parish Council and a Neighbourhood Plan = 25% uncapped paid to Parish	Parish Council but no Neighbourhood Plan = 15% capped at £100/dwelling paid to Parish
No Parish Council but a Neighbourhood Plan = 25% uncapped - Local Authority consults with community	No Parish Council and no Neighbourhood Plan = 15% capped at £100/dwelling - Local Authority consults with community

Instalment Policy

13.44 At the start of this process the Council organised a consultation event (March 2015) with members of the development industry. The importance of allowing CIL to be paid through the life of a project was raised.

13.45 The CIL Guidance sets out:

Regulation 70 (as amended by the 2012 and 2013 Regulations) provides for payment by instalment where an instalment policy is in place. Where no instalment policy is in place, payment is due in full at the end of 60 days after development commenced (see Regulation 7, and section 56(4) of the Town and Country Planning Act 1990, for the definition of 'commencement of development').

PPG Reference ID: 25-055-20140612

13.46 If an Instalment Policy is not adopted then payment is due on full at the end of 60 days after commencement. To require payment, particularly on large schemes in line with the above, could have a dramatic and serious impact on the delivery of projects. It is our firm recommendation that the Council introduces an Instalment Policy. Not to do so could put the Development Plan at serious risk.

13.47 It is our firm recommendation that the Council introduces an Instalment Policy. Not to do so could put the Development Plan at serious risk.

13.48 The modelling in this study is on the basis that the Council does introduce an Instalment Policy that enables CIL to be paid, through the life of a project, in equal instalments. There are a range of alternative instalment policy structures that could be adopted such as the one set out below as an example. In any event any instalment policy should have a provision whereby, in all cases, the full balance is payable on occupation/opening of the development if this is earlier than the instalment dates set out in the table.

Table 13.2 Potential Instalment Policy

CIL in £	Number of Instalments	Total Timescale for Instalments	Payment Amounts	Payment Periods
up to £6,000	2	270 days (9 months)	10%	60 days from commencement
			90%	270 days from commencement
£6,001 to £30,000	3	365 days (1 year)	10%	60 days from commencement
			45%	270 days from commencement
			45%	365 days from commencement
£30,001 to £150,000	3	548 days (18 months)	10%	60 days from commencement
			45%	365 days from commencement
			45%	548 days from commencement
£150,001 to £300,000	4	730 days (2 years)	10%	60 days from commencement
			30%	365 days from commencement
			30%	548 days from commencement
			30%	730 days from commencement
£300,001 to £600,000	5	1095 days (3 years)	10%	60 days from commencement
			23%	365 days from commencement
			23%	548 days from commencement
			23%	730 days from commencement
			21%	1095 days from commencement
£600,001 to £1,200,000	6	1460 days (4 years)	10%	60 days from commencement
			18%	365 days from commencement
			18%	548 days from commencement
			18%	730 days from commencement
			18%	1095 days from commencement
			18%	1460 days from commencement
£1,200,001 to £1,800,000	7	1825 days (5 years)	10%	60 days from commencement
			15%	365 days from commencement
			15%	548 days from commencement
			15%	730 days from commencement
			15%	1095 days from commencement
			15%	1460 days from commencement
			15%	1825 days from commencement
£1,800,001 and over	8	2190 days (6 years)	10%	60 days from commencement
			13%	365 days from commencement
			13%	548 days from commencement
			13%	730 days from commencement
			13%	1095 days from commencement
			13%	1460 days from commencement
			13%	1825 days from commencement
			12%	2190 days from commencement

Source: HDH 2015

Viability Evidence – Rates and Zones

- 13.49 In considering CIL in this report we have based the assessment on the Council's planning policies as set out in the emerging **Stevenage Borough Local Plan 2011-2031** (the Local Plan). This is an evolving document and a number of policy areas are yet to be finalised. As the Council continues through the plan-making process it will be necessary to ensure that the advice in relation to CIL remains appropriate, relative to the Council's wider policy requirements.
- 13.50 The viability study has been carried out in line with the requirements of the NPPF, CIL Regulations and PPG (which includes the CIL Guidance). This is a prescriptive process that is aiming to understand development viability in the plan-making / CIL-setting context in a high level way. It is a high level process that does not look at the deliverability of individual sites or any particular developers' business model or methodology.
- 13.51 A number of development sites (residential and non-residential) have been modelled and from this the impact of CIL is inferred. These modelled sites are based on the sites that are anticipated to come forward under the new Local Plan
- 13.52 This study uses the Residual Value methodology as set out in the Harman Guidance. This assesses the impact of introducing CIL in the context of meeting all the Council's other policy requirements. Using evidence of local house prices and non-residential values, local development costs and assumptions about the availability of development finance, developer's profits and the general characteristics of development in the Stevenage area an assessment is made of the amount by which land values may be depressed by the Levy and whether that is sufficient to deter landowners from making their land available for development.
- 13.53 CIL may be set for different development types and by different areas – although it is necessary to keep any charging schedule simple.

A Cautious Approach

- 13.54 It is important to note that the analysis is based on the potential development sites that are listed at the start of Chapter 9 above.
- 13.55 The analysis is based on the recommendations made in this chapter and are based on the recommended reduced rates of affordable housing set out in Chapter 12 above.
- a. Brownfield sites 25%
 - b. Remaining areas (including strategic sites) 30%
- 13.56 These revised rates of affordable housing have not been accepted by the Council so if different requirements are incorporated into the Local Plan it would be necessary to revisit these recommendations. Higher levels of affordable housing would result in lower rates of CIL. Particular attention is drawn the assumptions around the mix and type of housing modelled as set out in Chapter 8 and Chapter 9 above.

Evidence

13.57 We have drawn on the viability evidence set out in Chapters 10 and 11 above. This evidence has been prepared in line with the viability sections of the PPG, with the Harman Guidance and the RICS Guidance and having taken the comments of consultees into account. It is therefore an appropriate evidence base for the setting of CIL.

13.58 In this chapter we have taken the recommended rates of affordable housing and run further appraisals with a range of levels of CIL. It is important to note that in the analysis earlier in this report it was assumed that the developer contributions were charged on all units (market and affordable). In the following analysis the rates of CIL are only applied to the market housing and are calculated on a £/m² basis.

13.59 The analysis is based on the following core assumptions:

a)	Affordable Housing	Brownfield sites	25%
		Remaining areas (including strategic sites)	30%
b)	Environmental Standards	Enhanced Building Regulations (Part L) (BCIS +1.5%). Lifetime £11/m ² .	
c)	CIL and s106	£2,000 per unit (market and affordable).	
		Stevenage North	£7,180,000
		Stevenage West	£13,950,000
		Stevenage South-east	£7,000,000

13.60 The following appraisals incorporate CIL at a range of levels:

Table 13.3 Residual Value compared with Viability Thresholds

Affordable – Brownfield sites (including Town Centre Regeneration Area) 25%, Remaining areas (including strategic sites) 30% - range of CIL Contributions

				£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100
1	Northern Extension			568,026	560,443	552,860	545,277	537,694	530,111	522,527	514,944	507,361	499,778	492,128
2	Western Extension	25,000		483,293	458,816	430,340	443,863	437,387	430,910	424,434	417,957	411,481	405,004	398,528
3	Southeast Extension	25,000		658,607	645,991	639,374	629,758	620,142	610,525	600,909	591,292	581,676	572,060	562,443
4	Greenfield 1	50,000		755,058	734,601	714,145	700,296	679,645	658,994	638,343	617,692	597,041	576,390	555,739
5	Greenfield 2	50,000		896,066	873,818	851,570	829,321	807,073	784,824	762,576	740,328	718,079	695,831	673,583
6	Greenfield 3	50,000		640,236	623,085	605,935	588,785	571,635	554,485	537,335	520,185	503,035	485,885	468,735
7	Greenfield 4	50,000		14,112,412	14,389,788	14,667,161	14,944,535	15,221,909	15,499,284	15,776,658	16,054,033	16,331,407	16,608,781	16,886,156
8	High Town Centre Flats	600,000		3,022,163	3,077,708	3,133,253	3,188,797	3,244,342	3,299,886	3,355,431	3,410,975	3,466,520	3,522,064	3,577,609
9	Town Centre Flats	600,000		678,597	652,911	627,234	601,558	575,881	550,205	524,528	498,851	473,175	447,498	421,822
10	PDL 1	600,000		597,210	572,634	548,058	523,482	498,906	474,330	449,755	425,179	400,603	376,027	351,451
11	PDL 2	600,000		756,346	730,444	704,542	678,640	652,738	626,836	600,934	575,032	549,130	523,228	497,326
12	PDL 3	600,000		1,168,139	1,202,446	1,236,752	1,271,059	1,305,366	1,339,673	1,373,980	1,408,287	1,442,594	1,476,901	1,511,208
13	PDL 4 - Flats	600,000		856,436	835,351	814,265	793,180	772,095	751,010	729,925	708,840	687,755	666,670	645,585
14	Small A	600,000		851,611	829,779	807,948	786,116	764,285	742,453	720,621	698,790	676,958	655,127	633,295
15	Small B	600,000		707,672	683,491	659,309	635,128	610,946	586,765	562,584	538,402	514,221	490,039	465,858
16	Small C	600,000												
1	Northern Extension				484,370	476,613	468,855	461,097	453,340	445,582	437,824	430,067	422,309	414,551
2	Western Extension	25,000			391,936	385,315	378,694	372,073	365,452	358,831	352,210	345,589	338,968	332,347
3	Southeast Extension	25,000			552,827	543,210	533,594	523,978	514,361	504,745	495,128	485,512	475,896	466,279
4	Greenfield 1	50,000			535,088	514,437	493,786	473,135	452,484	431,833	411,182	390,531	369,880	352,113
5	Greenfield 2	50,000			426,332	406,276	386,220	366,164	346,108	326,053	305,997	285,941	265,885	250,000
6	Greenfield 3	50,000			651,334	629,086	606,837	584,589	562,341	540,093	517,845	495,597	473,349	451,101
7	Greenfield 4	50,000			451,585	434,435	417,284	400,134	382,984	365,834	348,684	331,534	314,384	297,234
8	High Town Centre Flats	600,000			17,163,530	17,440,904	17,718,279	17,995,653	18,273,027	18,550,402	18,827,776	19,105,150	19,382,525	19,659,899
9	Town Centre Flats	600,000			3,633,154	3,688,698	3,744,243	3,799,787	3,855,332	3,910,876	3,966,421	4,021,965	4,077,510	4,133,055
10	PDL 1	600,000			396,145	370,469	344,793	319,117	293,441	267,765	242,089	216,413	190,737	165,061
11	PDL 2	600,000			333,285	308,227	283,169	258,112	233,054	207,996	182,938	157,880	132,822	107,764
12	PDL 3	600,000			480,675	454,266	427,857	401,447	375,038	348,629	322,219	295,810	269,401	242,992
13	PDL 4 - Flats	600,000			1,545,515	1,579,822	1,614,129	1,648,436	1,682,743	1,717,049	1,751,356	1,785,663	1,819,970	1,854,277
14	Small A	600,000			636,742	615,243	593,744	572,245	550,746	529,248	507,749	486,250	464,751	443,252
15	Small B	600,000			617,517	595,470	573,422	551,374	529,326	507,279	485,231	463,183	441,135	419,088
16	Small C	600,000			441,677	417,495	393,314	369,132	344,951	320,769	296,588	272,407	248,225	224,044

Source: SBC Whole Plan Viability Study August 2015

- 13.61 The greenfield sites have capacity to bear up to £40/m² or so. At this level the Residual Values for the modelled sites are well in excess of the viability threshold, creating a significant cushion and demonstrating that CIL would not be set at the limits of viability.
- 13.62 This is in large part due to the significant strategic infrastructure and mitigation costs included in the modelling of the strategic sites. Based on this analysis there is scope to request additional CIL on these sites at these rates.
- 13.63 The development modelled on brownfield sites (including the town centre) generates Residual Values that are positive, but there is limited scope to introduce CIL. The results reflect the practice on the ground. Based on this aspect of the evidence it is clear that the flattened development in the town centre does not have capacity to bear CIL.
- 13.64 The CIL Regulations are clear that CIL rates can be defined by development type (based on the eventual use of the scheme) or area, and that the areas must be plotted on an Ordnance Survey map.

CIL as a proportion of Land Value and Gross Development Value

- 13.65 To further inform the CIL rate setting process, we have calculated CIL as a proportion of the Residual Value and the Gross Development Value.
- 13.66 CIL as the proportion of the Residual Value, in approximate terms, represents the percentage fall in land value that a landowner may receive. As set out in the Local Plan Viability Study, it is inevitable that CIL will depress land prices. This is recognised in the RICS Guidance and was considered at the Greater Norwich CIL examination⁵³. In Greater Norwich it was suggested that landowners may accept a 25% fall in land prices following the introduction of CIL saying:

22. Thirdly the work done by the Councils to demonstrate what funds are likely to be available for CIL (Appendix 1 of the Note following Day 1) relies on the full 25% of the benchmark land value being available for the CIL "pot". While this may sometimes be the case it is unlikely that it will always apply. Even if some landowners may be prepared to accept less than 75% of the benchmark value, the 25% figure should be treated as a maximum and not an average. Using 25% to try to establish what the theoretical maximum amount in a CIL "pot" may be is reasonable, but when thinking about setting a CIL charge in the real world it would be prudent to treat it as a maximum that will only apply on some occasions in some circumstances.

- 13.67 It is important to note that a wide ranging debate took place at that CIL Examination and on the specific local circumstances. It would however be prudent to set CIL at a rate that does not result in a fall in land prices of greater than 25% or so. The following tables show CIL, at a range of rates, as a percentage of the Residual Value.

⁵³ Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council. by Keith Holland BA (Hons) Dip TP, MRTPI ARICS Date: 4 December 2012

Table 13.4 CIL as Percentage of Residual Value

			£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£110	£120	£130	£140	£150	£160	£170	£180	£190	£200
1	Northern Extension	North	0.0%	0.0%	3.8%	5.7%	7.7%	9.8%	11.9%	14.1%	16.4%	18.7%	21.1%	23.6%	26.1%	28.6%	31.5%	34.4%	37.3%	40.3%	43.5%	46.7%	50.1%
2	Western Extension	West	0.0%	0.0%	4.3%	6.5%	8.9%	11.2%	13.7%	16.2%	18.8%	21.5%	24.3%	27.2%	30.1%	33.2%	36.4%	39.7%	43.2%	46.7%	50.4%	54.3%	58.3%
3	Southeast Extension	South East	0.0%	0.0%	4.0%	6.1%	8.2%	10.4%	12.7%	15.0%	17.5%	20.0%	22.6%	25.3%	28.1%	31.0%	34.0%	37.1%	40.3%	43.6%	47.1%	50.7%	54.5%
4	Greenfield 1		0.0%	0.0%	5.7%	8.7%	12.0%	15.5%	19.2%	23.1%	27.3%	31.8%	36.7%	41.9%	47.5%	53.6%	60.3%	67.5%	75.5%	84.2%	93.9%	104.7%	115.7%
5	Greenfield 2		0.0%	0.0%	6.5%	10.1%	14.0%	18.1%	22.5%	27.3%	32.2%	37.8%	43.9%	50.6%	57.9%	66.0%	74.9%	84.9%	96.2%	108.9%	123.4%	140.1%	156.8%
6	Greenfield 3		0.0%	0.0%	5.1%	7.9%	10.8%	13.9%	17.1%	20.6%	24.2%	28.1%	32.3%	36.7%	41.5%	46.6%	52.1%	58.0%	64.0%	70.0%	77.5%	85.6%	94.5%
7	Greenfield 4		0.0%	0.0%	5.6%	8.7%	12.0%	15.4%	19.1%	23.0%	27.2%	31.6%	36.4%	41.6%	47.2%	53.2%	59.8%	66.9%	74.7%	83.3%	92.7%	103.2%	114.9%
8	High Town Centre Flats	Town Centre	0.0%	0.0%	-3.5%	-5.1%	-6.7%	-8.2%	-9.7%	-11.1%	-12.5%	-13.8%	-15.1%	-16.3%	-17.5%	-18.7%	-19.8%	-20.9%	-22.0%	-23.0%	-24.0%	-25.0%	-25.9%
9	Town Centre Flats	Town Centre	0.0%	0.0%	-3.3%	-4.8%	-6.3%	-7.7%	-9.1%	-10.5%	-11.8%	-13.0%	-14.3%	-15.4%	-16.6%	-17.7%	-18.8%	-19.8%	-20.9%	-21.9%	-22.8%	-23.8%	-24.7%
10	PDL 1		0.0%	0.0%	8.1%	12.6%	17.6%	23.0%	29.0%	35.5%	42.8%	51.0%	60.1%	70.3%	82.1%	94.6%	110.1%	128.3%	149.9%	176.2%	208.7%	250.0%	298.2%
11	PDL 2		0.0%	0.0%	8.8%	13.8%	19.3%	25.3%	32.0%	39.5%	48.0%	57.5%	67.2%	79.3%	93.5%	110.3%	130.3%	154.6%	184.8%	223.2%	271.1%	340.2%	441.4%
12	PDL 3		0.0%	0.0%	7.1%	11.0%	15.2%	19.8%	24.8%	30.2%	36.2%	42.7%	49.9%	57.9%	66.9%	76.9%	88.3%	101.2%	115.0%	132.2%	152.5%	176.8%	206.3%
13	PDL 4 - Flats		0.0%	0.0%	-5.1%	-7.4%	-9.7%	-11.8%	-13.8%	-15.7%	-17.5%	-19.2%	-20.8%	-22.4%	-23.9%	-25.4%	-26.8%	-28.1%	-29.4%	-30.6%	-31.8%	-32.9%	-34.0%
14	Small A		0.0%	0.0%	5.1%	7.8%	10.7%	13.6%	16.6%	20.0%	23.5%	27.3%	31.3%	35.6%	40.2%	45.1%	50.4%	56.1%	62.3%	69.0%	76.3%	84.2%	93.0%
15	Small B		0.0%	0.0%	5.2%	8.0%	11.0%	14.1%	17.4%	21.0%	24.7%	28.7%	33.0%	37.3%	42.2%	47.4%	53.1%	59.3%	66.0%	73.3%	81.3%	90.1%	99.9%
16	Small C		0.0%	0.0%	7.0%	10.8%	15.0%	19.6%	24.5%	29.8%	35.7%	42.1%	49.3%	57.2%	66.0%	75.9%	87.0%	99.8%	114.5%	131.5%	151.6%	175.7%	204.9%

Source: SBC Whole Plan Viability Study August 2015

13.68 This analysis supports the previous findings.

- 13.69 Plan-wide viability testing is not an exact science. The process is based on high level modelling and assumptions and development costs and assumptions. The process adopted by many developers is similar, hence the use of contingency sums, the competitive return assumptions and the generally cautious approach. In the following tables we have set out CIL, at a range of rates, as a proportion of the Gross Development Value.

Table 13.5 CIL as Percentage of GDV

			£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£110	£120	£130	£140	£150	£160	£170	£180	£190	£200
1	Northern Extension	North	0.0%	0.0%	0.5%	0.8%	1.1%	1.3%	1.6%	1.9%	2.2%	2.4%	2.7%	3.0%	3.2%	3.5%	3.8%	4.0%	4.3%	4.6%	4.9%	5.1%	5.4%
2	Western Extension	West	0.0%	0.0%	0.5%	0.8%	1.1%	1.3%	1.6%	1.9%	2.2%	2.4%	2.7%	3.0%	3.2%	3.5%	3.8%	4.0%	4.3%	4.6%	4.9%	5.1%	5.4%
3	Southeast Extension	South East	0.0%	0.0%	0.5%	0.8%	1.1%	1.3%	1.6%	1.9%	2.2%	2.4%	2.7%	3.0%	3.2%	3.5%	3.8%	4.0%	4.3%	4.6%	4.9%	5.1%	5.4%
4	Greenfield 1		0.0%	0.0%	0.7%	1.0%	1.3%	1.6%	2.0%	2.3%	2.6%	2.9%	3.3%	3.6%	3.9%	4.2%	4.6%	4.9%	5.2%	5.5%	5.9%	6.2%	6.5%
5	Greenfield 2		0.0%	0.0%	0.6%	1.0%	1.3%	1.6%	1.9%	2.3%	2.6%	2.9%	3.2%	3.6%	3.9%	4.2%	4.5%	4.9%	5.2%	5.5%	5.8%	6.2%	6.5%
6	Greenfield 3		0.0%	0.0%	0.7%	1.0%	1.3%	1.6%	2.0%	2.3%	2.6%	2.9%	3.3%	3.6%	3.9%	4.2%	4.6%	4.9%	5.2%	5.6%	5.9%	6.2%	6.5%
7	Greenfield 4		0.0%	0.0%	0.7%	1.0%	1.3%	1.6%	2.0%	2.3%	2.6%	2.9%	3.3%	3.6%	3.9%	4.2%	4.6%	4.9%	5.2%	5.6%	5.9%	6.2%	6.5%
8	High Town Centre Flats	Town Centre	0.0%	0.0%	0.7%	1.0%	1.3%	1.7%	2.0%	2.3%	2.7%	3.0%	3.3%	3.7%	4.0%	4.3%	4.7%	5.0%	5.3%	5.7%	6.0%	6.3%	6.7%
9	Town Centre Flats	Town Centre	0.0%	0.0%	0.7%	1.0%	1.3%	1.7%	2.0%	2.3%	2.7%	3.0%	3.3%	3.7%	4.0%	4.3%	4.7%	5.0%	5.4%	5.7%	6.0%	6.4%	6.7%
10	PDL 1		0.0%	0.0%	0.7%	1.0%	1.4%	1.7%	2.0%	2.4%	2.7%	3.1%	3.4%	3.8%	4.1%	4.4%	4.8%	5.1%	5.5%	5.8%	6.1%	6.5%	6.8%
11	PDL 2		0.0%	0.0%	0.7%	1.0%	1.4%	1.7%	2.0%	2.4%	2.7%	3.1%	3.4%	3.8%	4.1%	4.4%	4.8%	5.1%	5.5%	5.8%	6.1%	6.5%	6.8%
12	PDL 3		0.0%	0.0%	0.7%	1.0%	1.3%	1.7%	2.0%	2.4%	2.7%	3.0%	3.4%	3.7%	4.0%	4.4%	4.7%	5.1%	5.4%	5.7%	6.1%	6.4%	6.7%
13	PDL 4 - Flats		0.0%	0.0%	0.7%	1.0%	1.4%	1.7%	2.0%	2.4%	2.7%	3.0%	3.4%	3.7%	4.1%	4.4%	4.7%	5.1%	5.4%	5.8%	6.1%	6.4%	6.8%
14	Small A		0.0%	0.0%	0.6%	0.9%	1.2%	1.5%	1.8%	2.1%	2.4%	2.7%	3.0%	3.3%	3.6%	3.9%	4.2%	4.5%	4.8%	5.1%	5.5%	5.8%	6.1%
15	Small B		0.0%	0.0%	0.6%	0.9%	1.2%	1.5%	1.8%	2.1%	2.5%	2.8%	3.1%	3.4%	3.7%	4.0%	4.3%	4.6%	4.9%	5.2%	5.5%	5.8%	6.1%
16	Small C		0.0%	0.0%	0.6%	0.9%	1.2%	1.5%	1.8%	2.1%	2.4%	2.7%	3.0%	3.3%	3.6%	3.9%	4.2%	4.5%	4.8%	5.2%	5.5%	5.8%	6.1%

Source: SBC Whole Plan Viability Study August 2015

- 13.70 This analysis shows that CIL would only be less than 2% of the Gross Development Value. On this basis the Council can have further confidence that development would not be put at risk.

Older People's Housing

- 13.71 As well as mainstream housing, we have considered the retirement sectors separately. We have run simple appraisals based on the assumptions set out in the earlier sections of this report. In the following analysis we have shown the impact of CIL where the affordable housing requirement is 30% and a £100,000 developer contribution for site specific matters under s106:

Table 13.6 Older People's Housing , Appraisal Results - 30% Affordable

[illegible]

Source: SBC Whole Plan Viability Study August 2015

13.72 Sheltered is viable in the study area, and has a capacity to bear CIL. We would suggest that this is set at the same rate as for mainstream housing.

13.73 Extracare housing does not have the capacity to bear CIL.

Non-Residential Development

13.74 In considering non-residential rates we have assumed that development will generally be on brownfield land rather than greenfield land – as the majority of the supply of land is of previously developed land.

Table 13.7 Employment Uses - Appraisal Results

Shops Central

CIL	£/m2	Greenfield	0	20	40	60	80	100	120	
	Site	289,660	285,934	282,208	278,482	274,756	271,030	267,304		
	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Existing Use Value	380,000	380,000	380,000	380,000	380,000	380,000	380,000		
	Residual Value	15,448,553	15,249,833	15,051,113	14,852,393	14,653,673	14,454,953	14,256,233		

Shops Other

CIL	£/m2	Greenfield	0	20	40	60	80	100	120	
	Site	113,309	109,768	106,057	102,331	98,605	94,879	91,153		
	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Existing Use Value	380,000	380,000	380,000	380,000	380,000	380,000	380,000		
	Residual Value	6,053,803	5,855,083	5,656,363	5,457,643	5,258,923	5,060,203	4,861,483		

Supermarkets

CIL	£/m2	Greenfield	0	20	40	60	80	100	120	
	Site	2,125,889	2,026,529	1,927,169	1,827,809	1,728,449	1,629,089	1,529,729		
	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Existing Use Value	380,000	380,000	380,000	380,000	380,000	380,000	380,000		
	Residual Value	1,328,681	1,266,591	1,204,481	1,142,381	1,080,281	1,018,181	956,081		

Smaller Supermarkets

CIL	£/m2	Greenfield	0	20	40	60	80	100	120	
	Site	473,445	443,637	413,829	384,021	354,213	324,405	294,597		
	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Existing Use Value	380,000	380,000	380,000	380,000	380,000	380,000	380,000		
	Residual Value	1,183,612	1,109,092	1,034,572	960,052	885,532	811,012	736,492		

Retail Warehouse

CIL	£/m2	Greenfield	0	20	40	60	80	100	120	
	Site	3,877,423	3,778,063	3,678,703	3,579,343	3,479,983	3,380,623	3,281,263		
	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Existing Use Value	380,000	380,000	380,000	380,000	380,000	380,000	380,000		
	Residual Value	2,833,547	2,759,027	2,684,507	2,609,987	2,535,467	2,460,947	2,386,427		

Source: SBC Whole Plan Viability Study August 2015

- 13.75 In the case of industrial, distribution and office development, the analysis shows that larger sites are not viable. We therefore recommend CIL is not applied to this development type.
- 13.76 The viability of retail development has changed since this project commenced with supermarket viability declining and town centre development improving. We would recommend a rate of £60/m². This would ensure a substantial cushion above the Viability Threshold and ensure CIL only represents a modest proportion of the Residual Value. Whilst the smaller supermarkets on brownfield sites are not viable at this level, there are no such sites within the town.
- 13.77 A zero rate is recommended for hotel development.

Recommended Rates of CIL

- 13.78 In this chapter we have set out the range of factors to be considered when setting CIL. Through the process of engagement with the Council and taking into account all the matters set out above, it was decided that:
- a. CIL is required to fund infrastructure. Having taken into account the other sources of finance there is a 'funding gap' and CIL could make a useful contribution to fund the infrastructure required to support the development most likely to come forward prior to the adoption of the new Local Plan.
 - b. Affordable housing remains a Council priority but the Council also puts weight on the delivery of infrastructure.
 - c. The Council and its partners have been successful in securing capital funding for infrastructure but there remains a significant 'funding gap'.
 - d. That it would be preferable, if supported by evidence, to 'keep things simple' and not have multiple rates of CIL – although it was recognised that it was appropriate to have differential rates. It was agreed that a fine grained approach was not desirable.
 - e. CIL setting is a qualitative and a quantitative process. CIL is not calculated through a predetermined formula. *The Council is required to 'strike' the balance between (a) the desirability of funding from CIL ... the ... cost of infrastructure required to support the development of its area, ... and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*
- 13.79 Based on the above, the following rates of CIL are recommended.

Table 13.8 Recommended rates of CIL Residential Development	
Development Type	Maximum Rate of CIL
Residential (Including Sheltered Housing)	
Stevenage Urban Area	£0/m ²
All other areas including the Northern, South-western Urban and Western Urban Extension	£40/m ²
Retail Development	£60/m ²
All Other Development	£0/m ²

Source: SBC Whole Plan Viability Study August 2015

Next Steps

- 13.80 The recommendations in this study are ‘a consultant’s view’ and do not reflect the particular priorities and emphasis that Stevenage Borough Council may put on different parts of its Development Plan. The above suggested rates are supported by the evidence – however there is considerable scope for the Council to strike a different balance.
- 13.81 We stress that the information in this report is an important element of the evidence for setting CIL, but is only one part of the evidence; the wider context needs to be considered.

Appendix 1 – Consultees

Viability Workshop

March 27, 2015

Business and Technology Centre, Stevenage Borough Council

Attendees

1. Chris Carter, North Hertfordshire District Council
2. Jenny Pierce, East Hertfordshire District Council
3. Joan Hancox, Hertfordshire LEP
4. Henry Cobbold, Knebworth Estates
5. Mitchell Tredgett Hill Residential Ltd
6. Cliff Wisker, Hill Residential Ltd
7. Steve Stokes, Rock Townsend
8. Richard Broomfield, Portfolio
9. Ken Lee, Putterills
10. Mark Grainger, DMG
11. Daniel Musgrove, Brown and Lee
12. Ruth Edwards, Stevenage Borough Council
13. Stephen Biart, Fairfield Partnership
14. [Richard Crutchley, Stevenage Borough Council]
15. [Richard Javes, Stevenage Borough Council]
16. [Simon Drummond-Hay, HDH Planning and Development]

Declined, but willing to be contacted

Simon Andrews, Central Bedfordshire Council
John Lefever, Hastoe Housing Association
Simon Chivers, Welwyn Hatfield District Council
Julie Herbert, Stevenage Borough Council

Declined

Mike Davies, Davies and Co
Andrew Royall, Hightown Praetorian and Churches Housing Association
John Danson, Savernake

Withdrew

Keith Edwards, Aldwyck Housing Association
Sarah McLaughlin, Hertfordshire County Council
Duncan Murdoch, Moulton Walker Chartered Surveyors
Mary Shaw, Logic

Appendix 2 – Consultation Presentation

The pages in this appendix are not numbered

Appendix 3 – 2014 Newbuild Sales – From Land Registry

Deed Date	Price Paid	Type	saon	paon	Street	Postcode	M2	£/m2
27/02/2015	£352,000	S		26	FISHERS GREEN	SG1 2JA	107	£3,290
21/11/2014	£299,950	S	26A		FISHERS GREEN	SG1 2JA	95	£3,157
12/12/2014	£680,000	S		5	DUNWICH FARM	SG1 2JX	198	£3,434
26/11/2014	£134,000	F		72	HIGH STREET	SG1 3EA	89	£1,506
19/03/2015	£220,000	D	FLAT 2		STANMORE ROAD	SG1 3QF	45	£4,889
03/10/2014	£195,000	T	30A		ELLIS AVENUE	SG1 3SA	92	£2,120
25/07/2014	£284,000	S		12	BIRDWING WALK	SG1 4FT	88	£3,227
04/07/2014	£299,995	S		14	BIRDWING WALK	SG1 4FT	88	£3,409
12/12/2014	£314,995	S		19	BRIMSTONE DRIVE	SG1 4FX	122	£2,582
12/12/2014	£309,995	S		21	BRIMSTONE DRIVE	SG1 4FX	122	£2,541
29/01/2015	£299,995	S		23	BRIMSTONE DRIVE	SG1 4FX	68	£4,412
18/12/2014	£307,995	S		25	BRIMSTONE DRIVE	SG1 4FX	68	£4,529
07/01/2015	£306,995	D		27	BRIMSTONE DRIVE	SG1 4FX	68	£4,515
28/05/2015	£349,995	D		28	BRIMSTONE DRIVE	SG1 4FX	133	£2,632
28/01/2015	£312,000	D		29	BRIMSTONE DRIVE	SG1 4FX	104	£3,000
17/12/2014	£314,995	D		31	BRIMSTONE DRIVE	SG1 4FX	104	£3,029
30/01/2015	£299,995	D		33	BRIMSTONE DRIVE	SG1 4FX	68	£4,412
28/04/2015	£310,995	S		34	BRIMSTONE DRIVE	SG1 4FX	119	£2,613
30/01/2015	£357,995	D		35	BRIMSTONE DRIVE	SG1 4FX	133	£2,692
29/04/2015	£329,995	D		36	BRIMSTONE DRIVE	SG1 4FX	104	£3,173
13/02/2015	£364,995	D		37	BRIMSTONE DRIVE	SG1 4FX	133	£2,744
30/01/2015	£324,995	D		39	BRIMSTONE DRIVE	SG1 4FX	102	£3,186
01/05/2015	£359,995	D		41	BRIMSTONE DRIVE	SG1 4FX	133	£2,707
30/03/2015	£235,000	T		42	BRIMSTONE DRIVE	SG1 4FX	68	£3,456
14/05/2015	£327,995	D		43	BRIMSTONE DRIVE	SG1 4FX	104	£3,154
05/06/2015	£171,995	F			ADMIRAL DRIVE	SG1 4GL	66	£2,606
29/05/2015	£171,995	F			ADMIRAL DRIVE	SG1 4GL	65	£2,646
12/06/2015	£171,995	F			ADMIRAL DRIVE	SG1 4GL	65	£2,646
22/05/2015	£169,995	F			ADMIRAL DRIVE	SG1 4GL	65	£2,615
12/05/2015	£170,995	F	CRAMBUS COURT	15	ADMIRAL DRIVE	SG1 4GN	66	£2,591
15/05/2015	£174,995	F	CRAMBUS COURT	21	ADMIRAL DRIVE	SG1 4GN	66	£2,651
01/05/2015	£160,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,477
29/04/2015	£164,995	F			ADMIRAL DRIVE	SG1 4GN	64	£2,578
21/05/2015	£167,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,585
13/05/2015	£167,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,585
07/05/2015	£165,995	F			ADMIRAL DRIVE	SG1 4GN	61	£2,721
22/05/2015	£168,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,600
29/05/2015	£166,995	F			ADMIRAL DRIVE	SG1 4GN	64	£2,609
29/05/2015	£169,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,615
08/05/2015	£169,995	F			ADMIRAL DRIVE	SG1 4GN	65	£2,615

21/05/2015	F	£169,995	19	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	61	£2,787
30/04/2015	F	£162,995	2	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	65	£2,508
24/04/2015	F	£159,995	3	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	61	£2,623
24/04/2015	F	£161,995	4	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	65	£2,492
06/05/2015	F	£165,995	5	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	65	£2,554
08/05/2015	F	£165,995	6	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	65	£2,554
30/04/2015	F	£163,995	7	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	61	£2,688
30/04/2015	F	£166,995	8	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	65	£2,569
30/04/2015	F	£169,215	9	CRAMBUS COURT	ADMIRAL DRIVE	SG1 4GN	66	£2,564
29/01/2015	F	£124,995	1	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	46	£2,717
30/01/2015	F	£131,995	10	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	29	£4,552
27/01/2015	F	£127,995	2	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	50	£2,560
30/01/2015	F	£127,995	4	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	46	£2,783
30/01/2015	F	£130,995	5	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	50	£2,620
27/01/2015	F	£129,995	6	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	49	£2,653
27/01/2015	F	£162,995	7	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	65	£2,508
28/01/2015	F	£129,995	8	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	46	£2,826
29/01/2015	F	£132,995	9	RINGLET COURT	ADMIRAL DRIVE	SG1 4GP	50	£2,660
10/10/2014	F	£140,000	22	GROUND FLOOR FLAT	DURHAM ROAD	SG1 4HT	#DIV/0!	
30/06/2014	S	£274,995	1	DRURY LANE	DRURY LANE	SG1 4RA	88	£3,125
17/02/2014	D	£294,995	10	DRURY LANE	DRURY LANE	SG1 4RA	122	£2,418
07/02/2014	D	£282,995	12	DRURY LANE	DRURY LANE	SG1 4RA	122	£2,320
28/02/2014	S	£285,000	14	DRURY LANE	DRURY LANE	SG1 4RA	122	£2,336
27/02/2014	D	£294,995	16	DRURY LANE	DRURY LANE	SG1 4RA	122	£2,418
24/03/2014	D	£285,000	2	DRURY LANE	DRURY LANE	SG1 4RA	102	£2,794
28/02/2014	D	£250,000	21	DRURY LANE	DRURY LANE	SG1 4RA	88	£2,841
04/07/2014	S	£285,000	3	DRURY LANE	DRURY LANE	SG1 4RA	102	£2,794
07/02/2014	D	£250,000	4	DRURY LANE	DRURY LANE	SG1 4RA	88	£2,841
04/07/2014	S	£270,625	5	DRURY LANE	DRURY LANE	SG1 4RA	88	£3,075
28/02/2014	S	£250,000	6	DRURY LANE	DRURY LANE	SG1 4RA	88	£2,841
04/07/2014	S	£274,995	7	DRURY LANE	DRURY LANE	SG1 4RA	88	£3,125
07/02/2014	S	£250,000	8	DRURY LANE	DRURY LANE	SG1 4RA	88	£2,841
10/01/2014	F	£150,000		NOBLE COURT	DRURY LANE	SG1 4RH	68	£2,206
31/01/2014	F	£150,000		NOBLE COURT	DRURY LANE	SG1 4RH	68	£2,206
24/01/2014	F	£157,995		NOBLE COURT	DRURY LANE	SG1 4RH	68	£2,323
07/02/2014	F	£167,995		NOBLE COURT	DRURY LANE	SG1 4RH	68	£2,471
12/12/2014	F	£172,500		11 NEWHAVEN	DRURIES DRIVE	SG2 0EY	52	£3,317
01/12/2014	F	£171,500		13 NEWHAVEN	DRURIES DRIVE	SG2 0EY	51	£3,363
10/12/2014	F	£177,500	1	NEWHAVEN	DRURIES DRIVE	SG2 0EY	62	£2,863
31/10/2014	F	£150,000	10	NEWHAVEN	DRURIES DRIVE	SG2 0EY	45	£3,333
28/11/2014	F	£185,000	12	NEWHAVEN	DRURIES DRIVE	SG2 0EY	62	£2,984
07/11/2014	F	£136,000	14	NEWHAVEN	DRURIES DRIVE	SG2 0EY	39	£3,487
21/01/2015	F	£177,500	15	NEWHAVEN	DRURIES DRIVE	SG2 0EY	61	£2,910
16/01/2015	F	£185,000	16	NEWHAVEN	DRURIES DRIVE	SG2 0EY	65	£2,846
09/01/2015	F	£186,500	17	NEWHAVEN	DRURIES DRIVE	SG2 0EY	65	£2,869
06/11/2014	F	£150,000	18	NEWHAVEN	DRURIES DRIVE	SG2 0EY	44	£3,409
01/12/2014	F	£155,000	2	NEWHAVEN	DRURIES DRIVE	SG2 0EY	42	£3,690

03/12/2014	F	£167,500	20	NEWHAVEN	DRAKES DRIVE	SG2 0EY	50	£3,350
16/01/2015	F	£177,500	22	NEWHAVEN	DRAKES DRIVE	SG2 0EY	60	£2,958
09/01/2015	F	£182,500	23	NEWHAVEN	DRAKES DRIVE	SG2 0EY	65	£2,808
30/01/2015	F	£185,000	24	NEWHAVEN	DRAKES DRIVE	SG2 0EY	61	£3,033
18/12/2014	F	£177,500	3	NEWHAVEN	DRAKES DRIVE	SG2 0EY	55	£3,227
16/12/2014	F	£185,000	4	NEWHAVEN	DRAKES DRIVE	SG2 0EY	62	£2,984
29/01/2015	F	£140,000	6	NEWHAVEN	DRAKES DRIVE	SG2 0EY	39	£3,590
16/01/2015	F	£185,500	9	NEWHAVEN	DRAKES DRIVE	SG2 0EY	62	£2,992
29/08/2014	T	£125,000		137A	PANKHURST CRESCENT	SG2 0QN	37	£3,378
19/06/2015	T	£485,000	3	BRAGBURY BARNES	PEMBRIDGE GARDENS	SG2 8BQ	121	£4,008
05/12/2014	D	£675,000	1		OAKLEAF CLOSE	SG2 9SA	195	£3,462
20/06/2014	D	£584,950	2		OAKLEAF CLOSE	SG2 9SA	195	£3,000
05/09/2014	D	£540,000	3		OAKLEAF CLOSE	SG2 9SA	224	£2,411
30/09/2014	D	£550,000	4		OAKLEAF CLOSE	SG2 9SA	224	£2,455
19/12/2014	D	£316,750	1		SIX BELLS LANE	SG2 9SF	100	£3,168
19/12/2014	D	£322,500	10		SIX BELLS LANE	SG2 9SF	100	£3,225
30/10/2014	S	£309,950	11		SIX BELLS LANE	SG2 9SF	100	£3,100
18/12/2014	D	£321,500	12		SIX BELLS LANE	SG2 9SF	100	£3,215
23/05/2014	S	£300,000	13		SIX BELLS LANE	SG2 9SF	100	£3,000
18/12/2014	S	£322,500	14		SIX BELLS LANE	SG2 9SF	105	£3,071
30/05/2014	S	£289,950	15		SIX BELLS LANE	SG2 9SF	100	£2,900
17/12/2014	S	£320,000	16		SIX BELLS LANE	SG2 9SF	105	£3,048
30/05/2014	S	£296,000	17		SIX BELLS LANE	SG2 9SF	100	£2,960
10/10/2014	D	£395,000	18		SIX BELLS LANE	SG2 9SF	124	£3,185
09/06/2014	S	£279,950	19		SIX BELLS LANE	SG2 9SF	100	£2,800
19/12/2014	D	£327,500	2		SIX BELLS LANE	SG2 9SF	100	£3,275
25/07/2014	D	£335,000	20		SIX BELLS LANE	SG2 9SF	108	£3,102
23/06/2014	T	£229,950	21		SIX BELLS LANE	SG2 9SF	78	£2,948
31/07/2014	D	£390,000	22		SIX BELLS LANE	SG2 9SF	124	£3,145
20/06/2014	T	£229,950	23		SIX BELLS LANE	SG2 9SF	78	£2,948
31/10/2014	D	£499,950	24		SIX BELLS LANE	SG2 9SF	189	£2,645
20/06/2014	T	£280,000	25		SIX BELLS LANE	SG2 9SF	100	£2,800
14/10/2014	D	£480,950	26		SIX BELLS LANE	SG2 9SF	189	£2,545
04/07/2014	D	£450,000	27		SIX BELLS LANE	SG2 9SF	189	£2,381
05/12/2014	S	£319,950	3		SIX BELLS LANE	SG2 9SF	105	£3,047
16/12/2014	D	£325,500	4		SIX BELLS LANE	SG2 9SF	100	£3,255
18/12/2014	S	£295,000	5		SIX BELLS LANE	SG2 9SF	105	£2,810
19/12/2014	S	£322,500	6		SIX BELLS LANE	SG2 9SF	105	£3,071
10/11/2014	S	£312,000	7		SIX BELLS LANE	SG2 9SF	100	£3,120
19/12/2014	S	£320,000	8		SIX BELLS LANE	SG2 9SF	105	£3,048
28/11/2014	S	£314,950	9		SIX BELLS LANE	SG2 9SF	100	£3,150
12/12/2014	S	£330,000	2		BEEHIVE WAY	SG2 9TQ	100	£3,300
28/05/2014	S	£315,000	1		TEN ACRES CRESCENT	SG2 9US	104	£3,029
30/10/2014	D	£399,950	10		TEN ACRES CRESCENT	SG2 9US	124	£3,225
09/04/2014	S	£299,950	11		TEN ACRES CRESCENT	SG2 9US	105	£2,857
13/02/2015	D	£485,000	12		TEN ACRES CRESCENT	SG2 9US	189	£2,566
09/04/2014	D	£299,950	13		TEN ACRES CRESCENT	SG2 9US	108	£2,777

19/12/2014	£420,000	D	14	TEN ACRES CRESCENT	SG2 9US	124	£3,387
15/12/2014	£445,000	D	16	TEN ACRES CRESCENT	SG2 9US	137	£3,248
27/02/2015	£446,000	D	18	TEN ACRES CRESCENT	SG2 9US	137	£3,255
27/03/2015	£572,500	D	20	TEN ACRES CRESCENT	SG2 9US	213	£2,688
17/04/2014	£380,000	S	3	TEN ACRES CRESCENT	SG2 9US	189	£2,011
08/05/2015	£337,500	D	44	TEN ACRES CRESCENT	SG2 9US	100	£3,375
25/04/2014	£284,950	T	5	TEN ACRES CRESCENT	SG2 9US	105	£2,714
17/06/2015	£345,000	D	50	TEN ACRES CRESCENT	SG2 9US	100	£3,450
25/04/2014	£284,950	T	7	TEN ACRES CRESCENT	SG2 9US	105	£2,714
29/10/2014	£319,950	S	8	TEN ACRES CRESCENT	SG2 9US	104	£3,076
17/04/2014	£399,950	T	9	TEN ACRES CRESCENT	SG2 9US	189	£2,116

Data produced by Land Registry © Crown copyright 2015

Appendix 4 – Newbuild Asking Prices – February 2015

Scheme					Bedrooms	m2		Asking Price	£/m2	
Developer / Agent		address	Type			Flat	House		Flat	House
Stevenage										
	New Chrysalis Park	Martins Way	Peacock		3		118	£324,995		£2,754
Bellway Homes			Cinnabar		4		135	£319,995		£2,370
Lanes	Hampson Place	Meredith Road	Easton		4		116	£315,000		£2,708
			Gosford		3		80	£270,000		£3,356
Welwyn GC										
Crest Nicholson	Appleby Grove	Panshanger	Eltham		4		171	£549,950		£3,216
			Chatsworth		4		140	£484,950		£3,464
			Hidcote		4		140	£514,950		£3,678
			Hampton		3		83	£369,950		£4,450
Linden Homes	Wilshere Park	Digswell Hill	Brambling		4		143	£650,000		£4,534
			Kingfisher		3		111	£610,000		£5,481
			Sandpiper		3		126	£595,000		£4,713
			Dove		3		0	£595,500		
			Goshawk		3		109	£595,000		£5,451
			Whimbrel		3		118	£585,000		£4,954
			Lapwing		4		211	£900,000		£4,264
			Skylark		3		109	£595,000		£5,451
			Shearwater		4		170	£795,000		£4,663
			Tattler		5		216	£1,150,000		£5,322
			Goldcrest		5		239	£1,150,000		£4,818
			Redwing		5		200	£1,000,000		£4,995
			Woodlark		3		148	£675,000		£4,564
			Firecrest		3		148	£675,000		£4,564
Linden Homes	Pentlows Meadow	Braughing	Hawthorn		4		251	£940,000		£3,750

[illegible]

Appendix 5 Available Non-Residential Property

Office



Ground Floor Unit 6 Arlington Business Park,
Whittle Way, Stevenage, SG1 2FS
Office, Offices
3094 Sq Ft
FOR SALE TO RENT
£150.00 or ROA
(Agency Pilot Software Ref: 2684)



Building 7 Gateway 1000, Whittle Way,
Stevenage, Hertfordshire
Office, Offices
1080 - 2287 Sq Ft
FOR SALE TO RENT
POA or £12.00 Per Sq Ft
Self contained two storey office building
located in prestigious Business Park adjacent
to junction 7 of the A1(M) to let or...



Fishers Green Road, Stevenage, SG1 2PT
Land, Office, General Retail, Distribution
Warehouse, Light Industrial, Commercial
Land, Offices, Retail, Industrial
1021 - 6038 Sq M
FOR SALE TO RENT
£57,000.00 or £57,000.00 Per Annum

Four industrial/warehouse units within a self
contained site between Stevenage Old Town
and Gunnels Wood area. Hence, close to...

Plot 2000, Arlington Business Park, Whittle
Way, Stevenage, Hertfordshire
Office, Design and Build, Offices
10000 - 55000 Sq Ft
FOR SALE TO RENT
POA or £19.50 Per Sq Ft

UNDER OFFER Redevelopment of two
modern office buildings. Located adjacent to
Junction 7 of A1(M). Design and build...
[View full details](#)



Gateway 1000, Arlington Business Park,
Gunnels Wood Road, Stevenage,
Hertfordshire
Office, Offices
1061 - 2920 Sq Ft
FOR SALE TO RENT
POA or £14.00 Per Sq Ft
New office development located on Gunnels
Wood Road, main road through Stevenage.
Freehold price £160.00 per sq ft.



Ground Floor, 46 Basils Road, Stevenage,
SG1 3PX
Office, Offices
1168 Sq Ft
TO RENT
ROA
The ground floor of a semi-detached building
in a predominately residential location with a
separate storage building and...



Elopak House, Rutherford Close, Meadway
Technology Park, Stevenage, Herts, SG1 2EF
Office, Business park, Offices
1773 - 4818 Sq Ft

TO RENT

ROA

Ground and first floor office accommodation
with car parking. Located in Business Park
location.

[View full details](#)



Second Floor, Building 1, Gateway 1000,,
Stevenage, SG1 2FP
Office, Offices
1200 Sq Ft

TO RENT

ROA

The development occupies an absolutely
prime location prominently fronting onto the
A1M at Junction 7 which is the principal...



First Floor Unit B Stevenage Business &
Industrial Park, Wedgwood Way, Stevenage,
Herts, SG1 4SX
Office, Offices
2000 - 4948 Sq Ft

TO RENT

ROA

Good quality office accommodation with car
parking, available to let.



Save this

property
Abel Smith House Gunnels Wood Road,
Hertfordshire, Stevenage, SG1 2ST
Office, Offices
1025 - 37525 Sq Ft

TO RENT

£15.00 Per Sq Ft

HQ building in prominent position with
excellent parking. - Abel Smith House was
constructed in 1992 and is arranged over...



Niall House
Office, Offices
531 - 1816 Sq Ft

TO RENT

£10.00-£10.00 Per Sq Ft

Niall House is an attractive self-contained
office building on two floors.
It has an impressive central entrance and...



Niall House
Office, Offices
2067 Sq Ft

TO RENT

£17,500.00-£17,500.00 Per Annum

Niall House is an attractive self-contained
office building on two floors in a small
development. It provides high quality...



Haden House, Argyle Way, Stevenage, SG1 2AE

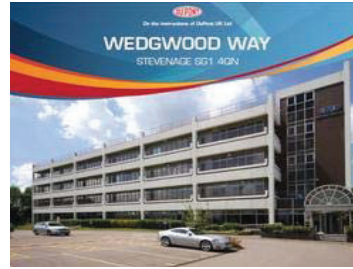
Office, Offices

3740.49 - 16682.15 Sq Ft

TO RENT

ROA

The property comprises an imposing red brick building on ground and three upper floors, with surface car parking close to the...



Wedgwood Way, Stevenage, SG1 4QN

Office, Offices

4000.03 - 12414.1 Sq Ft

TO RENT

£7.00 Per Sq Ft

High Quality Refurbished air conditioned offices. 4,000 - 12,414 2.5 miles from A1 M 65
Allocated Car Parking spaces. Low...



GF, Building 1, Gateway 1000, Stevenage, SG1 2FP

Office, Offices

1200 Sq Ft

TO RENT

£1,500.00-£1,500.00 Per Annum

Building 1 comprises a self-contained three storey building with attractive and high specification open plan offices available...



Part Ground Floor Bedford House, Meadway Corporate Centre, Stevenage

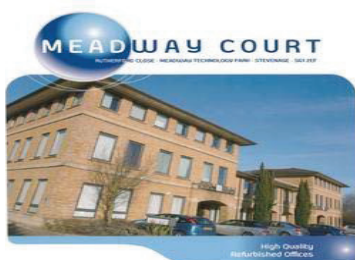
Offices, Business park

1960 - 2474 Sq Ft

TO RENT

ROA

Ground floor office space on Business Park with car parking to let



Meadway Court, Stevenage, SG1 2EF

Office, Offices

542 - 18599.15 Sq Ft

TO RENT

ROA

Meadway Court is a modern office complex constructed around an attractive central courtyard. Set in a landscaped environment...



Meadway Corporate Centre

Office, Offices

2515 - 9216 Sq Ft

TO RENT

ROA

Medway Corporate Centre comprises four modern detached office buildings arranged over ground and first floors. The office were...



3rd & 4th Floors Kings Court, London Road,
Stevenage, Herts SG1 1XW

Office, Offices

12110 - 34220 Sq Ft

TO RENT

ROA

Kings Court provides air conditioned offices in
a modern headquarters office building and is
arranged on six floors and offers...



Meadway Court

Office, Offices

800 - 4095 Sq Ft

TO RENT

£10.00-£10.00 Per Sq Ft

Meadway Court is a modern office complex
constructed around an attractive central
courtyard, set in a landscaped campus...



Ground Floor Unit 6 Arlington Business Park,
Whittle Way, Stevenage, SG1 2FS

Office, Offices

3094 Sq Ft

FOR SALE TO RENT

£150.00 or ROA

(Agency Pilot Software Ref: 2684)



4 Arlington Court, Arlington Business Park,
Stevenage, SG1 2FS

Office, Offices

1321 - 2641 Sq Ft

TO RENT

£14.00-£14.00 Per Sq Ft

A high quality attractively designed detached
modern office building. The property is situated
in a modern campus development...



Building 7 Gateway 1000, Whittle Way,
Stevenage, Hertfordshire

Office, Offices

1080 - 2287 Sq Ft

FOR SALE TO RENT

POA or £12.00 Per Sq Ft

Self contained two storey office building
located in prestigious Business Park adjacent
to junction 7 of the A1(M) to let or...



Unit 1 - Unit 6, Gunnels Wood Park,
STEVENAGE, Hertfordshire

General Industrial, Warehouse, Office,
Industrial, Offices

2300 - 18500 Sq Ft

TO RENT

£7.50 Per Sq Ft

ONLY 2 UNITS REMAINING! Development of
warehouse/production units available close to
A1(M). Units 1 - 4 2,658 sq ft each. Unit...



Building 4
Office, Offices
1460 - 2920 Sq Ft
TO RENT
ROA

The buildings are constructed in a modern architectural style and form part of a high quality business park.



Second Floor, Building 9, Gateway 1000,,
Stevenage, SG1 2FP
Office, Offices
1381 Sq Ft
TO RENT
ROA

Building 9 comprises a self-contained three storey building with attractive and high specification open plan offices available...



Business/Office Building
Office, Offices
6718 Sq Ft
TO RENT

£50,000.00-£50,000.00 Per Annum
The property comprises a very smart and distinctive modern business unit in a high quality small development of similar...



Part Second/Third Floors, Icon 2 & 3 Building,
Lytton Way, Stevenage, Hertfordshire
Office, Offices
3753 - 39465 Sq Ft
TO RENT

£13.00 Per Sq Ft
Second/third floor offices in prestigious building with car parking and within walking distance of railway station and Old/New...



Gunnels Wood Road, Stevenage, SG1 2BH
General Industrial, General Retail, Industrial
Park, Light Industrial, Office, Storage,
Distribution Warehouse, Industrial, Retail,
Offices
1223 Sq M
TO RENT

£70,000.00-£70,000.00 Per Annum
Modern industrial/warehouse unit on a well managed and maintained estate very close to J.7 of the A1(M).
(From Caldes Software....



Fishers Green Road, Stevenage, SG1 2PT
Land, Office, General Retail, Distribution
Warehouse, Light Industrial, Commercial
Land, Offices, Retail, Industrial
1021 - 6038 Sq M
FOR SALE TO RENT

£57,000.00 or £57,000.00 Per Annum
Four industrial/warehouse units within a self contained site between Stevenage Old Town and Gunnels Wood area. Hence, close to...



Business & Technology Centre, Bessemer Drive, Stevenage, Hertfordshire
Office, Offices
100 - 1500 Sq Ft

TO RENT

ROA

Modern purpose built offices to let.



Offices to Let - Stevenage
Office, Offices
5000 - 38584 Sq Ft

TO RENT

ROA

High specification offices available on flexible terms

The property was comprehensively refurbished in 2008 and offers high...



Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire
Office, Offices
10000 - 36500 Sq Ft

TO RENT

£15.00 Per Sq Ft

Headquarters office building to let, with excellent car parking.

Part Ground Floor (8,000 sq ft) - Under offer



7 Meadway Court, Meadway Technology Park, Stevenage, Hertfordshire
Office, Offices
1545 - 6840 Sq Ft

TO RENT

£10.00 Per Sq Ft

Self contained two storey office building with car parking in prestigious business park.

Plot 2000, Arlington Business Park, Whittle Way, Stevenage, Hertfordshire
Office, Design and Build, Offices
10000 - 55000 Sq Ft

FOR SALE TO RENT

POA or £19.50 Per Sq Ft

UNDER OFFER Redevelopment of two modern office buildings. Located adjacent to Junction 7 of A1(M). Design and build...



Caxton Point Business Centre, Caxton Way, Stevenage, Hertfordshire, SG1 2DF
Office, Offices
141 - 2166 Sq Ft

TO RENT

£18.00 Per Sq Ft

Office suites with good parking available on all inclusive rentals and flexible terms.



Save this property
Gateway 1000, Arlington Business Park, Gunnels Wood Road, Stevenage, Hertfordshire
Office, Offices

1061 - 2920 Sq Ft

FOR SALE TO RENT

POA or £14.00 Per Sq Ft

New office development located on Gunnels Wood Road, main road through Stevenage. Freehold price £160.00 per sq ft.



Industrial



Save this property
Development of Warehouse/Production...
Storage, Warehouse, Industrial 2300 - 18500 Sq Ft
ROA
TO RENT



New Development, Norton Road, Stevenage, Hertfordshire
Warehouse, Distribution Warehouse, General Industrial, Industrial Park, Light Industrial, Storage, Industrial
3517 - 3940 Sq Ft
FOR SALE TO RENT
POA or ROA
Two new warehouse/production units.
Part of larger development of 10 units.
For sale/to let
Development by Wheatley Commercial...

Points West, Norton Road, Stevenage, SG1 2LX

General Industrial, Industrial

1596 - 3940 Sq Ft

TO RENT

ROA

Points West is a first new light industrial/warehouse development in Stevenage for some time. It is superbly located a short...



Wiltron House

General Industrial, Industrial

2895 - 11438 Sq Ft

TO RENT

£12.50-£12.50 Per Sq Ft

Wiltron House is a two storey modern campus style office building built around a central internal courtyard.

The...

Design and Build, Gunnels Wood Road, Stevenage, Hertfordshire
Design and Build, Distribution Warehouse, General Industrial, Industrial Park, Light Industrial, Warehouse, Storage, Industrial
20000 - 100000 Sq Ft
FOR SALE TO RENT
POA or ROA

UNDER OFFER

Design and build.
Development by Gabriel Securities.
Approximately 5.5 acres for development.
Suitable for B1/B2/B8 and...



Norton Road, Stevenage, Hertfordshire
Warehouse, Industrial, Distribution
Warehouse, General Industrial, Industrial Park,
Light Industrial, Storage
1627 - 2154 Sq Ft
FOR SALE TO RENT
POA or ROA
New development of ten industrial/warehouse
units.
Larger units available by combination.



Save this

property
Unit 2 Eastman Way, Boulton Road,
Stevenage, SG1 4SZ
Warehouse, General Industrial, Industrial
21320 Sq Ft
FOR SALE TO RENT
POA or ROA
Steel portal frame unit with external elevations
of feature brickwork. Internally, there are high
quality
meeting rooms, open...



Number One, Avenue One, Letchworth, SG2
2HB
General Industrial, Distribution Warehouse,
Industrial
70820.66 - 70820.55 Sq Ft
FOR SALE TO RENT
£4,250,000.00 or £5.75-£5.75 Per Sq Ft

A detached warehouse/production unit with a
linked two storey office building on a prominent
self contained site of approx 4.5...



10 Fulton Close, Stevenage, SG1 2AF
General Industrial, Industrial
6616 Sq Ft
TO RENT
ROA

A terraced modern production / warehouse
unit constructed in a single bay portal frame
with ancillary two storey offices at...



Unit 19 Bowman Trading Estate, Stevenage,
SG1 2DL
General Industrial, Industrial
1565 Sq Ft
TO RENT
£14,500.00-£14,500.00 Per Annum
The property comprises a single storey
industrial/warehouse unit of portal frame
construction providing a clear space with...



Unit 5, Senate Place, Stevenage, SG1 4QS
General Industrial, Industrial
5016 Sq Ft
TO RENT
£32,500.00-£32,500.00 Per Annum
A modern terraced warehouse/production unit
forming part of a small individual development
with excellent HGV access.
...



Points West
General Industrial, Industrial
3517 Sq Ft
TO RENT
ROA
New distribution warehouse / production unit to let. A detached single storey unit on the frontage and the first phase of a...



Unit 10 Bowman Trading Estate, Stevenage, SG1 2DL
General Industrial, Industrial
6366 Sq Ft
FOR SALE TO RENT
POA or ROA
A corner tidy terrace industrial / warehouse unit It is served by an electrically operated roller shutter loading door 3. 9...



Units 1 and 2 Stevenage Business &, Stevenage, SG1 4SZ
General Industrial, Industrial
21320 Sq Ft
TO RENT
£134,662.00-£134,662.00 Per Annum
The property is located off Boulton Road, accessed from Wedgewood Way in the Pin Green Business Estate which has a dual...



Unit 1 - Unit 6, Gunnels Wood Park, STEVENAGE, Hertfordshire
General Industrial, Warehouse, Office, Industrial, Offices
2300 - 18500 Sq Ft
TO RENT
£7.50 Per Sq Ft
ONLY 2 UNITS REMAINING! Development of warehouse/production units available close to A1(M). Units 1 - 4 2,658 sq ft each. Unit...



Gunnels Wood Road, Stevenage, SG1 2BH
General Industrial, General Retail, Industrial Park, Light Industrial, Office, Storage, Distribution Warehouse, Industrial, Retail, Offices
1223 Sq M
TO RENT
£70,000.00-£70,000.00 Per Annum
Modern industrial/warehouse unit on a well managed and maintained estate very close to J.7 of the A1(M).



Fishers Green Road, Stevenage, SG1 2PT
Land, Office, General Retail, Distribution Warehouse, Light Industrial, Commercial Land, Offices, Retail, Industrial
1021 - 6038 Sq M
FOR SALE TO RENT
£57,000.00 or £57,000.00 Per Annum
Four industrial/warehouse units within a self contained site between Stevenage Old Town and Gunnels Wood area. Hence, close to...



Units A/B Caxton Point, Stevenage,
Hertfordshire
Distribution Warehouse, General Industrial,
Industrial Park, Light Industrial, Storage,
Warehouse, Industrial
5180 - 10645 Sq Ft
TO RENT
£25,000.00-£33,000.00 Per Annum
Two commercial units in prominent roadside
location (could suit trade/cafe use) to let.
Available individually or combined.
...



Warehouse/Production Units to Let in
Stevenage, Hertfordshire
General Industrial, Distribution Warehouse,
Industrial
2658 - 18500 Sq Ft
TO RENT
ROA

New development of warehouse/production
units available to let. Located in the
established Gunnels Wood business area of...
New Development, Norton Road, Stevenage,
Hertfordshire
Warehouse, Distribution Warehouse, General
Industrial, Industrial Park, Light Industrial,
Storage, Industrial
3517 - 3940 Sq Ft
FOR SALE TO RENT
POA or ROA

Two new warehouse/production units.
Part of larger development of 10 units.
For sale/to let
Development by Wheatley Commercial...

Design and Build, Gunnels Wood Road,
Stevenage, Hertfordshire

Design and Build, Distribution Warehouse,
General Industrial, Industrial Park, Light
Industrial, Warehouse, Storage, Industrial
20000 - 100000 Sq Ft
FOR SALE TO RENT
POA or ROA

Development by Gabriel Securities.
Approximately 5.5 acres for development.
Suitable for B1/B2/B8 and...



Norton Road, Stevenage, Hertfordshire
Warehouse, Industrial, Distribution
Warehouse, General Industrial, Industrial Park,
Light Industrial, Storage
1627 - 2154 Sq Ft
FOR SALE TO RENT
POA or ROA

New development of ten industrial/warehouse
units.
Larger units available by combination.



Number One, Avenue One, Letchworth, SG2
2HB
General Industrial, Distribution Warehouse,
Industrial
70820.66 - 70820.55 Sq Ft
FOR SALE TO RENT
£4,250,000.00 or £5.75-£5.75 Per Sq Ft

A detached warehouse/production unit with a
linked two storey office building on a prominent
self contained site of approx 4.5...



Unit 10 Bowman Trading Estate, Stevenage, SG1 2DL

General Industrial, Industrial
6366 Sq Ft

FOR SALE TO RENT

POA or ROA

A corner tidy terrace industrial / warehouse unit It is served by an electrically operated roller shutter loading door 3. 9...



Fishers Green Road, Stevenage, SG1 2PT
Land, Office, General Retail, Distribution Warehouse, Light Industrial, Commercial Land, Offices, Retail, Industrial
1021 - 6038 Sq M

FOR SALE TO RENT

£57,000.00 or £57,000.00 Per Annum

Four industrial/warehouse units within a self contained site between Stevenage Old Town and Gunnels Wood area. Hence, close to...

Retail



property
UNDER OFFER - 28 THE FORUM,
STEVENAGE

Retail - High Street, Retail
1263 - 2451 Sq Ft

FOR SALE TO RENT

POA or ROA

The property is located in the Forum Court in Stevenage. Adjacent to Pizza GoGo, and close to the Job Centre whilst being...



Save this

property

Fishers Green Road, Stevenage, SG1 2PT
Land, Office, General Retail, Distribution Warehouse, Light Industrial, Commercial Land, Offices, Retail, Industrial
1021 - 6038 Sq M

FOR SALE TO RENT

£57,000.00 or £57,000.00 Per Annum

Four industrial/warehouse units within a self contained site between Stevenage Old Town and Gunnels Wood area. Hence, close to...



Oaklands, Stevenage, SG1 1XN

General Retail, Retail

8207 - 39406 Sq Ft

£20.00-£20.00 Per Sq Ft

New retail warehouse development
Adjacent new 2 level 130,000 sq ft B&Q superstore

Bulky goods consent

40,000 sq ft...

Save this

Appendix 6 – Non-Residential Transactions

The pages in this appendix are not numbered.

Stevanage Office Summary

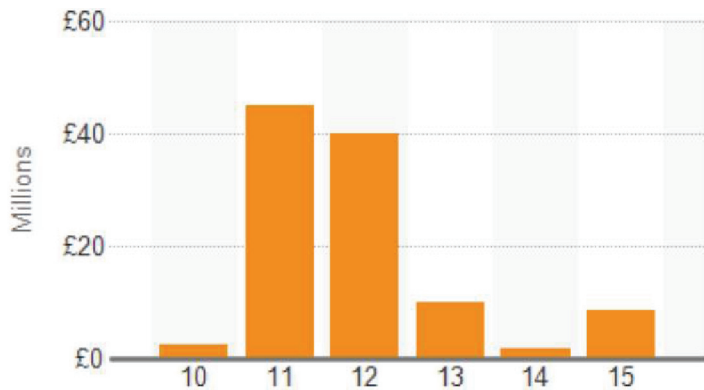
Sales Volume	Survey	Min	Max
Transactions	111	-	-
Sold SF	2,742,707	506	216,199
Sales Volume (Mil.)	£205	£0.1	£43
Avg SF	24,709	506	216,199

Sales	Survey	Min	Max
Sale Price Per SF	£151	£2	£442
Avg Sale Price (Mil.)	£4.9	£0.1	£43
Yield	9.0%	2.8%	21.0%
Percent Leased	87.9%	0.0%	100%

For Sale	Survey	Min	Max
Listings	3	-	-
For Sale SF	8,703	682	4,380
For Sale Volume (Mil.)	£1.1	£0.1	£0.8
Asking Price Per SF	£129	£69	£177
Avg Asking Price (Mil.)	£0.4	£0.1	£0.8

Properties	Survey	Min	Max
Existing SF	1,800,914	506	167,424
Vacancy Rate	5.6%	0.0%	50.4%
Rent Per SF	£13.87	£5.63	£21.96
12 Mo. Absorption	24,621	-12,000	24,444
12 Mo. Leasing SF	33,011	0	8,123

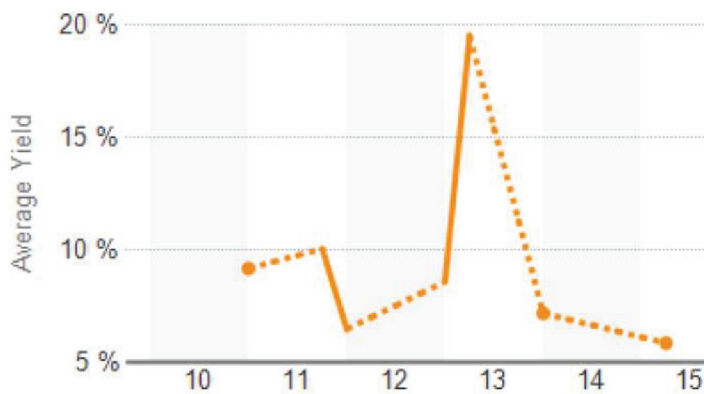
Sales Volume



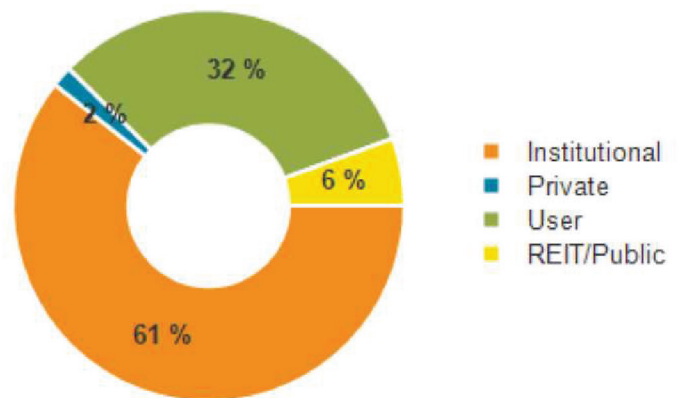
Average Sale Price Per SF



Yield



Sales Volume by Buyer Type



1	Bulk Portfolio	SOLD
5 Buildings, having total size of 182,646 SF. Sale Date: 01/02/2011 # Properties: 5 Sale Price: £40,750,000 - Confirmed Total Size: 182,646 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 10.37% Comp ID: 2571908 Research Status: Confirmed		
2	Multi-Property	SOLD
11 Buildings in Stevenage, HRT, having total size of 216,199 SF. Sale Date: 16/01/2012 # Properties: 11 Sale Price: £39,870,000 - Confirmed Total Size: 216,199 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: - Net Initial Yield: 6.50% Comp ID: 2579624 Research Status: Confirmed		
3	Multi-Condo	SOLD
4 Office Units in Stevenage, HRT, having total size of 20,483 SF. Sale Date: 01/10/2013 (1,250 days on mkt) # Properties: 4 Sale Price: £500,000 - Confirmed Total Size: 20,483 SF Price/SF: £24.41 Total Land Area: - Reversionary Yield: - Sale Conditions: - Comp ID: 2876560 Research Status: Confirmed		
4	Bulk Portfolio	SOLD
2 Buildings in Letchworth Garden City, HRT, having total size of 76,815 SF. Sale Date: 22/05/2013 (2 days on mkt) # Properties: 2 Sale Price: £150,000 Total Size: 76,815 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 21.00% Comp ID: 2771132 Research Status: In Progress		
5	Multi-Condo	SOLD
2 Office Units in Letchworth Garden City, HRT, having total size of 4,440 SF. Sale Date: 01/12/2014 (259 days on mkt) # Properties: 2 Sale Price: - Total Size: 4,440 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: - Comp ID: 3204934 Research Status: In Progress		
6	Premier House - 1-5 Argyle Way	SOLD
Stevenage, SG1 2AD Hertfordshire County Sale Date: 30/11/2014 (41 days on mkt) Bldg Type: Office Sale Price: £1,320,000 - Confirmed Year Built/Age: Built 1973 Age: 41 Price/SF: £76.75 NIA: 17,198 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3186108 Sale Conditions: - Research Status: Confirmed		

7	Unit 1-2 - Viewpoint Office Village, Unit 1 - Babbage Rd	SOLD
Stevenage, SG1 2EQ Hertfordshire County Sale Date: 13/08/2013 (872 days on mkt) Unit Type: 1,500 SF Office Unit Sale Price: - Year Built/Age: Built 2001 Age: 11 Price/SF: - NIA: 1,500 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2836695 Sale Conditions: - Research Status: In Progress		
		
8	Troopers Yard - 23 Bancroft	SOLD
Hitchin, SG5 1JW Hertfordshire County Sale Date: 01/11/2011 Bldg Type: Office Sale Price: £490,000 - Confirmed Year Built/Age: Built 1697 Age: 314 Price/SF: £189.04 NIA: 2,592 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2431563 Sale Conditions: - Research Status: Confirmed		
		
9	3 Blackhorse Ln	SOLD
Hitchin, SG4 9EE Hertfordshire County Sale Date: 01/07/2011 Bldg Type: Office Sale Price: £300,000 - Confirmed Year Built/Age: Built 1978 Age: 32 Price/SF: £176.47 NIA: 1,700 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451155 Sale Conditions: - Research Status: Confirmed		
		
10	Carlton House - Boulton Rd	SOLD
Stevenage, SG1 4QX Hertfordshire County Sale Date: 15/07/2014 (349 days on mkt) Bldg Type: Office Sale Price: - Year Built/Age: Built 1985 Age: 29 Price/SF: - NIA: 2,580 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3098258 Sale Conditions: - Research Status: Unconfirmed		
		
11	5 Cadwell Ln	SOLD
Hitchin, SG4 0HA Hertfordshire County Sale Date: 31/05/2011 Bldg Type: Office Sale Price: £55,000 - Confirmed Year Built/Age: Built 1978 Age: 33 Price/SF: £108.70 NIA: 506 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451168 Sale Conditions: - Research Status: Confirmed		
		
12	Cambridge House - Caxton Way	SOLD
Stevenage, SG1 2XD Hertfordshire County Sale Date: 01/10/2010 Bldg Type: Office Sale Price: £800,000 - Confirmed Year Built/Age: Built 2012 Price/SF: £26.67 NIA: 30,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2335323 Sale Conditions: - Research Status: Confirmed		
		

13	Cambridge House - Caxton Way	SOLD
Stevenage, SG1 2XD Hertfordshire County Sale Date: 01/08/2010 Bldg Type: Office Sale Price: £750,000 - Confirmed Year Built/Age: Built 2012 Price/SF: £25.00 NIA: 30,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2396472 Sale Conditions: - Research Status: Confirmed		
		
14	21 Church Ln	SOLD
Stevenage, SG1 3QW Hertfordshire County Sale Date: 01/11/2011 Bldg Type: Office Sale Price: £230,000 - Confirmed Year Built/Age: Renov 1980 Price/SF: £166.67 NIA: 1,380 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2431983 Sale Conditions: - Research Status: Confirmed		
		
15	Node Court - Drivers End	SOLD
Hitchin, SG4 8TR Hertfordshire County Sale Date: 26/07/2013 (1,949 days on mkt) Bldg Type: Office Sale Price: £370,000 - Confirmed Year Built/Age: Built 1927 Renov 2009 Age: 86 Price/SF: £44.14 NIA: 8,383 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2804031 Sale Conditions: - Research Status: Confirmed		
		
16	Farnham House - Gunnels Wood Rd	SOLD
Stevenage, SG1 2ST Hertfordshire County Sale Date: 09/11/2009 Bldg Type: Office Sale Price: £43,000,000 - Confirmed Year Built/Age: Built 1992 Age: 17 Price/SF: £442.33 NIA: 97,213 SF Reversionary Yield: - Net Initial Yield: 7.72% Comp ID: 2335327 Sale Conditions: - Research Status: Confirmed		
		
17	Abel Smith House - Gunnels Wood Rd	SOLD
Stevenage, SG1 2ST Hertfordshire County Sale Date: 01/06/2015 Bldg Type: Office Sale Price: £7,150,000 - Confirmed Year Built/Age: Built 1992 Age: 23 Price/SF: £126.48 NIA: 56,529 SF Reversionary Yield: - Net Initial Yield: 2.78% Comp ID: 3356772 Sale Conditions: - Research Status: Confirmed		
		
18	Robertson House - Gunnels Wood Rd	SOLD
Stevenage, SG1 2ST Hertfordshire County Sale Date: 09/11/2009 Bldg Type: Office Sale Price: - Year Built/Age: Built 1992 Age: 17 Price/SF: - NIA: 56,607 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2335361 Sale Conditions: - Research Status: Confirmed		
		

19	The White House - 3 High St	SOLD
Stevenage, SG1 3BG Hertfordshire County Sale Date: 24/08/2010 Bldg Type: Office Sale Price: £500,000 - Confirmed Year Built/Age: - Price/SF: £148.37 NIA: 3,370 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451485 Sale Conditions: - Research Status: Confirmed		
		
20	The Old Bank - 162 High St	SOLD
Stevenage, SG1 3LL Hertfordshire County Sale Date: 01/11/2011 Bldg Type: Office Sale Price: - Year Built/Age: - Price/SF: - NIA: 1,125 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2432095 Sale Conditions: - Research Status: Confirmed		
		
21	6-10 Hunting Gate	SOLD
Hitchin, SG4 0TJ Hertfordshire County Sale Date: 13/09/2013 (2,276 days on mkt) Bldg Type: Office Sale Price: - Year Built/Age: Built 1988 Age: 25 Price/SF: - NIA: 51,345 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2836703 Sale Conditions: - Research Status: In Progress		
		
22	18 - Stevenage Leisure Park - Kings Way	SOLD
Stevenage, SG1 2UA Hertfordshire County Sale Date: 18/05/2015 (3 days on mkt) Bldg Type: OfficeMedical Sale Price: £1,400,000 - Confirmed Year Built/Age: Built 1993 Age: 21 Price/SF: £231.02 NIA: 6,060 SF Reversionary Yield: - Net Initial Yield: 8.99% Comp ID: 3319751 Sale Conditions: Auction Sale Research Status: Confirmed		
		
23	71 Knowl Piece	SOLD
Hitchin, SG4 0TY Hertfordshire County Sale Date: 15/12/2010 Bldg Type: Office Sale Price: £375,000 - Confirmed Year Built/Age: Built 1994 Age: 16 Price/SF: £97.66 NIA: 3,840 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2454994 Sale Conditions: - Research Status: Confirmed		
		
24	117 London Rd	SOLD
Knebworth, SG3 6ET Hertfordshire County Sale Date: 01/11/2011 Bldg Type: Office Sale Price: - Year Built/Age: Built 1888 Renov 1990 Age: 123 Price/SF: - NIA: 921 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2431716 Sale Conditions: - Research Status: Confirmed		
		

25	Bank House - Primett Rd	SOLD
Stevenage, SG1 3EE Sale Date: 01/06/2013 Sale Price: £1,575,000 - Confirmed Price/SF: £81.55 Bldg Type: Office Year Built/Age: Built 1991 Renov 2003 Age: 21 NIA: 19,314 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: 18.03% Comp ID: 2792541 Research Status: Confirmed Sale Conditions: -		
26	Stamford House - Primett Rd	SOLD
Stevenage, SG1 3EE Sale Date: 01/11/2011 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1991 Age: 20 NIA: 5,545 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: - Comp ID: 2432151 Research Status: Confirmed Sale Conditions: -		
27	Follett House - Primett Rd	SOLD
Stevenage, SG1 3EE Sale Date: 01/12/2011 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1991 Age: 20 NIA: 11,497 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: 8.50% Comp ID: 2457288 Research Status: Confirmed Sale Conditions: -		
28	Milford House - Priory End	SOLD
Hitchin, SG4 9AL Sale Date: 01/12/2010 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1981 Age: 29 NIA: 14,925 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: - Comp ID: 2455296 Research Status: Confirmed Sale Conditions: -		
29	69-75 Queensway	SOLD
Stevenage, SG1 1DN Sale Date: 14/10/2011 Sale Price: £1,300,000 - Confirmed Price/SF: £38.36 Bldg Type: Office Year Built/Age: Built 1962 Age: 49 NIA: 33,891 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: 11.63% Comp ID: 2337040 Research Status: Confirmed Sale Conditions: -		
30	Bedford House - Rutherford Clos	SOLD
Stevenage, SG1 2EF Sale Date: 19/09/2013 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1994 Age: 19 NIA: 9,216 SF Hertfordshire County  Reversionary Yield: - Net Initial Yield: - Comp ID: 2847301 Research Status: In Progress Sale Conditions: -		

31	Six Hills House - Six Hills Way	SOLD
Stevenage, SG1 1YB Hertfordshire County Sale Date: 01/01/2015 Bldg Type: Office Sale Price: - Year Built/Age: Built 1970 Age: 44 Price/SF: - NIA: 73,237 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3240562 Sale Conditions: - Research Status: In Progress		
		
32	Priory - Tilehouse St	SOLD
Hitchin, SG5 2DW Hertfordshire County Sale Date: 01/03/2013 Bldg Type: Office Sale Price: £7,410,000 - Confirmed Year Built/Age: - Price/SF: £90.64 NIA: 81,752 SF Reversionary Yield: - Net Initial Yield: 8.60% Comp ID: 2723131 Sale Conditions: - Research Status: Confirmed		
		
33	1 Town Sq	SOLD
Stevenage, SG1 1BP Hertfordshire County Sale Date: 26/02/2014 (19 days on mkt) Bldg Type: Office Sale Price: £530,000 - Confirmed Year Built/Age: Built 1989 Age: 24 Price/SF: £94.52 NIA: 5,607 SF Reversionary Yield: - Net Initial Yield: 7.20% Comp ID: 2971624 Sale Conditions: Auction Sale Research Status: Confirmed		
		
34	Broadhall House - Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 23/08/2011 Bldg Type: Office Sale Price: £1,571,790 - Confirmed Year Built/Age: Built 2008 Age: 2 Price/SF: £165.00 NIA: 9,526 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451508 Sale Conditions: - Research Status: Confirmed		
		
35	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 28/01/2011 (87 days on mkt) Bldg Type: Office Sale Price: £230,000 - Confirmed Year Built/Age: Built 2008 Age: 2 Price/SF: £15.10 NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: 8.00% Comp ID: 2324230 Sale Conditions: - Research Status: Confirmed		
		
36	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/03/2010 Bldg Type: Office Sale Price: £150,000 - Confirmed Year Built/Age: Built 2008 Age: 1 Price/SF: £9.85 NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2366717 Sale Conditions: - Research Status: Confirmed		
		

37	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 05/02/2010 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 2008 Age: 1 NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2369947 Research Status: Confirmed Sale Conditions: -		
38	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/07/2012 (1,042 days on mkt) Sale Price: - Price/SF: - Unit Type: 2,012 SF Office Unit Year Built/Age: Built 2008 Age: 3 NIA: 2,012 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506712 Research Status: Research Complete Sale Conditions: -		
39	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 02/03/2012 (921 days on mkt) Sale Price: - Price/SF: - Unit Type: 1,041 SF Office Unit Year Built/Age: Built 2008 Age: 3 NIA: 1,041 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506714 Research Status: Research Complete Sale Conditions: -		
40	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 07/01/2012 (866 days on mkt) Sale Price: - Price/SF: - Unit Type: 9,526 SF Office Unit Year Built/Age: Built 2008 Age: 3 NIA: 9,526 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506716 Research Status: Research Complete Sale Conditions: -		
41	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/11/2012 (1,165 days on mkt) Sale Price: - Price/SF: - Unit Type: 1,354 SF Office Unit Year Built/Age: Built 2008 Age: 3 NIA: 1,354 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2599553 Research Status: Research Complete Sale Conditions: -		

Stevange Industrial Summary

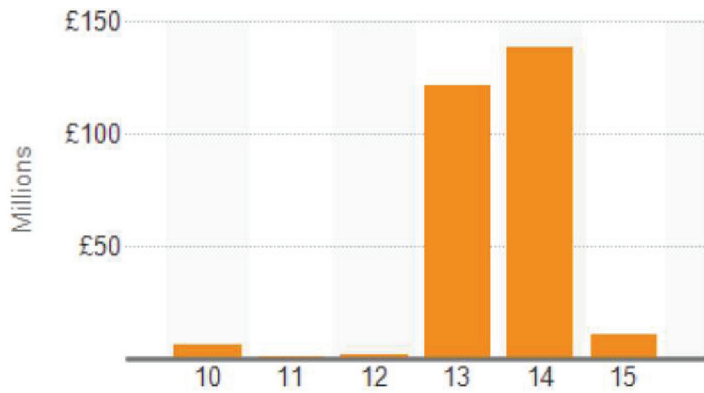
Sales Volume	Survey	Min	Max
Transactions	111	-	-
Sold SF	5,759,931	1,226	1,177,046
Sales Volume (Mil.)	£299	£0.1	£116
Avg SF	51,891	1,226	1,177,046

Sales	Survey	Min	Max
Sale Price Per SF	£71	£1	£122
Avg Sale Price (Mil.)	£7.1	£0.1	£116
Yield	10.2%	7.0%	21.0%
Percent Leased	93.1%	0.0%	100%

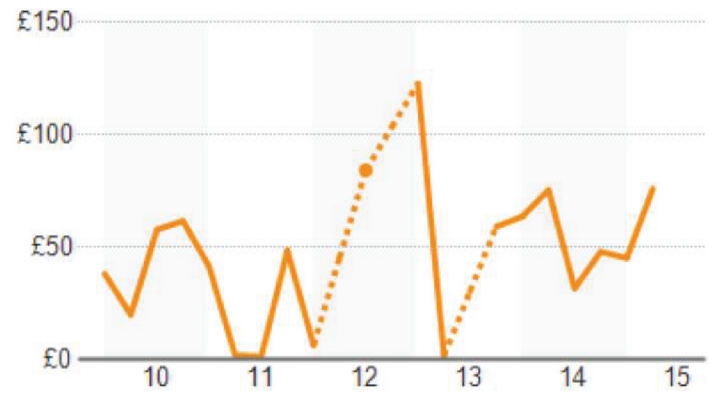
For Sale	Survey	Min	Max
Listings	1	-	-
For Sale SF	6,357	6,357	6,357
For Sale Volume (Mil.)	£0.4	£0.4	£0.4
Asking Price Per SF	£59	£59	£59
Avg Asking Price (Mil.)	£0.4	£0.4	£0.4

Properties	Survey	Min	Max
Existing SF	4,828,712	354	245,000
Vacancy Rate	4.8%	0.0%	100%
Rent Per SF	£6.84	£2.25	£88.24
12 Mo. Absorption	45,118	-31,920	63,753
12 Mo. Leasing SF	290,062	0	74,373

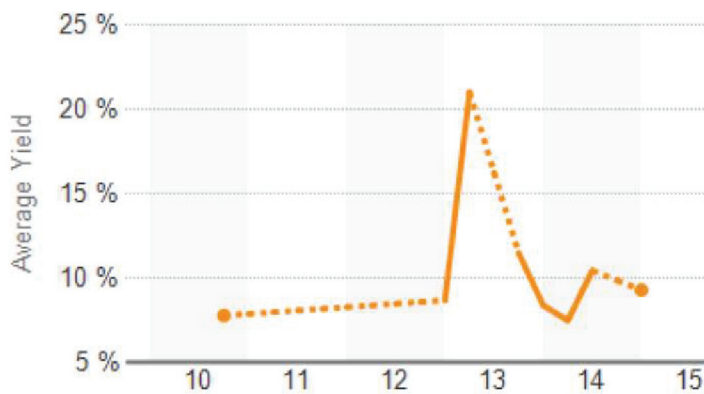
Sales Volume



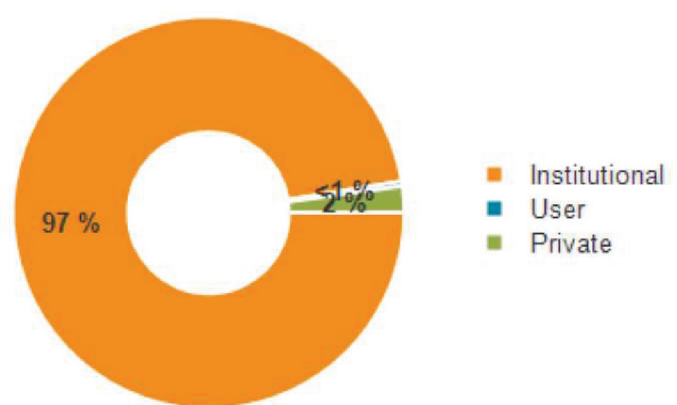
Average Sale Price Per SF



Yield



Sales Volume by Buyer Type



1	Bulk Portfolio	SOLD
44 Buildings, having total size of 946,298 SF. Sale Date: 07/02/2013 # Properties: 44 Sale Price: £115,900,000 - Confirmed Total Size: 946,298 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 8.70% Comp ID: 2676739 Research Status: Confirmed		
2	Bulk Portfolio	SOLD
28 Buildings, having total size of 1,177,046 SF. Sale Date: 07/02/2014 # Properties: 28 Sale Price: £75,000,000 - Confirmed Total Size: 1,177,046 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 8.00% Comp ID: 2984130 Research Status: Confirmed		
3	Bulk Portfolio	SOLD
36 Buildings, having total size of 822,825 SF. Sale Date: 06/06/2014 # Properties: 36 Sale Price: £62,000,000 - Confirmed Total Size: 822,825 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 7.50% Comp ID: 3228947 Research Status: Confirmed		
4	Bulk Portfolio	SOLD
10 Buildings, having total size of 113,151 SF. Sale Date: 01/03/2015 # Properties: 10 Sale Price: £5,110,000 - Confirmed Total Size: 113,151 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 9.31% Comp ID: 3325209 Research Status: Confirmed		
5	Multi-Property	SOLD
3 Buildings in Letchworth Garden City, HRT, having total size of 25,981 SF. Sale Date: 15/08/2014 (333 days on mkt) # Properties: 3 Sale Price: £825,000 - Confirmed Total Size: 25,981 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Distress Sale Net Initial Yield: 10.46% Comp ID: 3111080 Research Status: Confirmed		
6	Multi-Condo	SOLD
2 Industrial Units in Hitchin, HRT, having total size of 5,368 SF. Sale Date: 21/09/2012 (329 days on mkt) # Properties: 2 Sale Price: £235,000 Total Size: 5,368 SF Price/SF: £43.78 Total Land Area: - Reversionary Yield: - Sale Conditions: - Comp ID: 2569134 Research Status: In Progress		

7	Bulk Portfolio	SOLD
2 Buildings in Letchworth Garden City, HRT, having total size of 76,815 SF. Sale Date: 22/05/2013 (2 days on mkt) # Properties: 2 Sale Price: £150,000 Total Size: 76,815 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 21.00% Comp ID: 2771132 Research Status: In Progress		
8	John Tate Court - 3 Argyle Way	SOLD
Stevenage, SG1 2AD Hertfordshire County Sale Date: 01/08/2013 (526 days on mkt) Bldg Type: IndustrialWarehouse Sale Price: - Year Built/Age: Built 1961 Age: 52 Price/SF: - NIA: 13,186 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2836068 Sale Conditions: - Research Status: In Progress		
9	Units 1 & 2 - Bessemer Dr	SOLD
Stevenage, SG1 2DL Hertfordshire County Sale Date: 01/04/2015 (610 days on mkt) Bldg Type: IndustrialWarehouse Sale Price: £5,649,000 - Confirmed Year Built/Age: Built 1992 Age: 22 Price/SF: £75.95 NIA: 74,373 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3358693 Sale Conditions: - Research Status: Confirmed		
10	Unit 1-6 - Bowmans Trading Estate - Bessemer Dr	SOLD
Stevenage, SG1 2DL Hertfordshire County Sale Date: 30/03/2012 Bldg Type: IndustrialWarehouse Sale Price: £165,000 - Confirmed Year Built/Age: Built 1975 Age: 36 Price/SF: £6.53 NIA: 25,272 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2342703 Sale Conditions: - Research Status: Confirmed		
11	Caxton Point - Bessemer Dr	SOLD
Stevenage, SG1 2XT Hertfordshire County Sale Date: 18/08/2009 Bldg Type: IndustrialWarehouse Sale Price: - Year Built/Age: Built 1987 Age: 21 Price/SF: - NIA: 42,299 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2423583 Sale Conditions: - Research Status: Confirmed		
12	12-13 Blackhorse Rd	SOLD
Letchworth Garden City, SG6 1HB Hertfordshire County Sale Date: 01/09/2009 Bldg Type: IndustrialWarehouse Sale Price: £495,000 - Confirmed Year Built/Age: Built 1955 Age: 54 Price/SF: £68.18 NIA: 7,260 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2333817 Sale Conditions: - Research Status: Confirmed		

13	22 Bridge St	SOLD
Hitchin, SG5 2DF Hertfordshire County Sale Date: 14/10/2011 Bldg Type: Industrial Warehouse Sale Price: £342,500 - Confirmed Year Built/Age: Built 1933 Age: 78 Price/SF: £48.60 NIA: 7,047 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2334083 Sale Conditions: - Research Status: Confirmed		
		
14	Units 1 & 2 - Cadwell Ln	SOLD
Hitchin, SG4 0SA Hertfordshire County Sale Date: 31/01/2011 Bldg Type: Industrial Warehouse Sale Price: £250,000 - Confirmed Year Built/Age: Built 1986 Age: 24 Price/SF: £41.43 NIA: 6,035 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2454829 Sale Conditions: - Research Status: Confirmed		
		
15	Cavendish Point - Cavendish Rd	SOLD
Stevenage, SG1 2EG Hertfordshire County Sale Date: 05/03/2010 Bldg Type: Industrial Warehouse Sale Price: £890,000 - Confirmed Year Built/Age: Built 1984 Age: 25 Price/SF: £38.23 NIA: 23,278 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2326263 Sale Conditions: - Research Status: Confirmed		
		
16	Fourth Dimension - Fourth Ave	SOLD
Letchworth Garden City, SG6 2TD Hertfordshire County Sale Date: 06/12/2010 Bldg Type: Industrial Warehouse Sale Price: £4,825,000 - Confirmed Year Built/Age: Built 2006 Age: 4 Price/SF: £77.51 NIA: 62,250 SF Reversionary Yield: - Net Initial Yield: 7.80% Comp ID: 2458234 Sale Conditions: - Research Status: Confirmed		
		
17	Units 1-6 - Sg1 - Gunnels Wood Rd	SOLD
Stevenage, SG1 2NB Hertfordshire County Sale Date: 23/11/2009 Bldg Type: Industrial Warehouse Sale Price: £8,150,000 - Confirmed Year Built/Age: Built 2006 Age: 3 Price/SF: £101.95 NIA: 79,943 SF Reversionary Yield: - Net Initial Yield: 7.04% Comp ID: 2321353 Sale Conditions: - Research Status: Confirmed		
		
18	Aspect One - Gunnels Wood Rd	SOLD
Stevenage, SG1 2DG Hertfordshire County Sale Date: 01/10/2013 Bldg Type: Industrial Warehouse Sale Price: £3,250,000 - Confirmed Year Built/Age: Built 1997 Age: 16 Price/SF: £79.61 NIA: 40,825 SF Reversionary Yield: - Net Initial Yield: 8.00% Comp ID: 2887015 Sale Conditions: - Research Status: Confirmed		
		

19	5 Hunting Gate	SOLD
Hitchin, SG4 0TJ Hertfordshire County Sale Date: 01/01/2011 Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 1972 Age: 39 NIA: 29,576 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2454917 Research Status: Confirmed Sale Conditions: -		
20	Unit 3 - The Orbital Centre - Icknield Way	SOLD
Letchworth Garden City, SG6 1ET Hertfordshire County Sale Date: 01/06/2014 (306 days on mkt) Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 2002 Age: 11 NIA: 12,865 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3204969 Research Status: In Progress Sale Conditions: -		
21	Jabsco UK Sales, Unit 1 - Icknield Way	SOLD
Letchworth Garden City, SG6 1EZ Hertfordshire County Sale Date: 01/09/2014 (396 days on mkt) Sale Price: - Price/SF: - Unit Type: 4,764 SF Industrial Unit Year Built/Age: Built 1980 Age: 34 NIA: 4,764 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3213769 Research Status: In Progress Sale Conditions: -		
22	Jabsco UK Sales, Unit 2 - Icknield Way	SOLD
Letchworth Garden City, SG6 1EZ Hertfordshire County Sale Date: 01/09/2014 (396 days on mkt) Sale Price: - Price/SF: - Unit Type: 4,245 SF Industrial Unit Year Built/Age: Built 1980 Age: 34 NIA: 4,245 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3213770 Research Status: In Progress Sale Conditions: -		
23	10-28 - Jubilee Trade Centre - Jubilee Rd	SOLD
Letchworth Garden City, SG6 1SP Hertfordshire County Sale Date: 01/04/2011 Sale Price: £170,000 - Confirmed Price/SF: £2.08 Bldg Type: Industrial Service Year Built/Age: Built 1961 Age: 49 NIA: 81,715 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2378670 Research Status: Confirmed Sale Conditions: -		
24	10-28 - Jubilee Trade Centre - Jubilee Rd	SOLD
Letchworth Garden City, SG6 1SP Hertfordshire County Sale Date: 11/07/2011 Sale Price: £120,000 - Confirmed Price/SF: £1.47 Bldg Type: Industrial Service Year Built/Age: Built 1961 Age: 49 NIA: 81,715 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2378028 Research Status: Confirmed Sale Conditions: -		

25	Ectron Ltd - Knap Clos	SOLD
Letchworth Garden City, SG6 1AQ Hertfordshire County Sale Date: 30/01/2014 (786 days on mkt) Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 1964 Age: 49 NIA: 4,850 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2951547 Research Status: Unconfirmed Sale Conditions: -		
26	27-29 Knowl Piece	SOLD
Hitchin, SG4 0TY Hertfordshire County Sale Date: 02/04/2012 Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 1990 Age: 22 NIA: 22,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2425161 Research Status: Confirmed Sale Conditions: -		
27	1 - Focal Point - Lacerta Ct	SOLD
Letchworth Garden City, SG6 1FJ Hertfordshire County Sale Date: 01/08/2010 Sale Price: £295,000 - Confirmed Price/SF: £57.70 Bldg Type: Industrial Warehouse Year Built/Age: Built 1997 Age: 13 NIA: 5,113 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2396315 Research Status: Confirmed Sale Conditions: -		
28	The Yard - Leyden Rd	SOLD
Stevenage, SG1 2BW Hertfordshire County Sale Date: 01/02/2013 (819 days on mkt) Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 2011 Age: 1 NIA: 2,478 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2694283 Research Status: In Progress Sale Conditions: -		
29	Units 18-43a - Industrial Unit, Unit s 20 - - London Rd	SOLD
Baldock, SG7 6NG Hertfordshire County Sale Date: 17/12/2014 (230 days on mkt) Sale Price: £230,000 - Confirmed Price/SF: £47.91 Unit Type: 4,801 SF Industrial Unit Year Built/Age: - NIA: 4,801 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3187606 Research Status: Confirmed Sale Conditions: -		
30	Former Royal Mail - Portmill Ln	SOLD
Hitchin, SG5 1AA Hertfordshire County Sale Date: 01/02/2012 Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 1966 Age: 45 NIA: 19,427 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2465349 Research Status: Confirmed Sale Conditions: -		

31	Eastern Networks - Wedgewood Way	SOLD
Stevenage, SG1 4QF Hertfordshire County Sale Date: 12/07/2012 (15 days on mkt) Sale Price: £1,195,000 - Confirmed Price/SF: £102.66 Bldg Type: Industrial Year Built/Age: Built 1975 Age: 37 NIA: 11,640 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2510477 Research Status: Confirmed Sale Conditions: Auction Sale		
32	4-7 - Io Centre, Unit 6 - Whittle Way	SOLD
Stevenage, SG1 2BD Hertfordshire County Sale Date: 01/12/2013 (123 days on mkt) Sale Price: - Price/SF: - Unit Type: 2,198 SF Industrial Unit Year Built/Age: Built 2005 Age: 8 NIA: 2,198 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2957819 Research Status: In Progress Sale Conditions: -		
33	Units 1-2 - Senate Place - Whitworth Rd	SOLD
Stevenage, SG1 4QS Hertfordshire County Sale Date: 02/07/2012 (472 days on mkt) Sale Price: - Price/SF: - Bldg Type: Industrial Warehouse Year Built/Age: Built 1996 Age: 16 NIA: 12,959 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2517250 Research Status: In Progress Sale Conditions: -		
34	Units 1-5 - Trust Industrial Estate - Wilbury Way	SOLD
Hitchin, SG4 0UZ Hertfordshire County Sale Date: 01/12/2013 Sale Price: £1,900,000 - Confirmed Price/SF: £41.02 Bldg Type: Industrial Warehouse Year Built/Age: Built 1974 Renov 2004 Age: 39 NIA: 46,318 SF Reversionary Yield: - Net Initial Yield: 15.00% Comp ID: 2957074 Research Status: Confirmed Sale Conditions: -		
35	Unit C1-C4 - Knowl Piece - Wilbury Way	SOLD
Hitchin, SG4 0TY Hertfordshire County Sale Date: 21/05/2010 Sale Price: £225,000 - Confirmed Price/SF: £20.06 Bldg Type: Industrial Warehouse Year Built/Age: Built 2004 Age: 6 NIA: 11,216 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2334723 Research Status: Confirmed Sale Conditions: -		
36	17-30 - Cam Centre, Unit 28-30 - Wilbury Way	SOLD
Hitchin, SG4 0TW Hertfordshire County Sale Date: 25/01/2013 (514 days on mkt) Sale Price: - Price/SF: - Unit Type: 11,773 SF Industrial Unit Year Built/Age: Built 1987 Age: 25 NIA: 11,773 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2680510 Research Status: Research Complete Sale Conditions: -		

37 39 Wilbury Way**SOLD**

Hitchin, SG4 0TW

Hertfordshire County

Sale Date: 15/01/2014

Bldg Type: Industrial

Sale Price: £455,000 - Confirmed

Year Built/Age: Built 1960 Age: 54

Price/SF: £42.89

NIA: 10,609 SF

Reversionary Yield: -

Net Initial Yield: 8.82%

Comp ID: 2957228

Sale Conditions: -

Research Status: Confirmed

**38 Former Builders Merchants - Works Rd****SOLD**

Letchworth Garden City, SG6 1JU

Hertfordshire County

Sale Date: 04/10/2010

Bldg Type: Industrial/Warehouse

Sale Price: £300,000 - Confirmed

Year Built/Age: Built 1986 Age: 23

Price/SF: £14.30

NIA: 20,983 SF

Reversionary Yield: -

Net Initial Yield: -

Comp ID: 2404143

Sale Conditions: -

Research Status: Confirmed



Stevange Retail Summary

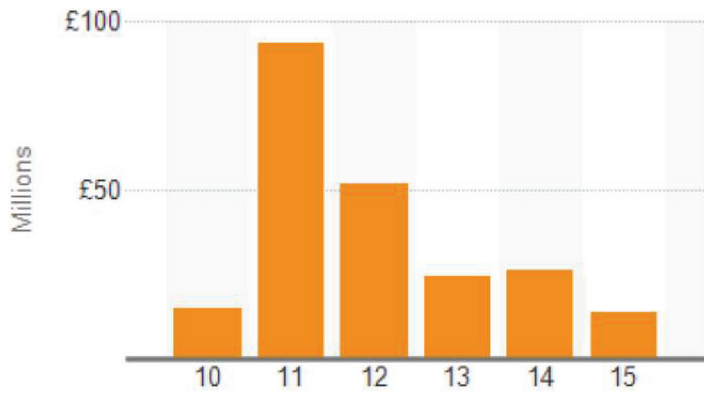
Sales Volume	Survey	Min	Max
Transactions	208	-	-
Sold SF	5,447,884	294	216,199
Sales Volume (Mil.)	£466	£0.1	£43
Avg SF	26,192	294	216,199

Sales	Survey	Min	Max
Sale Price Per SF	£188	£2	£991
Avg Sale Price (Mil.)	£6.3	£0.1	£43
Yield	8.4%	2.8%	21.0%
Percent Leased	90.2%	0.0%	100%

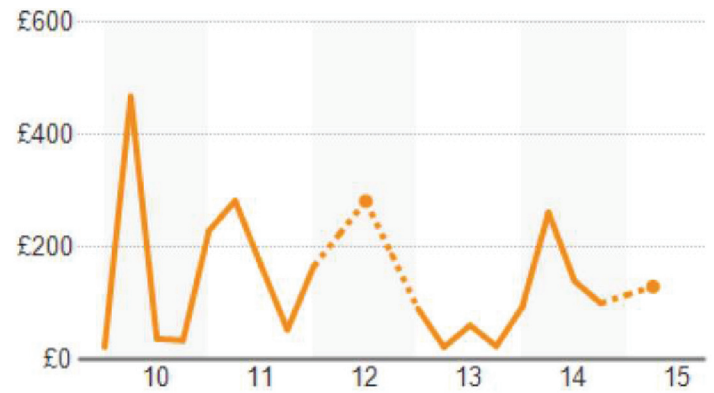
For Sale	Survey	Min	Max
Listings	3	-	-
For Sale SF	8,703	682	4,380
For Sale Volume (Mil.)	£1.1	£0.1	£0.8
Asking Price Per SF	£129	£69	£177
Avg Asking Price (Mil.)	£0.4	£0.1	£0.8

Properties	Survey	Min	Max
Existing SF	3,062,335	294	167,424
Vacancy Rate	4.7%	0.0%	50.4%
Rent Per SF	£16.38	£5.63	£77.49
12 Mo. Absorption	151,423	-12,000	131,796
12 Mo. Leasing SF	59,593	0	9,437

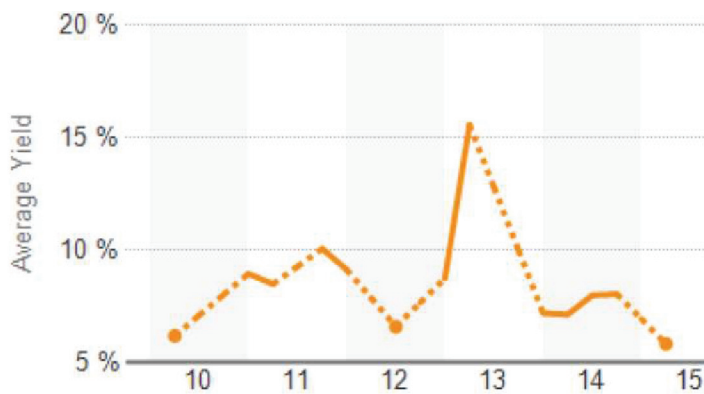
Sales Volume



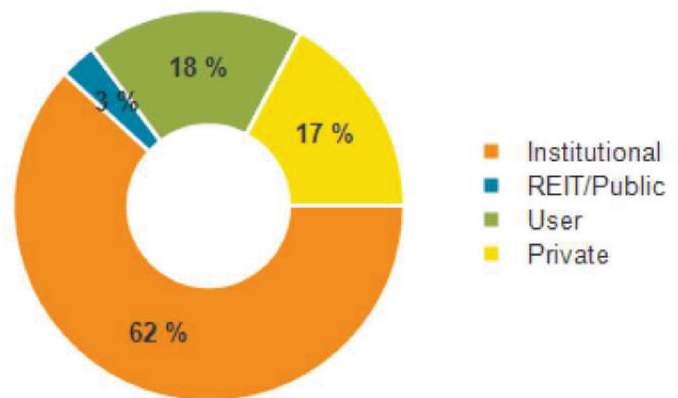
Average Sale Price Per SF



Yield



Sales Volume by Buyer Type



1	Bulk Portfolio	SOLD
5 Buildings, having total size of 182,646 SF. Sale Date: 01/02/2011 # Properties: 5 Sale Price: £40,750,000 - Confirmed Total Size: 182,646 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 10.37% Comp ID: 2571908 Research Status: Confirmed		
2	Multi-Property	SOLD
11 Buildings in Stevenage, HRT, having total size of 216,199 SF. Sale Date: 16/01/2012 # Properties: 11 Sale Price: £39,870,000 - Confirmed Total Size: 216,199 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: - Net Initial Yield: 6.50% Comp ID: 2579624 Research Status: Confirmed		
3	Multi-Property	SOLD
3 Retail buildings in Stevenage, HRT, having total size of 57,360 SF. Sale Date: 01/04/2014 # Properties: 3 Sale Price: £15,000,000 - Confirmed Total Size: 57,360 SF Price/SF: £261.51 Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 7.15% Comp ID: 3085175 Research Status: Confirmed		
4	Multi-Property	SOLD
3 Retail buildings in Hitchin, HRT, having total size of 7,831 SF. Sale Date: 17/09/2012 (231 days on mkt) # Properties: 3 Sale Price: £3,200,000 - Confirmed Total Size: 7,831 SF Price/SF: £408.63 Total Land Area: - Reversionary Yield: - Sale Conditions: Investment Triple Net Net Initial Yield: 6.61% Comp ID: 2606010 Research Status: Confirmed		
5	Multi-Condo	SOLD
4 Office Units in Stevenage, HRT, having total size of 20,483 SF. Sale Date: 01/10/2013 (1,250 days on mkt) # Properties: 4 Sale Price: £500,000 - Confirmed Total Size: 20,483 SF Price/SF: £24.41 Total Land Area: - Reversionary Yield: - Sale Conditions: - Comp ID: 2876560 Research Status: Confirmed		
6	Bulk Portfolio	SOLD
2 Buildings in Letchworth Garden City, HRT, having total size of 76,815 SF. Sale Date: 22/05/2013 (2 days on mkt) # Properties: 2 Sale Price: £150,000 Total Size: 76,815 SF Price/SF: - Total Land Area: - Reversionary Yield: - Sale Conditions: Bulk/Portfolio Sale Net Initial Yield: 21.00% Comp ID: 2771132 Research Status: In Progress		

7	Multi-Condo	SOLD
2 Office Units in Letchworth Garden City, HRT, having total size of 4,440 SF.		
Sale Date: 01/12/2014 (259 days on mkt) # Properties: 2		
Sale Price: - Total Size: 4,440 SF		
Price/SF: - Total Land Area: -		
Reversionary Yield: - Sale Conditions: -		
Comp ID: 3204934 Research Status: In Progress		
8	Prince Of Wales - 61 Albert St	SOLD
Stevenage, SG1 3NY Hertfordshire County		
Sale Date: 01/01/2011 Bldg Type: Retail		
Sale Price: £250,000 - Confirmed Year Built/Age: Built 1921 Age: 89		
Price/SF: £157.23 NIA: 1,590 SF		
Reversionary Yield: - Sale Conditions: -		
Net Initial Yield: - Comp ID: 2459942 Research Status: Confirmed		
9	Premier House - 1-5 Argyle Way	SOLD
Stevenage, SG1 2AD Hertfordshire County		
Sale Date: 30/11/2014 (41 days on mkt) Bldg Type: Office		
Sale Price: £1,320,000 - Confirmed Year Built/Age: Built 1973 Age: 41		
Price/SF: £76.75 NIA: 17,198 SF		
Reversionary Yield: - Sale Conditions: -		
Net Initial Yield: - Comp ID: 3186108 Research Status: Confirmed		
10	Unit 1-2 - Viewpoint Office Village, Unit 1 - Babbage Rd	SOLD
Stevenage, SG1 2EQ Hertfordshire County		
Sale Date: 13/08/2013 (872 days on mkt) Unit Type: 1,500 SF Office Unit		
Sale Price: - Year Built/Age: Built 2001 Age: 11		
Price/SF: - NIA: 1,500 SF		
Reversionary Yield: - Sale Conditions: -		
Net Initial Yield: - Comp ID: 2836695 Research Status: In Progress		
11	Troopers Yard - 23 Bancroft	SOLD
Hitchin, SG5 1JW Hertfordshire County		
Sale Date: 01/11/2011 Bldg Type: Office		
Sale Price: £490,000 - Confirmed Year Built/Age: Built 1697 Age: 314		
Price/SF: £189.04 NIA: 2,592 SF		
Reversionary Yield: - Sale Conditions: -		
Net Initial Yield: - Comp ID: 2431563 Research Status: Confirmed		
12	The Rose & Crown - 10 Benington Rd	SOLD
Stevenage, SG2 7DX Hertfordshire County		
Sale Date: 20/03/2015 (214 days on mkt) Bldg Type: Retail		
Sale Price: - Year Built/Age: Built 1789 Age: 226		
Price/SF: - NIA: 2,264 SF		
Reversionary Yield: - Sale Conditions: -		
Net Initial Yield: - Comp ID: 3261287 Research Status: In Progress		

13	3 Blackhorse Ln	SOLD
Hitchin, SG4 9EE Hertfordshire County Sale Date: 01/07/2011 Bldg Type: Office Sale Price: £300,000 - Confirmed Year Built/Age: Built 1978 Age: 32 Price/SF: £176.47 NIA: 1,700 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451155 Sale Conditions: - Research Status: Confirmed		
		
14	Carlton House - Boulton Rd	SOLD
Stevenage, SG1 4QX Hertfordshire County Sale Date: 15/07/2014 (349 days on mkt) Bldg Type: Office Sale Price: - Year Built/Age: Built 1985 Age: 29 Price/SF: - NIA: 2,580 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3098258 Sale Conditions: - Research Status: Unconfirmed		
		
15	3 Brand St	SOLD
Hitchin, SG5 1LP Hertfordshire County Sale Date: 21/05/2014 (9 days on mkt) Bldg Type: RetailStorefront Sale Price: - Year Built/Age: Built 1900 Age: 114 Price/SF: - NIA: 1,283 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3051610 Sale Conditions: - Research Status: In Progress		
		
16	5 Cadwell Ln	SOLD
Hitchin, SG4 0HA Hertfordshire County Sale Date: 31/05/2011 Bldg Type: Office Sale Price: £55,000 - Confirmed Year Built/Age: Built 1978 Age: 33 Price/SF: £108.70 NIA: 506 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451168 Sale Conditions: - Research Status: Confirmed		
		
17	Cambridge House - Caxton Way	SOLD
Stevenage, SG1 2XD Hertfordshire County Sale Date: 01/10/2010 Bldg Type: Office Sale Price: £800,000 - Confirmed Year Built/Age: Built 2012 Price/SF: £26.67 NIA: 30,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2335323 Sale Conditions: - Research Status: Confirmed		
		
18	Cambridge House - Caxton Way	SOLD
Stevenage, SG1 2XD Hertfordshire County Sale Date: 01/08/2010 Bldg Type: Office Sale Price: £750,000 - Confirmed Year Built/Age: Built 2012 Price/SF: £25.00 NIA: 30,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2396472 Sale Conditions: - Research Status: Confirmed		
		

19	21 Church Ln	SOLD
Stevenage, SG1 3QW Hertfordshire County Sale Date: 01/11/2011 Sale Price: £230,000 - Confirmed Price/SF: £166.67 Bldg Type: Office Year Built/Age: Renov 1980 NIA: 1,380 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2431983 Research Status: Confirmed Sale Conditions: -		
20	2 Churchyard	SOLD
Hitchin, SG5 1HR Hertfordshire County Sale Date: 01/09/2013 (135 days on mkt) Sale Price: £270,000 - Confirmed Price/SF: £132.81 Bldg Type: Retail Year Built/Age: Built 1800 Age: 213 NIA: 2,033 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2957733 Research Status: Confirmed Sale Conditions: -		
21	Node Court - Drivers End	SOLD
Hitchin, SG4 8TR Hertfordshire County Sale Date: 26/07/2013 (1,949 days on mkt) Sale Price: £370,000 - Confirmed Price/SF: £44.14 Bldg Type: Office Year Built/Age: Built 1927 Renov 2009 Age: 86 NIA: 8,383 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2804031 Research Status: Confirmed Sale Conditions: -		
22	Units 1 - 2 - Monkswood Retail Park - Elder Way	SOLD
Stevenage, SG1 1TL Hertfordshire County Sale Date: 21/06/2010 Sale Price: £12,140,000 - Confirmed Price/SF: £466.92 Bldg Type: Retail Year Built/Age: Built 2006 Age: 4 NIA: 26,000 SF Reversionary Yield: - Net Initial Yield: 6.20% Comp ID: 2322521 Research Status: Confirmed Sale Conditions: -		
23	Abel Smith House - Gunnels Wood Rd	SOLD
Stevenage, SG1 2ST Hertfordshire County Sale Date: 01/06/2015 Sale Price: £7,150,000 - Confirmed Price/SF: £126.48 Bldg Type: Office Year Built/Age: Built 1992 Age: 23 NIA: 56,529 SF Reversionary Yield: - Net Initial Yield: 2.78% Comp ID: 3356772 Research Status: Confirmed Sale Conditions: -		
24	The White House - 3 High St	SOLD
Stevenage, SG1 3BG Hertfordshire County Sale Date: 24/08/2010 Sale Price: £500,000 - Confirmed Price/SF: £148.37 Bldg Type: Office Year Built/Age: - NIA: 3,370 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451485 Research Status: Confirmed Sale Conditions: -		

25	19 High St	SOLD
Hitchin, SG5 1HU Sale Date: 26/04/2013 (3 days on mkt) Sale Price: £500,000 - Confirmed Price/SF: £290.70 Bldg Type: RetailStorefront Year Built/Age: Built 1800 Age: 213 NIA: 1,720 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: 7.63% Comp ID: 2776392 Research Status: Confirmed Sale Conditions: - 		
26	70-72B High St	SOLD
Stevenage, SG1 3EA Sale Date: 24/02/2012 Sale Price: - Price/SF: - Bldg Type: RetailStorefront Year Built/Age: - NIA: 2,120 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: 8.40% Comp ID: 2459881 Research Status: Research Complete Sale Conditions: - 		
27	The Old Bank - 162 High St	SOLD
Stevenage, SG1 3LL Sale Date: 01/11/2011 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: - NIA: 1,125 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: - Comp ID: 2432095 Research Status: Confirmed Sale Conditions: - 		
28	6-10 Hunting Gate	SOLD
Hitchin, SG4 0TJ Sale Date: 13/09/2013 (2,276 days on mkt) Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1988 Age: 25 NIA: 51,345 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: - Comp ID: 2836703 Research Status: In Progress Sale Conditions: - 		
29	Rising Sun - 35 Julians Rd	SOLD
Stevenage, SG1 3ES Sale Date: 15/02/2010 Sale Price: - Price/SF: - Bldg Type: Retail Year Built/Age: - NIA: 6,963 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: - Comp ID: 2362447 Research Status: Confirmed Sale Conditions: - 		
30	18 - Stevenage Leisure Park - Kings Way	SOLD
Stevenage, SG1 2UA Sale Date: 18/05/2015 (3 days on mkt) Sale Price: £1,400,000 - Confirmed Price/SF: £231.02 Bldg Type: OfficeMedical Year Built/Age: Built 1993 Age: 21 NIA: 6,060 SF Hertfordshire County Reversionary Yield: - Net Initial Yield: 8.99% Comp ID: 3319751 Research Status: Confirmed Sale Conditions: Auction Sale 		

31	71 Knowl Piece	SOLD
Hitchin, SG4 0TY Hertfordshire County Sale Date: 15/12/2010 Bldg Type: Office Sale Price: £375,000 - Confirmed Year Built/Age: Built 1994 Age: 16 Price/SF: £97.66 NIA: 3,840 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2454994 Sale Conditions: - Research Status: Confirmed		
		
32	Garden Square Shopping Centre - 23-25 Leys Ave	SOLD
Letchworth Garden City, SG6 3DN Hertfordshire County Sale Date: 26/03/2013 (268 days on mkt) Bldg Type: Retail Sale Price: £14,000,000 - Confirmed Year Built/Age: Built 1974 Age: 38 Price/SF: £91.50 NIA: 153,000 SF Reversionary Yield: - Net Initial Yield: 8.90% Comp ID: 2708215 Sale Conditions: - Research Status: Confirmed		
		
33	117 London Rd	SOLD
Knebworth, SG3 6ET Hertfordshire County Sale Date: 01/11/2011 Bldg Type: Office Sale Price: - Year Built/Age: Built 1888 Renov 1990 Age: 123 Price/SF: - NIA: 921 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2431716 Sale Conditions: - Research Status: Confirmed		
		
34	Premier Inn - Portmill Ln	SOLD
Hitchin, SG5 1DJ Hertfordshire County Sale Date: 01/07/2014 Unit Type: 24,000 SF Hospitality Unit Sale Price: £4,140,000 - Confirmed Year Built/Age: Built 2015 Price/SF: £172.50 NIA: 24,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3260480 Sale Conditions: - Research Status: Confirmed		
		
35	Bank House - Primett Rd	SOLD
Stevenage, SG1 3EE Hertfordshire County Sale Date: 01/06/2013 Bldg Type: Office Sale Price: £1,575,000 - Confirmed Year Built/Age: Built 1991 Renov 2003 Age: 21 Price/SF: £81.55 NIA: 19,314 SF Reversionary Yield: - Net Initial Yield: 18.03% Comp ID: 2792541 Sale Conditions: - Research Status: Confirmed		
		
36	Follett House - Primett Rd	SOLD
Stevenage, SG1 3EE Hertfordshire County Sale Date: 01/12/2011 Bldg Type: Office Sale Price: - Year Built/Age: Built 1991 Age: 20 Price/SF: - NIA: 11,497 SF Reversionary Yield: - Net Initial Yield: 8.50% Comp ID: 2457288 Sale Conditions: - Research Status: Confirmed		
		

37	Stamford House - Primett Rd	SOLD
Stevenage, SG1 3EE Hertfordshire County Sale Date: 01/11/2011 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1991 Age: 20 NIA: 5,545 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2432151 Research Status: Confirmed Sale Conditions: -		
		
38	Milford House - Priory End	SOLD
Hitchin, SG4 9AL Hertfordshire County Sale Date: 01/12/2010 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1981 Age: 29 NIA: 14,925 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2455296 Research Status: Confirmed Sale Conditions: -		
		
39	24 Queen St	SOLD
Hitchin, SG4 9TN Hertfordshire County Sale Date: 01/08/2012 (506 days on mkt) Sale Price: £130,000 - Confirmed Price/SF: £32.50 Bldg Type: RetailBar Year Built/Age: Built 1967 Age: 45 NIA: 4,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2659048 Research Status: Confirmed Sale Conditions: -		
		
40	Westgate Shopping Centre - Queensway	SOLD
Stevenage, SG1 1QR Hertfordshire County Sale Date: 01/03/2012 Sale Price: £8,400,000 - Confirmed Price/SF: £111.25 Bldg Type: Retail Year Built/Age: Built 1979 Age: 32 NIA: 75,508 SF Reversionary Yield: - Net Initial Yield: 12.50% Comp ID: 2348906 Research Status: Confirmed Sale Conditions: -		
		
41	1-3 Queensway	SOLD
Stevenage, SG1 1DA Hertfordshire County Sale Date: 16/12/2014 (208 days on mkt) Sale Price: £300,000 - Confirmed Price/SF: £111.94 Bldg Type: RetailStorefront Year Built/Age: Built 1988 Age: 26 NIA: 2,680 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3213794 Research Status: Confirmed Sale Conditions: Auction Sale		
		
42	2-8 Queensway	SOLD
Stevenage, SG1 1BS Hertfordshire County Sale Date: 09/12/2014 (21 days on mkt) Sale Price: £650,000 - Confirmed Price/SF: £161.69 Bldg Type: RetailStorefront Retail/Residential Year Built/Age: Built 1967 Age: 47 NIA: 4,020 SF Reversionary Yield: - Net Initial Yield: 7.30% Comp ID: 3181069 Research Status: Confirmed Sale Conditions: -		
		

43	2-8 Queensway	SOLD
Stevenage, SG1 1BS Hertfordshire County Sale Date: 28/10/2014 (1,090 days on mkt) Sale Price: £537,000 Price/SF: £133.58 Bldg Type: RetailStorefront Retail/Residential Year Built/Age: Built 1967 Age: 47 NIA: 4,020 SF Reversionary Yield: - Net Initial Yield: 8.80% Comp ID: 3152150 Research Status: In Progress Sale Conditions: -		
		
44	40-100 Queensway	SOLD
Stevenage, SG1 1EE Hertfordshire County Sale Date: 27/05/2011 Sale Price: £24,000,000 - Confirmed Price/SF: £283.32 Bldg Type: RetailStorefront Year Built/Age: Built 1957 Age: 53 NIA: 84,710 SF Reversionary Yield: - Net Initial Yield: 8.50% Comp ID: 2366407 Research Status: Confirmed Sale Conditions: -		
		
45	59 Queensway	SOLD
Stevenage, SG1 1DN Hertfordshire County Sale Date: 01/10/2012 (944 days on mkt) Sale Price: - Price/SF: - Bldg Type: RetailStorefront Year Built/Age: Built 1970 Age: 41 NIA: 1,815 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2677478 Research Status: In Progress Sale Conditions: -		
		
46	69-75 Queensway	SOLD
Stevenage, SG1 1DN Hertfordshire County Sale Date: 14/10/2011 Sale Price: £1,300,000 - Confirmed Price/SF: £38.36 Bldg Type: Office Year Built/Age: Built 1962 Age: 49 NIA: 33,891 SF Reversionary Yield: - Net Initial Yield: 11.63% Comp ID: 2337040 Research Status: Confirmed Sale Conditions: -		
		
47	Twin Foxes - 54 Rockingham Way	SOLD
Stevenage, SG1 1SJ Hertfordshire County Sale Date: 01/01/2012 Sale Price: - Price/SF: - Bldg Type: RetailBar Year Built/Age: Built 1967 Age: 44 NIA: 3,071 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2448575 Research Status: Confirmed Sale Conditions: -		
		
48	Bedford House - Rutherford Clos	SOLD
Stevenage, SG1 2EF Hertfordshire County Sale Date: 19/09/2013 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1994 Age: 19 NIA: 9,216 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2847301 Research Status: In Progress Sale Conditions: -		
		

49	Units 1-3 - Second Ave	SOLD
Letchworth Garden City, SG6 2HN Hertfordshire County Sale Date: 15/05/2015 Sale Price: £5,500,000 - Confirmed Price/SF: £120.86 Bldg Type: RetailFreestanding Year Built/Age: Built 1998 Age: 17 NIA: 45,507 SF Reversionary Yield: - Net Initial Yield: 5.78% Comp ID: 3353297 Research Status: Confirmed Sale Conditions: -		
50	Six Hills House - Six Hills Way	SOLD
Stevenage, SG1 1YB Hertfordshire County Sale Date: 01/01/2015 Sale Price: - Price/SF: - Bldg Type: Office Year Built/Age: Built 1970 Age: 44 NIA: 73,237 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3240562 Research Status: In Progress Sale Conditions: -		
51	The Forum Centre - St Georges Way	SOLD
Stevenage, SG1 1ES Hertfordshire County Sale Date: 29/03/2011 Sale Price: £24,000,000 - Confirmed Price/SF: £282.35 Bldg Type: RetailStorefront Year Built/Age: Built 2008 Age: 2 NIA: 85,000 SF Reversionary Yield: - Net Initial Yield: 8.50% Comp ID: 2378636 Research Status: Confirmed Sale Conditions: -		
52	9-11 The Forum	SOLD
Stevenage, SG1 1ES Hertfordshire County Sale Date: 17/09/2014 Sale Price: £3,780,000 - Confirmed Price/SF: £115.60 Bldg Type: RetailStorefront Year Built/Age: Built 1977 Age: 37 NIA: 32,700 SF Reversionary Yield: - Net Initial Yield: 8.00% Comp ID: 3261355 Research Status: Confirmed Sale Conditions: -		
53	Priory - Tilehouse St	SOLD
Hitchin, SG5 2DW Hertfordshire County Sale Date: 01/03/2013 Sale Price: £7,410,000 - Confirmed Price/SF: £90.64 Bldg Type: Office Year Built/Age: - NIA: 81,752 SF Reversionary Yield: - Net Initial Yield: 8.60% Comp ID: 2723131 Research Status: Confirmed Sale Conditions: -		
54	The Bell - 4 Town Ln	SOLD
Stevenage, SG2 7LA Hertfordshire County Sale Date: 26/03/2014 (163 days on mkt) Sale Price: £263,000 - Confirmed Price/SF: £93.59 Bldg Type: RetailBar Year Built/Age: - NIA: 2,810 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3025896 Research Status: Confirmed Sale Conditions: -		

55	The Plaza - Town Sq	SOLD
Stevenage, SG1 1PF Hertfordshire County Sale Date: 01/11/2014 Sale Price: - Price/SF: - Bldg Type: Retail Year Built/Age: Built 1996 Age: 17 NIA: 46,986 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3210736 Research Status: Research Complete Sale Conditions: Distress Sale		
56	1 Town Sq	SOLD
Stevenage, SG1 1BP Hertfordshire County Sale Date: 26/02/2014 (19 days on mkt) Sale Price: £530,000 - Confirmed Price/SF: £94.52 Bldg Type: Office Year Built/Age: Built 1989 Age: 24 NIA: 5,607 SF Reversionary Yield: - Net Initial Yield: 7.20% Comp ID: 2971624 Research Status: Confirmed Sale Conditions: Auction Sale		
57	Broadhall House - Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 23/08/2011 Sale Price: £1,571,790 - Confirmed Price/SF: £165.00 Bldg Type: Office Year Built/Age: Built 2008 Age: 2 NIA: 9,526 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2451508 Research Status: Confirmed Sale Conditions: -		
58	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 28/01/2011 (87 days on mkt) Sale Price: £230,000 - Confirmed Price/SF: £15.10 Bldg Type: Office Year Built/Age: Built 2008 Age: 2 NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: 8.00% Comp ID: 2324230 Research Status: Confirmed Sale Conditions: -		
59	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/03/2010 Sale Price: £150,000 - Confirmed Price/SF: £9.85 Bldg Type: Office Year Built/Age: Built 2008 Age: 1 NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2366717 Research Status: Confirmed Sale Conditions: -		
60	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/07/2012 (1,042 days on mkt) Sale Price: - Price/SF: - Unit Type: 2,012 SF Office Unit Year Built/Age: Built 2008 Age: 3 NIA: 2,012 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506712 Research Status: Research Complete Sale Conditions: -		

61	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 02/03/2012 (921 days on mkt) Unit Type: 1,041 SF Office Unit Sale Price: - Year Built/Age: Built 2008 Age: 3 Price/SF: - NIA: 1,041 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506714 Sale Conditions: - Research Status: Research Complete		
62	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 07/01/2012 (866 days on mkt) Unit Type: 9,526 SF Office Unit Sale Price: - Year Built/Age: Built 2008 Age: 3 Price/SF: - NIA: 9,526 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2506716 Sale Conditions: - Research Status: Research Complete		
63	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 01/11/2012 (1,165 days on mkt) Unit Type: 1,354 SF Office Unit Sale Price: - Year Built/Age: Built 2008 Age: 3 Price/SF: - NIA: 1,354 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2599553 Sale Conditions: - Research Status: Research Complete		
64	Gateway 1000 - 15-18 Whittle Way	SOLD
Stevenage, SG1 2FP Hertfordshire County Sale Date: 05/02/2010 Bldg Type: Office Sale Price: - Year Built/Age: Built 2008 Age: 1 Price/SF: - NIA: 15,228 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2369947 Sale Conditions: - Research Status: Confirmed		
65	8 Works Rd	SOLD
Letchworth Garden City, SG6 1JZ Hertfordshire County Sale Date: 01/03/2010 Bldg Type: RetailStorefront Retail/Office Sale Price: £295,000 - Confirmed Year Built/Age: Built 1981 Age: 28 Price/SF: £69.87 NIA: 4,222 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 2455878 Sale Conditions: - Research Status: Confirmed		

Appendix 7 – Deliverable and Developable Sites within the SHLAA

Ref	Site name	Ward	Current use/status	Land type	Site Area	Net area	Suitability	Period	Dwellings	Deliverable / developable
2	Vincent Court	Symonds Green Ward	Allocation	Previously developed	1.13	1.02	Good	Now	41	Deliverable
3	Ferrier Road	Manor Ward	Allocation	Greenfield sites within urban area	1.34	1.21	Good	Now	34	Deliverable
5	Snooker Club	Old Town Ward	Allocation	Previously developed	0.30	0.30	Moderate	Before 2016	38	Deliverable
107	Ken Brown Car show room	Shephall Ward	Commercial	Previously developed	0.18	0.18	Good	After 2021	16	Developable
125	Stevenage Leisure Park	Bedwell Ward	Commercial	Previously developed	8.18	6.13	Moderate	2016-2021	1,500	Deliverable
141	Matalan	Bedwell Ward	Commercial	Previously developed	0.86	0.77	Moderate	2016-2021	442	Deliverable
150	Twin Foxes pub	Bedwell Ward	Commercial	Previously developed	0.17	0.17	Moderate	Now	14	Deliverable
201	Centre and adjacent amenity land	Shephall Ward	Community	Greenfield sites within urban area	1.05	0.95	Moderate	2016-2021	34	Developable
209	Ex-Play Centre	Symonds Green Ward	Community	Greenfield sites within urban area	0.54	0.49	Moderate	2016-2021	15	Developable
212	Scout Hut	Manor Ward	Community	Greenfield sites within urban area	0.34	0.28	Moderate	2016-2021	18	Developable
213	Land at Eliot Road	Chells Ward	Community	Greenfield sites within urban area	0.28	0.28	Difficult	Before 2016	11	Developable
214	Day Nursery	Chells Ward	Community	Greenfield sites within urban area	0.29	0.29	Difficult	2016-2021	6	Developable
217	Longfield Fire and Rescue Centre	Woodfield Ward	Community	Previously developed	2.68	2.01	Moderate	Before 2016	95	Deliverable
218	Social Services building	Bedwell Ward	Community	Previously developed	0.35	0.35	Moderate	Now	343	Deliverable
219a	Town centre library	Bedwell Ward	Community	Previously developed	0.18	0.18	Moderate	Now	58	Deliverable
223	Land at St Nicholas Park	Woodfield Ward	Community	Greenfield sites within urban area	0.85	0.77	Difficult	2016-2021	29	Developable
408	Saffron Ground	Old Town Ward	Employment	Previously developed	0.47	0.42	Moderate	2016-2021	160	Deliverable
411	Bank House	Old Town Ward	Employment	Previously developed	0.22	0.22	Moderate	Now	26	Deliverable
413	Southgate House	Bedwell Ward	Employment	Previously developed	0.16	0.16	Moderate	Now	49	Deliverable
511	Dunn Close Garage Court	Bedwell Ward	Garage court	Previously developed	0.10	0.10	Moderate	Now	5	Developable
526	Centre Car Park	Old Town Ward	Garage court	Previously developed	0.27	0.27	Difficult	2016-2021	127	Developable
528	Southern Car Park				0.37	0.37	Moderate	2016-2021		Developable
604	Land south of A602	Longmeadow Ward	Greenfield	Green Belt	19.96	14.97	Difficult	2016-2021	400	Developable
609	Bragbury End Sports Ground	Longmeadow Ward	Greenfield	Green Belt	8.16	5.00	Difficult	2016-2021	150	Developable
610	Land North of Stevenage (1)	Woodfield Ward	Greenfield	Green Belt	46.13	23.07	Difficult	Now	1,250	Developable
610a	Land North of Stevenage (2)	Woodfield Ward	Greenfield	Green Belt	29.63	14.82	Difficult			Developable
611	Land West of North Road (Rugby Club)	Woodfield Ward	Greenfield	Greenfield sites outside urban area	3.40	2.55	Difficult	Now	149	Developable
612	Land West of Stevenage	Symonds Green Ward	Greenfield	Greenfield sites outside urban area	54.20	27.10	Moderate	2016-2021	1,350	Developable
627	Land west of Stevenage (1)				28.95	14.48				
628	Land west of Stevenage (2)				7.38	5.54				
613	Land at Norton Green	Roebuck Ward	Greenfield	Greenfield sites outside urban area	1.55	0.68	Difficult	Now	14	Developable
615	Garden Centre		Ward	Green Belt	3.42	2.57	Difficult	2016-2021	103	Developable
623	Land at Todds Green (2)	Symonds Green Ward	Greenfield	Green Belt	0.93	0.83	Difficult	Before 2016	16	Developable
629	Land west of Stevenage (3)	Symonds Green Ward	Greenfield	Greenfield sites outside urban area	5.43	4.07	Moderate	2016-2021	79	Developable
630	Land at Lanterns Lane	Manor Ward	Greenfield	Green Belt	3.14	2.36	Difficult	After 2021	50	Developable
701	Kenilworth Close NC	Longmeadow Ward	Nhood centre	Previously developed	0.70	0.63	Difficult	2016-2021	47	Developable
702	Fley Close NC	Symonds Green Ward	Nhood centre	Previously developed	1.03	0.93	Difficult	After 2021	20	Developable
703	The Hyde NC	Shephall Ward	Nhood centre	Previously developed	1.37	1.23	Difficult	After 2021	50	Developable
704	The Oval	Martins Wood Ward	Nhood centre	Previously developed	2.42	1.81	Difficult	After 2021	275	Developable
705	Oaks Cross NC	Longmeadow Ward	Nhood centre	Previously developed	0.63	0.57	Difficult	After 2021	13	Developable
707	Burwell Road NC	Bandley Hill Ward	Nhood centre	Greenfield sites within urban area	0.74	0.66	Difficult	2016-2021	20	Developable
708	Roebuck NC	Roebuck Ward	Nhood centre	Previously developed	0.61	0.55	Difficult	After 2021	30	Developable
709	The Gebe NC	Chells Ward	Nhood centre	Greenfield sites within urban area	1.54	1.39	Difficult	After 2021	25	Developable
710	Marymead NC	Roebuck Ward	Nhood centre	Previously developed	0.60	0.54	Difficult	2016-2021	70	Developable
712	Canterbury Way NC	St. Nicholas Ward	Nhood centre	Greenfield sites within urban area	0.95	0.86	Difficult	After 2021	40	Developable
714	Archer Road NC	Rn Green Ward	Nhood centre	Previously developed	0.54	0.48	Difficult	Before 2016	24	Deliverable
721	Bedwell Crescent NC	Bedwell Ward	Nhood centre	Greenfield sites within urban area	2.16	1.62	Difficult	2016-2021	30	Developable
819	Land at Malvern Close	Longmeadow Ward	Open Space	Greenfield sites within urban area	0.27	0.27	Difficult	After 2021	8	Developable
820	Land West of Bragbury Lane	Longmeadow Ward	Open Space	Greenfield sites within urban area	0.32	0.32	Moderate	Now	5	Deliverable
822	Land at Hampson Park (north)	Green Ward	Open Space	Greenfield sites within urban area	1.33	1.20	Difficult	After 2021	72	Developable
840	Former Rn Green School playing field	Green Ward	Open Space	Greenfield sites within urban area	1.00	0.90	Difficult	Now	42	Developable
841	Land at Shephalbury Park	Roebuck Ward	Open space	Greenfield sites within urban area	1.63	1.47	Difficult	2016-2021	12	Developable
49					250.43	150.39			7405	

Appendix 8 – Residential Appraisals

The pages in this appendix are not numbered.



1	Units	NET Area	Density average	Unit Size	Developed	Density	Total Cost	Rate	Locality and/or Brown native Use
Number			m ²	ha	m ²	m ² /ha	£/m ²		
Northern Extension	800	25.00	32.00	86	68,437	2,737	66,760,958	97.51	North Green Agricultural

	Beds	No	m2	Total	BCIS	Cost
Market	1	0	58.0	0.00	1.0%	0
	Flat	2	0	70.0	0.00	1,124
	0	0	70.0	0.00	1.0%	0
Terrace	2	72	70.0	5,040.00	955	4,813,200
	3	106	84.0	8,904.00	955	8,503,320
	2	86	79.0	6,794.00	955	6,488,270
Semi	3	120	93.0	11,160.00	955	10,657,800
	3	0	102.0	0.00	955	0
	Det	72	125.0	9,000.00	955	8,595,000
Flat 1 High*	4	24	150.0	3,600.00	955	3,438,000
	1	0	58.0	0.00	1.0%	0
	Flat 2 High*	2	0	70.0	0.00	1.0%
Flat 3 High*	3	0	84.0	0.00	1.0%	0
	Affordable					
	Flat	1	86	58.0	4,988.00	1.0%
Terrace	2	0	70.0	0.00	1.0%	0
	2	106	70.0	7,420.00	955	7,086,100
	3	109	84.0	9,156.00	955	8,743,980
Semi	2	0	79.0	0.00	955	0
	3	0	93.0	0.00	955	0
	Det	3	0	102.0	0.00	955
Flat 1 High*	4	19	125.0	2,375.00	955	2,268,125
	5	0	150.0	0.00	955	0
	Flat 2 High*	1	0	58.0	0.00	1.0%
Flat 3 High*	2	0	70.0	0.00	1.0%	0
	3	0	84.0	0.00	1.0%	0

Number	2	Units	Area ha	Density m ² /ha	Unit Size m ²	Developed m ²	Density m ² /ha	Total Cost £/m ²	Rate £/m ²	Locality year/Brown native Use
Western Extension	1350		47.12	28.65	86	115,439	2,450	112,627,140		Green Agricultural

		Beds	No	m2	Total	BCIS	Cost
Market							0
	Flat	1	0	58.00	0.00	10%	1,124
		2	0	70.00	0.00	10%	1,124
Terrace		2	122	70.00	8,540.00		955
		3	178	84.00	14,952.00		955
		2	146	79.00	11,534.00		955
Semi		3	203	93.00	18,879.00		955
		3	0	102.00	0.00		955
		4	122	125.00	15,250.00		955
Flat 1 High*		5	41	150.00	6,150.00		955
		1	0	58.00	0.00	10%	1,440
		2	0	70.00	0.00	10%	1,440
Flat 2 High*		3	0	84.00	0.00	10%	1,440
		3	0	70.00	0.00	10%	1,440
		3	0	84.00	0.00	10%	1,440
Affordable							
	Flat	1	146	58.00	8,468.00	10%	1,124
		2	0	70.00	0.00	10%	1,124
Terrace		2	178	70.00	12,460.00		955
		3	184	84.00	15,456.00		955
		2	0	79.00	0.00		955
Semi		3	0	93.00	0.00		955
		3	0	102.00	0.00		955
		3	0	93.00	0.00		955
Det		4	30	125.00	3,750.00		955
		5	0	150.00	0.00		955
		1	0	58.00	0.00	10%	1,440
Flat 2 High*		2	0	70.00	0.00	10%	1,440
		3	0	84.00	0.00	10%	1,440
		3	0	84.00	0.00	10%	1,440



Rate	Locality	Green/Brown	Native Use
£/m2			
975.48	South East	Green	Agricultural

	Beds	No	m2	Total	BCIS	CBS	
Market							
	Flat	1	58.00	0.00	10%	0	
Terrace		2	70.00	0.00	10%	0	
		50	70.00	3,500.00		3,342,500	
Semi		3	84.00	6,132.00	95%	5,856,060	
		2	59	79.00	4,661.00	95%	4,451,255
Det		3	83	93.00	7,719.00	95%	7,371,645
		3	0	102.00	0.00	95%	0
Flat 1 High*		4	125.00	6,250.00	95%	5,968,750	
		5	17	150.00	2,550.00	95%	2,435,250
Flat 2 High*		1	0	0.00	10%	0	
		2	0	0.00	10%	0	
Flat 3 High*		3	80.00	0.00	10%	0	
		3	0	74.00	0.00	10%	0
Affordable							
Flat		1	58.00	3,422.00	10%	4,230,961	
		2	0	70.00	0.00	10%	0
Terrace		2	73	70.00	5,110.00	95%	4,880,050
		3	75	84.00	6,300.00	95%	6,016,500
Semi		2	0	79.00	0.00	95%	0
		3	0	93.00	0.00	95%	0
Det		3	0	102.00	0.00	95%	0
		4	11	125.00	1,375.00	95%	1,313,125
Flat 1 High*		1	0	0.00	10%	0	
		2	0	70.00	0.00	10%	0
Flat 2 High*		3	0	84.00	0.00	10%	0
		3	0	0.00	0.00	10%	0

Rate	Locality	Teen/Brown	native Use
£/m2		Green	Paddock
976.37			

	Beds	No	m2	Total	BCIS	Cost
Market						0
	1	0	58.00	0.00	10%	1,124
	2	0	70.00	0.00	10%	1,124
Terrace	3	6	70.00	280.00		955
	2	4	84.00	504.00		955
	3	6	84.00	504.00		955
Semi	2	5	79.00	395.00		955
	3	7	93.00	651.00		955
	3	0	102.00	0.00		955
Det	4	4	125.00	500.00		955
	5	1	150.00	150.00		955
	1	0	58.00	0.00	10%	1,440
Flat 1 High*	2	0	70.00	0.00	10%	1,440
Flat 2 High*	3	0	84.00	0.00	10%	1,440
Flat 3 High*	2	0	70.00	0.00	10%	1,440
Affordable						
Flat	1	5	58.00	290.00	10%	1,124
	2	0	70.00	0.00	10%	1,124
	3	6	70.00	420.00		955
Terrace	2	6	84.00	504.00		955
	3	6	84.00	504.00		955
	2	0	79.00	0.00		955
Semi	3	0	93.00	0.00		955
	3	0	102.00	0.00		955
	4	1	125.00	125.00		955
Det	5	0	150.00	0.00		955
	1	0	58.00	0.00	10%	1,440
	2	0	70.00	0.00	10%	1,440
Flat 1 High*	3	0	84.00	0.00	10%	1,440
Flat 2 High*	2	0	70.00	0.00	10%	1,440
Flat 3 High*	3	0	84.00	0.00	10%	1,440



Locality Green/Brown native Use

Rate
£/m2
973.87

Green Paddock

Number

Greenfield 2

5	Units	Area ha	Density Units/ha	Density range Unit Size m2	Developed m2	Density m2/ha	Total Cost
	30	0.75	40.00	87	2,595	3,460	2,527,189
				m2	Total		COST
Market							0
Flat	1	0		58.00	0.00	10%	1,124
	2	0		70.00	0.00	10%	1,124
Terrace	2	3		70.00	210.00		200,550
	3	4		84.00	336.00		320,880
Semi	2	3		79.00	237.00		226,335
	3	4		93.00	372.00		355,260
Det	3	0		102.00	0.00		955
	4	3		125.00	375.00		358,125
	5	1		150.00	150.00		955
Flat 1 High*	1	0		58.00	0.00	10%	1,440
Flat 2 High*	2	0		70.00	0.00	10%	1,440
Flat 3 High*	3	0		84.00	0.00	10%	1,440
Affordable							0
Flat	1	3		58.00	174.00	10%	1,124
	2	4		70.00	280.00	10%	1,124
Terrace	2	4		70.00	280.00		267,400
	3	4		84.00	336.00		320,880
Semi	2	0		79.00	0.00		955
	3	0		93.00	0.00		955
Det	3	0		102.00	0.00		955
	4	1		125.00	125.00		119,375
	5	0		150.00	0.00		955
Flat 1 High*	1	0		58.00	0.00	10%	1,440
Flat 2 High*	2	0		70.00	0.00	10%	1,440
Flat 3 High*	3	0		84.00	0.00	10%	1,440

Locality Green/Brown native Use

Rate
£/m2
979.79

Green Paddock

Number

Greenfield 3

6	Units	Area ha	Density Units/ha	Density range Unit Size m2	Developed m2	Density m2/ha	Total Cost
	16	0.40	40.00	82	1,317	3,293	1,290,377
				m2	Total		COST
Market							0
Flat	1	0		58.00	0.00	10%	1,124
	2	0		70.00	0.00	10%	1,124
Terrace	2	1		70.00	70.00		66,850
	3	2		84.00	168.00		160,440
Semi	2	2		79.00	158.00		150,890
	3	4		93.00	372.00		355,260
Det	3	0		102.00	0.00		955
	4	1		125.00	125.00		119,375
	5	0		150.00	0.00		955
Flat 1 High*	1	0		58.00	0.00	10%	1,440
Flat 2 High*	2	0		70.00	0.00	10%	1,440
Flat 3 High*	3	0		84.00	0.00	10%	1,440
Affordable							0
Flat	1	2		58.00	116.00	10%	1,124
	2	0		70.00	0.00	10%	1,124
Terrace	2	2		70.00	140.00		955
	3	2		84.00	168.00		160,440
Semi	2	0		79.00	0.00		955
	3	0		93.00	0.00		955
Det	3	0		102.00	0.00		955
	4	0		125.00	0.00		955
	5	0		150.00	0.00		955
Flat 1 High*	1	0		58.00	0.00	10%	1,440
Flat 2 High*	2	0		70.00	0.00	10%	1,440
Flat 3 High*	3	0		84.00	0.00	10%	1,440
Flat 1 High*	1	0		58.00	0.00	10%	1,440
Flat 2 High*	2	0		70.00	0.00	10%	1,440
Flat 3 High*	3	0		84.00	0.00	10%	1,440



Locality Green/Brown native Use

Green Paddock

Rate
£/m2
975.27

Total Cost
10,206,161

Number
Greenfield 4

7 Units

Area
ha

Density
Units/ha

Developed
m2

Density
m2/ha

Total

BCIS

Cost

	Units	Area ha	Density Units/ha	Developed m2	Density m2/ha	Total	BCIS	Cost
Market	122	3.50	34.86	86	2,991	10,206,161		
Flat	1	0		58.00	0.00	0	1,124	0
Terrace	2	0		70.00	0.00	0	1,124	0
Semi	3	16		84.00	1,344.00	955	955	735,350
Det	3	13		79.00	1,027.00	955	955	1,283,520
Flat 1 High*	3	18		93.00	1,674.00	955	955	980,785
Flat 2 High*	3	0		102.00	0.00	0	955	1,598,670
Flat 3 High*	3	0		125.00	0.00	0	955	1,313,125
Affordable	3	0		150.00	0.00	0	955	573,000
Flat 1 High*	3	0		58.00	0.00	0	1,440	0
Flat 2 High*	3	0		70.00	0.00	0	1,440	0
Flat 3 High*	3	0		84.00	0.00	0	1,440	0
Flat 1 High*	3	0		79.00	0.00	0	955	0
Flat 2 High*	3	0		93.00	0.00	0	955	0
Flat 3 High*	3	0		102.00	0.00	0	955	0
Flat 1 High*	3	0		125.00	0.00	0	955	358,125
Flat 2 High*	3	0		150.00	0.00	0	955	0
Flat 3 High*	3	0		58.00	0.00	0	1,440	0
Flat 1 High*	3	0		70.00	0.00	0	1,440	0
Flat 2 High*	3	0		84.00	0.00	0	1,440	0

Locality Green/Brown native Use

Town Centre Brown Retail

Rate
£/m2
1,584.00

Total Cost
37,623,168

Number
High Town Centre Flats

8 Units

Area
ha

Density
Units/ha

Developed
m2

Density
m2/ha

Total

BCIS

Cost

	Units	Area ha	Density Units/ha	Developed m2	Density m2/ha	Total	BCIS	Cost
Market	350	0.70	500.00	68	33,931	37,623,168		
Flat	1	0		58.00	0.00	0	1,124	0
Terrace	2	0		70.00	0.00	0	1,124	0
Semi	3	0		84.00	0.00	0	955	0
Det	3	0		79.00	0.00	0	955	0
Flat 1 High*	3	0		93.00	0.00	0	955	0
Flat 2 High*	3	0		102.00	0.00	0	955	0
Flat 3 High*	3	0		125.00	0.00	0	955	0
Flat 1 High*	3	0		150.00	0.00	0	955	0
Flat 2 High*	3	0		58.00	0.00	0	1,440	6,798,528
Flat 3 High*	3	0		70.00	0.00	0	1,440	11,642,400
Affordable	3	0		84.00	0.00	0	1,440	4,257,792
Flat	1	0		58.00	0.00	0	1,124	0
Terrace	2	0		70.00	0.00	0	1,124	0
Semi	3	0		84.00	0.00	0	955	0
Det	3	0		79.00	0.00	0	955	0
Flat 1 High*	3	0		93.00	0.00	0	955	0
Flat 2 High*	3	0		102.00	0.00	0	955	0
Flat 3 High*	3	0		125.00	0.00	0	955	0
Flat 1 High*	3	0		150.00	0.00	0	955	0
Flat 2 High*	3	0		58.00	0.00	0	1,440	4,501,728
Flat 3 High*	3	0		70.00	0.00	0	1,440	7,761,600
Flat 1 High*	3	0		84.00	0.00	0	1,440	2,661,120



Number 9 Units Area ha Density Units/ha Developed m2 Density m2/ha Total Cost £/m2
Town Centre Flats 50 0.50 100.00 68 3,382 6,764 5,357,088 1,584.00
Locality teen/Brown native Use
Town Centr Brown Community

	Market	Flat	Terrace	Semi	Det	Flat 1 High*	Flat 2 High*	Flat 3 High*	Affordable	Flat	Terrace	Semi	Det	Flat 1 High*	Flat 2 High*	Flat 3 High*
Units	1	2	2	2	3	1	2	3	1	2	2	2	3	1	2	3
Area	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Density	100.00	58.00	70.00	84.00	79.00	150.00	58.00	70.00	84.00	79.00	150.00	58.00	70.00	84.00	79.00	150.00
Developed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Density	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total Cost	0	1,124	1,124	955	955	955	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Number 10 Units Area ha Density Units/ha Developed m2 Density m2/ha Total Cost £/m2
PDL 1 50 1.25 40.00 86 4,300 3,440 4,188,106 973.98
Locality teen/Brown native Use
Brown PDL

	Market	Flat	Terrace	Semi	Det	Flat 1 High*	Flat 2 High*	Flat 3 High*	Affordable	Flat	Terrace	Semi	Det	Flat 1 High*	Flat 2 High*	Flat 3 High*
Units	1	2	2	2	3	1	2	3	1	2	2	2	3	1	2	3
Area	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Density	100.00	58.00	70.00	84.00	79.00	150.00	58.00	70.00	84.00	79.00	150.00	58.00	70.00	84.00	79.00	150.00
Developed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Density	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total Cost	0	1,124	1,124	955	955	955	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Locality Green/Brown native Use
Brown Commercial

Rate
£/m2
979.04

Number	11	Units	Area ha	Density Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality Green/Brown native Use
PDL 2		24	0.60	40.00	85	2,087	3,395	1,994,299	979.04	
		BedS	No		m2	Total		BCIS	COST	
	Market									
	Flat	1	0		58.00	0.00	10%	1,124	0	
		2	0		70.00	0.00	10%	1,124	0	
	Terrace	2	0		70.00	140.00		955	133,700	
		3	3		84.00	252.00		955	240,660	
	Semi	2	3		79.00	237.00		955	226,335	
		3	4		93.00	372.00		955	355,260	
	Det	3	0		102.00	0.00		955	0	
		4	2		125.00	250.00		955	238,750	
		5	1		150.00	150.00		955	143,250	
	Flat 1 High*	1	0		58.00	0.00	10%	1,440	0	
	Flat 2 High*	2	0		70.00	0.00	10%	1,440	0	
	Flat 3 High*	3	0		84.00	0.00	10%	1,440	0	
	Affordable									
	Flat	1	3		58.00	174.00	10%	1,124	215,134	
		2	0		70.00	0.00	10%	1,124	0	
	Terrace	2	3		70.00	210.00		955	200,550	
		3	3		84.00	252.00		955	240,660	
	Semi	2	0		79.00	0.00		955	0	
		3	0		93.00	0.00		955	0	
	Det	3	0		102.00	0.00		955	0	
		4	0		125.00	0.00		955	0	
		5	0		150.00	0.00		955	0	
	Flat 1 High*	1	0		58.00	0.00	10%	1,440	0	
	Flat 2 High*	2	0		70.00	0.00	10%	1,440	0	
	Flat 3 High*	3	0		84.00	0.00	10%	1,440	0	

Locality Green/Brown native Use
Brown PDL

Rate
£/m2
984.70

Number	12	Units	Area ha	Density Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality Green/Brown native Use
PDL 3		14	0.35	40.00	79	1,099	3,140	1,082,187	984.70	
		BedS	No		m2	Total		BCIS	COST	
	Market									
	Flat	1	0		58.00	0.00	10%	1,124	0	
		2	0		70.00	0.00	10%	1,124	0	
	Terrace	2	1		70.00	70.00		955	66,850	
		3	2		84.00	168.00		955	160,440	
	Semi	2	2		79.00	158.00		955	150,890	
		3	3		93.00	279.00		955	266,445	
	Det	3	0		102.00	0.00		955	0	
		4	0		125.00	0.00		955	0	
		5	0		150.00	0.00		955	0	
	Flat 1 High*	1	0		58.00	0.00	10%	1,440	0	
	Flat 2 High*	2	0		70.00	0.00	10%	1,440	0	
	Flat 3 High*	3	0		84.00	0.00	10%	1,440	0	
	Affordable									
	Flat	1	2		58.00	116.00	10%	1,124	143,422	
		2	0		70.00	0.00	10%	1,124	0	
	Terrace	2	2		70.00	140.00		955	133,700	
		3	2		84.00	168.00		955	160,440	
	Semi	2	0		79.00	0.00		955	0	
		3	0		93.00	0.00		955	0	
	Det	3	0		102.00	0.00		955	0	
		4	0		125.00	0.00		955	0	
		5	0		150.00	0.00		955	0	
	Flat 1 High*	1	0		58.00	0.00	10%	1,440	0	
	Flat 2 High*	2	0		70.00	0.00	10%	1,440	0	
	Flat 3 High*	3	0		84.00	0.00	10%	1,440	0	



Locality Green/Brown native Use
Brown Community

Rate
£/m2
1,345.45

Number

PDL 4 - Flats

13

Units

Area
ha

Density
Units/ha

Developed
m2

Density
m2/ha

Total Cost

Rate
£/m2

1,345.45

	Units	Area ha	Density Units/ha	Developed m2	Density m2/ha	Total Cost	Rate £/m2
	12	0.20	60.00	68	816	1,097,888	1,345.45
Market							
Flat	1	0		58.00	0.00	1,124	0
Terrace	2	8		70.00	560.00	1,124	692,384
Semi	3	0		84.00	0.00	955	0
Det	3	0		79.00	0.00	955	0
Flat 1 High*	1	0		58.00	0.00	1,124	0
Flat 2 High*	2	0		70.00	0.00	955	0
Flat 3 High*	3	0		84.00	0.00	1,440	0
Affordable							
Flat	1	0		58.00	0.00	1,124	0
Terrace	2	0		70.00	0.00	955	0
Semi	3	0		84.00	0.00	955	0
Det	3	0		79.00	0.00	955	0
Flat 1 High*	1	0		58.00	0.00	1,124	0
Flat 2 High*	2	0		70.00	0.00	1,440	0
Flat 3 High*	3	0		84.00	0.00	1,440	0

Locality Green/Brown native Use
Brown PDL

Rate
£/m2
1,067.74

Number

Small A

14

Units

Area
ha

Density
Units/ha

Developed
m2

Density
m2/ha

Total Cost

Rate
£/m2

1,067.74

	Units	Area ha	Density Units/ha	Developed m2	Density m2/ha	Total Cost	Rate £/m2
	10	0.33	30.30	83	826	881,951	1,067.74
Market							
Flat	1	0		58.00	0.00	1,124	0
Terrace	2	1		70.00	70.00	1,055	73,850
Semi	3	1		84.00	84.00	1,055	88,620
Det	3	2		79.00	79.00	1,055	83,345
Flat 1 High*	1	0		58.00	0.00	1,055	196,230
Flat 2 High*	2	0		70.00	0.00	1,055	0
Flat 3 High*	3	0		84.00	0.00	1,055	0
Affordable							
Flat	1	1		58.00	58.00	1,124	71,711
Terrace	2	2		70.00	140.00	1,055	147,700
Semi	3	1		84.00	84.00	1,055	88,620
Det	3	0		79.00	0.00	1,055	0
Flat 1 High*	1	0		58.00	0.00	1,055	0
Flat 2 High*	2	0		70.00	0.00	1,055	0
Flat 3 High*	3	0		84.00	0.00	1,440	0



Locality seen/Brown native Use

Brown PDL

Rate
£/m2
1,076.04

Total Cost
538,021

Number

Small B

15

	Units	Area ha	Density Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2
	6	0.20	30.00	83	500	2,500	538,021	1,076.04
Market		No		m2	Total		Cost	
Flat	1	0		58.00	0.00	10%	1,124	0
	2	0		70.00	0.00	10%	1,124	0
Terrace	2	0		70.00	0.00		1,055	0
	3	0		84.00	0.00		1,055	0
Semi	2	0		79.00	0.00		1,055	0
	3	4		93.00	372.00		1,055	392,460
Det	3	0		102.00	0.00		1,055	0
	4	0		125.00	0.00		1,055	0
	5	0		150.00	0.00		1,055	0
Flat 1 High*	1	0		58.00	0.00	10%	1,440	0
Flat 2 High*	2	0		70.00	0.00	10%	1,440	0
Flat 3 High*	3	0		84.00	0.00	10%	1,440	0
Affordable								
Flat	1	1		58.00	58.00	10%	1,124	71,711
	2	0		70.00	0.00	10%	1,124	0
Terrace	2	1		70.00	70.00		1,055	73,850
	3	0		84.00	0.00		1,055	0
Semi	2	0		79.00	0.00		1,055	0
	3	0		93.00	0.00		1,055	0
Det	3	0		102.00	0.00		1,055	0
	4	0		125.00	0.00		1,055	0
	5	0		150.00	0.00		1,055	0
Flat 1 High*	1	0		58.00	0.00	10%	1,440	0
Flat 2 High*	2	0		70.00	0.00	10%	1,440	0
Flat 3 High*	3	0		84.00	0.00	10%	1,440	0

Locality seen/Brown native Use

Brown PDL

Rate
£/m2
1,124.00

Total Cost
318,092

Number

Small C

16

	Units	Area ha	Density Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2
	3	0.10	30.00	94	283	2,830	318,092	1,124.00
Market		No		m2	Total		Cost	
Flat	1	0		58.00	0.00	10%	1,124	0
	2	0		70.00	0.00	10%	1,124	0
Terrace	2	0		70.00	0.00		1,124	0
	3	0		84.00	0.00		1,124	0
Semi	2	1		79.00	79.00		1,124	88,796
	3	0		93.00	0.00		1,124	0
Det	3	0		102.00	0.00		1,124	0
	4	1		125.00	125.00		1,124	140,500
	5	0		150.00	0.00		1,124	0
Flat 1 High*	1	0		58.00	0.00	10%	1,440	0
Flat 2 High*	2	0		70.00	0.00	10%	1,440	0
Flat 3 High*	3	0		84.00	0.00	10%	1,440	0
Affordable								
Flat	1	0		58.00	0.00	10%	1,124	0
	2	0		70.00	0.00	10%	1,124	0
Terrace	2	0		70.00	0.00		1,124	0
	3	0		84.00	0.00		1,124	0
Semi	2	1		79.00	79.00		1,124	88,796
	3	0		93.00	0.00		1,124	0
Det	3	0		102.00	0.00		1,124	0
	4	0		125.00	0.00		1,124	0
	5	0		150.00	0.00		1,124	0
Flat 1 High*	1	0		58.00	0.00	10%	1,440	0
Flat 2 High*	2	0		70.00	0.00	10%	1,440	0
Flat 3 High*	3	0		84.00	0.00	10%	1,440	0

Stevenage Base
For Apps



			Site 1 Northern Extension Green Agricultural	Site 2 Western Extension Green Agricultural	Site 3 Southeast Extension Green Agricultural	Site 4 Greenfield 1 Green Paddock	Site 5 Greenfield 2 Green Paddock	Site 6 Greenfield 3 Green Paddock	Site 7 Greenfield 4 Green Paddock	Site 8 High Town Centre Flats Brown Retail	Site 9 Town Centre Flats Brown Community	Site 10 PDL 1 Brown PDL	Site 11 PDL 2 Brown Commercial	Site 12 PDL 3 Brown PDL	Site 13 PDL 4 - Flats Brown Community	Site 14 Small A Brown PDL	Site 15 Small B Brown PDL	Site 16 Small C Brown PDL
Site Area	Gross	ha	50.00	90.53	28.12	1.42	1.00	0.46	4.65	0.70	0.50	1.40	0.70	0.35	0.20	0.33	0.20	0.10
	Net	ha	25.00	47.12	19.97	1.30	0.75	0.40	3.50	0.70	0.50	1.25	0.60	0.35	0.20	0.33	0.20	0.10
Units			800	1,350	550	45	30	16	122	350	50	50	24	14	12	10	6	3
Average Unit Size		m2	85.55	85.51	85.49	84.87	86.50	82.31	85.80	67.86	67.64	86.00	84.88	78.50	68.00	82.60	83.33	94.33
Mix	Intermediate to Buy		12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
	Affordable Rent		28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
	Social Rent																	
Price	Market	£/m2	3,150	3,150	3,150	2,550	2,550	2,550	2,550	2,500	2,500	2,550	2,550	2,550	2,500	2,900	2,900	2,900
	Intermediate	£/m2	2,048	2,048	2,048	1,658	1,658	1,658	1,658	1,625	1,625	1,658	1,658	1,658	1,625	1,885	1,885	1,885
	Affordable	£/m2	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Social Rent	£/m2	870	870	870	870	870	870	870	870	870	870	870	870	870	870	870	870
Grant and Subsidy	Intermediate	£/unit																
	Affordable	£/unit																
	Social Rent	£/unit																
Sales per Quarter			11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Unit Build Time			3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Alternative Use Value		£/ha	25,000	25,000	25,000	50,000	50,000	50,000	50,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Uplift %		%								25%	25%	25%	25%	25%	25%	25%	25%	25%
Additional Uplift		£/ha	400,000	400,000	400,000	400,000	400,000	400,000	400,000									
Easements etc		£	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Acquisition		% land	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Planning Fee	<50	£/unit	385	385	385	385	385	385	385	385	385	385	385	385	385	385	385	385
	>50	£/unit	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
Architect		%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
QS / PM		%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Planning Consultants		%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Professional		%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Build Cost - BCS Based		£/m2	976	976	975	976	974	980	975	1,584	1,584	974	979	985	1,345	1,069	1,076	1,124
CSH		%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Energy		£/m2																
Design		£/m2																
Lifetime		£/m2	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Over-extra 3		£/m2																
SUDS		%								2%	2%	2%	2%	2%	2%	2%	2%	2%
Site Costs		%	20.0%	20.0%	20.0%	15.0%	15.0%	10.0%	15.0%	5.0%	5.0%	15.0%	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Pre CIL s106		£/unit	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Post CIL s106		£/unit	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
		£/m2		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency		%	2.50%	2.50%	2.50%	2.50%	5.00%	2.50%	2.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Abnormals		%								3.00%	3.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
		£/site	7,180,000	13,950,000	7,000,000													
FINANCE	Fees	£	500,000	500,000	500,000	20,000	30,000	20,000	50,000	200,000	25,000	30,000	30,000	15,000	20,000	10,000	7,500	5,000
	Interest	%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
	Legal and	£	50,000	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000
SALES	Agents	%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Legals	%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Misc.	£		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developers Profit	% of costs (before interest)		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
	% of GDV			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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SITE NAME		Site 3		Site 4		Site 5		Site 6		Site 7		Site 8		Site 9		Site 10		Site 11		Site 12		Site 13		Site 14		Site 15		Site 16		Site 17		Site 18		Site 19		Site 20		Site 21		Site 22		Site 23		Site 24		Site 25		Site 26		Site 27		Site 28		Site 29		Site 30		Site 31		Site 32		Site 33		Site 34		Site 35		Site 36		Site 37		Site 38		Site 39		Site 40		Site 41		Site 42		Site 43		Site 44		Site 45		Site 46		Site 47		Site 48		Site 49		Site 50		Site 51		Site 52		Site 53		Site 54		Site 55		Site 56		Site 57		Site 58		Site 59		Site 60		Site 61		Site 62		Site 63		Site 64		Site 65		Site 66		Site 67		Site 68		Site 69		Site 70		Site 71		Site 72		Site 73		Site 74		Site 75		Site 76		Site 77		Site 78		Site 79		Site 80		Site 81		Site 82		Site 83		Site 84		Site 85		Site 86		Site 87		Site 88		Site 89		Site 90		Site 91		Site 92		Site 93		Site 94		Site 95		Site 96		Site 97		Site 98		Site 99		Site 100		Site 101		Site 102		Site 103		Site 104		Site 105		Site 106		Site 107		Site 108		Site 109		Site 110		Site 111		Site 112		Site 113		Site 114		Site 115		Site 116		Site 117		Site 118		Site 119		Site 120		Site 121		Site 122		Site 123		Site 124		Site 125		Site 126		Site 127		Site 128		Site 129		Site 130		Site 131		Site 132		Site 133		Site 134		Site 135		Site 136		Site 137		Site 138		Site 139		Site 140		Site 141		Site 142		Site 143		Site 144		Site 145		Site 146		Site 147		Site 148		Site 149		Site 150	
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	C1018	C1019	C1020	C1021	C1022	C1023	C1024	C1025	C1026	C1027	C1028	C1029	C1030	C1031	C1032	C1033	C1034	C1035	C1036	C1037	C1038	C1039	C1040	C1041	C1042	C1043	C1044	C1045	C1046	C1047	C1048	C1049	C1050	C1051	C1052	C1053	C1054	C1055	C1056	C1057	C1058	C1059	C1060	C1061	C1062	C1063	C1064	C1065	C1066	C1067	C1068	C1069	C1070	C1071	C1072	C1073	C1074	C1075	C1076	C1077	C1078	C1079	C1080	C1081	C1082	C1083	C1084	C1085	C1086	C1087	C1088	C1089	C1090	C1091	C1092	C1093	C1094	C1095	C1096	C1097	C1098	C1099	C1100	C1101	C1102	C1103	C1104	C1105	C1106	C1107	C1108	C1109	C1110	C1111	C1112	C1113	C1114	C1115	C1116	C1117	C1118	C1119	C1120	C1121	C1122	C1123	C1124	C1125	C1126	C1127	C1128	C1129	C1130	C1131	C1132	C1133	C1134	C1135	C1136	C1137	C1138	C1139	C1140	C1141	C1142	C1143	C1144	C1145	C1146	C1147	C1148	C1149	C1150	C1151	C1152	C1153	C1154	C1155	C1156	C1157	C1158	C1159	C1160	C1161	C1162	C1163	C1164	C1165	C1166	C1167	C1168	C1169	C1170	C1171	C1172	C1173	C1174	C1175	C1176	C1177	C1178	C1179	C1180	C1181	C1182	C1183	C1184	C1185	C1186	C1187	C1188	C1189	C1190	C1191	C1192	C1193	C1194	C1195	C1196	C1197	C1198	C1199	C1200	C1201	C1202	C1203	C1204	C1205	C1206	C1207	C1208	C1209	C1210	C1211	C1212	C1213	C1214	C1215	C1216	C1217	C1218	C1219	C1220	C1221	C1222	C1223	C1224	C1225	C1226	C1227	C1228	C1229	C1230	C1231	C1232	C1233	C1234	C1235	C1236	C1237	C1238	C1239	C1240	C1241	C1242	C1243	C1244	C1245	C1246	C1247	C1248	C1249	C1250	C1251	C1252	C1253	C1254	C1255	C1256	C1257	C1258	C1259	C1260	C1261	C1262	C1263	C1264	C1265	C1266	C1267	C1268	C1269	C1270	C1271	C1272	C1273	C1274	C1275	C1276	C1277	C1278	C1279	C1280	C1281	C1282	C1283	C1284	C1285	C1286	C1287	C1288	C1289	C1290	C1291	C1292	C1293	C1294	C1295	C1296	C1297	C1298	C1299	C1300	C1301	C1302	C1303	C1304	C1305	C1306	C1307	C1308	C1309	C1310	C1311	C1312	C1313	C1314	C1315	C1316	C1317	C1318	C1319	C1320	C1321	C1322	C1323	C1324	C1325	C1326	C1327	C1328	C1329	C1330	C1331	C1332	C1333	C1334	C1335	C1336	C1337	C1338	C1339	C1340	C1341	C1342	C1343	C1344	C1345	C1346	C1347	C1348	C1349	C1350	C1351	C1352	C1353	C1354	C1355	C1356	C1357	C1358	C1359	C1360	C1361	C1362	C1363	C1364	C1365	C1366	C1367	C1368	C1369	C1370	C1371	C1372	C1373	C1374	C1375	C1376	C1377	C1378	C1379	C1380	C1381	C1382	C1383	C1384	C1385	C1386	C1387	C1388	C1389	C1390	C1391	C1392	C1393	C1394	C1395	C1396	C1397	C1398	C1399	C1400	C1401	C1402	C1403	C1404	C1405	C1406	C1407	C1408	C1409	C1410	C1411	C1412	C1413	C1414	C1415	C1416	C1417	C1418	C1419	C1420	C1421	C1422	C1423	C1424	C1425	C1426	C1427	C1428	C1429	C1430	C1431	C1432	C1433	C1434	C1435	C1436	C1437	C1438	C1439	C1440	C1441	C1442	C1443	C1444	C1445	C1446	C1447	C1448	C1449	C1450	C1451	C1452	C1453	C1454	C1455	C1456	C1457	C1458	C1459	C1460	C1461	C1462	C1463	C1464	C1465	C1466	C1467	C1468	C1469	C1470	C1471	C1472	C1473	C1474	C1475	C1476	C1477	C1478	C1479	C1480	C1481	C1482	C1483	C1484	C1485	C1486	C1487	C1488	C1489	C1490	C1491	C1492	C1493	C1494	C1495	C1496	C1497	C
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DEVELOPMENT COSTS		FINANCING COSTS		TOTAL COSTS		TOTAL COSTS	
LAND	Land	100,000	100,000	100,000	100,000	100,000	100,000
	Land Development	20,000	20,000	20,000	20,000	20,000	20,000
	Land Acquisition	10,000	10,000	10,000	10,000	10,000	10,000
	Land Improvement	10,000	10,000	10,000	10,000	10,000	10,000
PLANNING	Planning Fee	10,000	10,000	10,000	10,000	10,000	10,000
	Professional Fee	10,000	10,000	10,000	10,000	10,000	10,000
	Engineering Fee	10,000	10,000	10,000	10,000	10,000	10,000
	Architectural Fee	10,000	10,000	10,000	10,000	10,000	10,000
CONSTRUCTION	Build Cost - 100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Construction Fee	10,000	10,000	10,000	10,000	10,000	10,000
	Construction Fee	10,000	10,000	10,000	10,000	10,000	10,000
	Construction Fee	10,000	10,000	10,000	10,000	10,000	10,000
FINANCE	Finance	10,000	10,000	10,000	10,000	10,000	10,000
	Interest	10,000	10,000	10,000	10,000	10,000	10,000
	Local and Vibration	10,000	10,000	10,000	10,000	10,000	10,000
	Local and Vibration	10,000	10,000	10,000	10,000	10,000	10,000
LABOR	Labor	10,000	10,000	10,000	10,000	10,000	10,000
	Material	10,000	10,000	10,000	10,000	10,000	10,000
	Material	10,000	10,000	10,000	10,000	10,000	10,000
	Material	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL	Total	100,000	100,000	100,000	100,000	100,000	100,000
	Total	100,000	100,000	100,000	100,000	100,000	100,000
	Total	100,000	100,000	100,000	100,000	100,000	100,000
	Total	100,000	100,000	100,000	100,000	100,000	100,000

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MC/NAME	Ac	%	Number	Price	Ac	Ac	Ac	Ac	Ac
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Market Housing	102.0	60%	2	2,000	512,400	158			
General Ownership	79.0	12%	0	1,000	5,000	28			
Affordable Rent	79.0	28%	1	1,400	95,100	48			
Classified	79.0	0%	0	0	0	0			
State and Locality	Affordable Rent								
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Appendix 9 – Residential Appraisals, – Older People’s Housing

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Appendix 10 – Non-Residential Development, Appraisals

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HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers.

The firm is led by Simon Drummond-Hay who is a Chartered Surveyor, Associate of Chartered Institute of Housing and senior development professional with a wide experience of both development and professional practice. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

HDH Planning and Development have clients throughout England and Wales.

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