

APPENDIX I

Plymouth SHLAA Viability Report



Plymouth SHLAA Viability Report

Final Report

On behalf of **Plymouth City Council**

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1 Introduction

1.1 Study Scope

- 1.1.1 Peter Brett Associates (PBA) have been asked to carry out a viability assessment of suitable and available residential sites identified in Plymouth City Council's Strategic Housing Land Availability Assessment (SHLAA) on behalf of Plymouth City Council.
- 1.1.2 As part of the Council's SHLAA process, the Council have identified a list of 73 'suitable' and 'available/developable' sites which either:
- have (or have had) planning permission/development plan allocation;
 - have been received by the Council for consideration independently or through the 'Call for Sites' and related exercises;
 - or are long-standing aspirations of urban regeneration.
- 1.1.3 Subsequently, the Council have requested that PBA provide an assessment of 'achievability' of these sites based on high level testing of the viability of these sites. The findings of the Council's SHLAA will inform the emerging Plymouth and South West Devon Joint Local Plan (JLP) by providing an indication of the capacity for housing growth in the Plymouth area.
- 1.1.4 The purpose of this report is to report on the finding into a high-level viability assessment to provide evidence on the achievability of the housing sites as potential housing land supply to underpin the emerging JLP. This is carried out in accordance with the National Planning Policy Framework (NPPF) and based on the method set out in the National Planning Policy Guidance (NPPG).

1.2 Aims and Objectives

- 1.2.1 The Government's established aim through planning is to ensure that enough land is identified and brought forward for development. The SHLAA is a critical part of the Council's evidence base in demonstrating the deliverability of its housing land supply.
- 1.2.2 The Viability Assessment will be used by the Council to confirm the available housing potential to meet future housing supply. To achieve this, the assessment has aimed to:
- Confirm the economic viability of all sites identified by the Council as being, in principle, suitable and available/developable for residential development in the SHLAA, taking into consideration the current economic climate and costs that will be associated with residential development;
 - Meet the criteria contained in the NPPF and NPPG in assessing the achievability of sites, by considering market conditions, costs and delivery factors.

1.3 Background and Context

- 1.3.1 A principal aim of the SHLAA is to identify the potential future supply of housing for the next 18 years to inform the Council's plan making through the JLP. To assess this, the Council has considered a variety of existing land uses from various sources, including unimplemented planning permissions, and sites received from the 'Call for Sites' exercises. A process of checking the suitability and availability of those sites is being carried out in the Council's revised SHLAA (2017).

- 1.3.2 The SHLAA assessment is a collaborative undertaking with South Hams and West Devon authorities as a joint panel. In this report only sites within Plymouth have been tested, whilst sites that are within South Hams but are on the Plymouth fringe, i.e. Woolwell and Stoggy Lane, have been tested separately against both the Plymouth and South Hams/West Devon policy assumptions, and the viability testing and findings of the South Hams/West Devon SHLAA sites are reported in the South Hams/West Devon SHLAA.
- 1.3.3 PBA's role is to assess the 73 suitable and available sites identified in the Plymouth SHLAA, in terms of viability and achievability. At the end of this report we review the viability results from testing the 73 sites with regard to the Government's established aim through planning to ensure that enough land is identified and brought forward for development. In doing so, Government policy recognises that residual land values must be high enough to encourage landowners to sell land.
- 1.3.4 All 73 sites have been assessed using the PBA Viability Toolkit as a 'snapshot in time', reflecting the current market conditions to provide the most robust evidence available. The market evidence informing this report forms part of the **Plymouth and South West Devon Local Plan Viability Report (February 2017)**, and the reader should refer to that report for more information about the assumptions that have been used for testing the SHLAA sites.
- 1.3.5 The method has been approached with the involvement of key stakeholders from the outset, so that they can help shape the approach, as required by the NPPF and the CLG Practice Guidance. This includes the Council having undertaken a Stakeholder Workshop held in December 2016 to consider the approach to viability, and a consideration of specific site examples. A note of this workshop is provided at **Appendix B** in the **Plymouth and South West Devon Local Plan Viability Report (February 2017)**.
- 1.3.6 **Whilst high level viability assessments have been carried out for identified sites, it would be inappropriate to use these for any commercial valuation purpose, since the viability models are for strategic purposes, and have been designed as a tool to test policy as opposed to being formal valuations of planning application sites, normally carried out by the Valuation Office, Chartered Surveyors and Valuers. Therefore, general assumptions have been made and these have been detailed in this report.**
- 1.3.7 It should also be noted that as per **Professional Standards 1 of the RICS Valuation Standards – Global and UK Edition¹**, the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal "Red Book" valuation and should not be relied upon as such. **No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report for such purposes.**

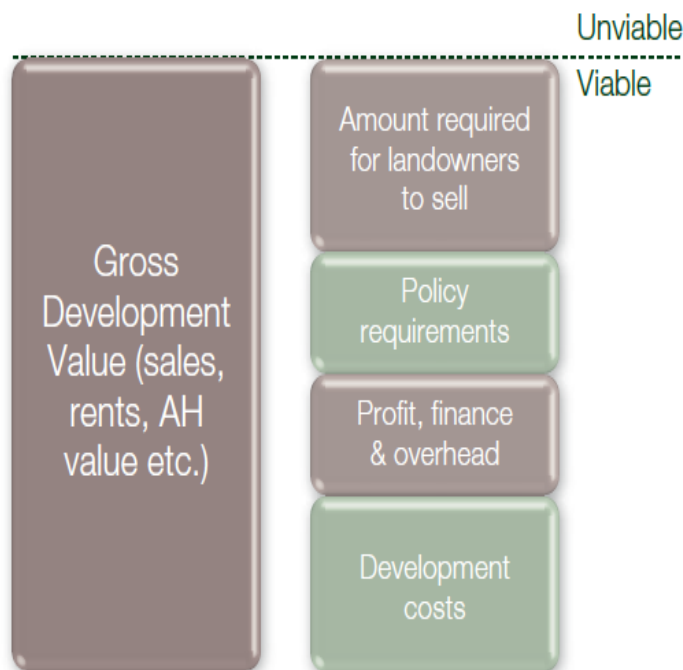
¹ RICS (January 2015) Valuation – Professional Standards, PS1 Compliance with standards and practice statements where a written valuation is provided.

2 Viability Method and Assumptions

2.1 Viability Assessment Method

- 2.1.1 The PBA development viability model was used to test SHLAA sites regarding their achievability. This involved 'high level' testing of each site based on their location and the characteristics of each site based on the information provided to us by the Council.
- 2.1.2 The viability testing and study results are based on establishing a residual land value. This approach takes the difference between development values and costs, including any policy costs, and compares the 'residual value' (i.e. what is left over after the cost of building the site is deducted from the potential sales value of the completed site/buildings) with a benchmark/threshold land value (i.e. the value over and above the existing use value a landowner would accept to bring the site to market for development). This is a standard approach, which is advocated by the Harman Report² and RICS³.
- 2.1.3 The broad method for residual land valuation is illustrated in the **Figure 3.1**.

Figure 3.1 Approach to residual land value assessment



- 2.1.4 Whilst detailed viability appraisals have been carried out for identified sites, it would be inappropriate to use the results for any commercial valuation purpose since the viability models are for strategic purposes and have been designed as a tool to test policy as opposed to being formal valuations of planning application sites, normally carried out by the Valuation Office, Chartered Surveyors and Valuers for the purpose, for instance, of negotiating the level of affordable housing where viability is in question.

² Local Housing Delivery Group Chaired by Sir John Harman (2012) Viability Testing Local Plans

³ RICS (2012), Financial Viability in Planning, First Edition Guidance Note

- 2.1.5 The viability methodology applied is appropriate for whole plan and SHLAA analysis purposes but should not be taken as the de facto approach for every individual development proposal which will be subject to its own site opportunities and constraints. Therefore, our viability assessments in this report are necessarily broad approximations subject to a margin of uncertainty based on general assumptions which have been detailed in this report.
- 2.1.6 An example of the PBA SHLAA site assessment is provided in **Appendix A**.

2.2 Viability Assumptions

SHLAA site characteristics

- 2.2.1 Information provided by the Council relating to each of the 73 suitable and available sites, include the following information, which has informed the viability assessment:
 - Location, which informs which value area the site is situated;
 - Gross and net developable site area;
 - Yield, which is the number of potential new dwellings which would come to the market;
 - Type of site, in terms of being a greenfield, brownfield or mixed (part developed) site; and
 - Level of flood risk and contamination as potential obstacles (where known).

2.2.2 Aside from these known characteristics, PBA must use a range of other assumptions. These are summarised below:

Dwelling mix

- 2.2.3 PBA’s appraisals are based on four dwelling types: 1/2 bed flats, 2 bed houses, 3 bed houses and 4+ bed houses. For open market units, PBA have based on the mix set out in **Table 2.1** which has been informed through discussion with the Council. Note however, that for flatted typologies have been based on 100% 1-2 bed flats whilst for housing typologies these are shared, based on the mix of 2 bed, 3 bed and 4+ bed houses as shown in **Table 2.1**.
- 2.2.4 A similar approach is adopted for the mix of affordable units, which has again been informed through discussion with the Council and are also set out in **Table 2.1**.

Table 2.1 Tested mix of units

	1 bed	2 bed	3 bed	4+ bed
Open market	20%	30%	30%	20%
Affordable housing	20%	30%	30%	20%

Source: Discussions with PCC

Size of units

- 2.2.5 Through the emerging JLP the Council are seeking residential units to achieve the minimum National Space Standards for property size, which PBA have summarised for the purposes of testing in **Table 2.2**. For flatted developments, **Table 2.2** shows the net area for estimating values and an additional 15% is added to this for additional space related to circulation space such as stairwells etc, which are factored into the build costs.

Table 2.2 Tested average saleable floorspace by unit type

	Average minimum NSS Size (sqm)
1-2 bed Flats	55
2 bed houses	75
3 bed houses	93
4+ bed houses	117

Sales values

- 2.2.6 Based on research undertaken for the JLP viability testing reported in **Plymouth and South West Devon Local Plan Viability Report (February 2017)**, the assumed sales values per square metre has been split into two value zones across the Plymouth Policy Area, as shown in **Table 2.3**. These are used for testing open market units in the viability assessment.

Table 2.3 Tested average Open Market residential sales value, per sqm

Value area	Houses	Flats
Plymouth - West	£2,350	£2,500
Plymouth - East	£2,500	£2,800

Build costs

- 2.2.7 Residential build costs are based on BCIS data for actual tender prices for new builds in the market place using the median third quarter 2015 prices, which is the most recent data (at the time of the report) that reflects actual construction data as opposed to later figures that are based on estimated figures. While this is not the current forecast projection, the build costs period is more likely to be a comparable time frame to match the sales data, which is collected from the start of 2015 to the end of 2016 if we assume that the average will be close to sales sometime around 2015 prices
- 2.2.8 The tender price data reflects an average figure between costs taken for Plymouth, South Hams and West Devon (using BCIS tender price adjustments), and is therefore rebased to show costs relevant to the local area. The build costs used for high level testing are shown in **Table 2.4**.

Table 2.4 Tested median build costs at Q3 2015 tender prices

Private Build Costs	Cost per sqm
Flats / Apartments	£1,131
Houses (small house builder 3 and under)	£1,181
Houses (medium house builder 4 to 14)	£1,062
Houses (large house builder 15 and above)	£942

Source: PBA derived from BCIS

Other development costs

- 2.2.9 The BCIS build costs are exclusive of external works, fees, contingencies, VAT and finance charges, plus other revenue costs. Many of these follow similar assumptions to the JLP

viability assessment as reported in **Plymouth and South West Devon Local Plan Viability Report (February 2017)**. These are summarised below.

- **Externals:** 10% of build costs
- **Professional fees:** 8% of build cost plus externals
- **Contingency:** 4% of build cost plus externals
- **Land purchase costs** (including surveyors and legal fees): 1.75% of land value plus Stamp Duty Land Tax.
- **Sales fees** (including legal, agents and marketing fees): at the rate of 3% of the open market unit GDV.
- **Finance:** each site calculates the interaction of costs and values subject to a monthly cashflow using a finance cost 6% per annum.
- **Developer profit:** 20% of open market residential sales value for open market housing and 6% of affordable housing transfer values.

Specific site costs assumptions

Identified constraints

- 2.2.10 The SHLAA sites characteristics information provided by the Council also includes information relating to potential abnormal (contamination) conditions and a Flood Risk Assessment (FLA). To allow for these abnormal costs, **Table 2.5** grade these potential extra-over costs based on a risk score (from zero to five) according to an assumed gravity of constraints to development.

Table 2.5 Site risk score and costs related to mitigating potential constraints

Risk score	Extra-over build costs allowances
5	15%
4	8%
3	4%
2	2%
1	1%
None	0%

Opening-up costs

- 2.2.11 On large sites there is a need to allow for opening costs such site service installations or enhancements, strategic landscaping and public open space, etc. The following assumptions in **Table 2.6** are used based on the number of units per scheme to identify scale of site infrastructure.

Table 2.6 Tested opening up costs on Greenfield sites

No. of units per scheme	Cost per unit
Sites of 35 and under	£0
Sites between 36 and 199 units	£5,000
Sites between 200 and 499 units	£10,000
Sites of 500 units and over	£17,000

Brownfield land costs

2.2.12 Additional costs are applied to brownfield and mixed brownfield/greenfield SHLAA sites to cover any potential demolition and land clearance. These exclude contamination costs which have been identified in the constraints costs discussed above. The additional brownfield land costs are tested at the following rates:

Table 2.7 Tested site abnormal costs on Brownfield sites

Brownfield site (abnormal) costs	Per net hectare
Brownfield (e.g. industrial/retail/car park/storage uses)	£200,000
Mixed (e.g. part developed and part open space)	£100,000

Local Policy Costs Assumptions

2.2.13 In identifying the implications of local planning policies on development viability, PBA have reviewed the policy requirements within the emerging JLP to identify those that may have a cost implication and hence an impact on viability on sites within the Plymouth Policy Area. Those policies considered to have a burden on viability are set out in the **Plymouth and South West Devon Local Plan Viability Report (February 2017)**.

2.2.14 The Plymouth Plan (September 2015, Council approved version) Policies that have been included in testing the SHLAA sites include:

- **S106 costs** (excluding affordable housing) = £2,000 per unit
- **Community Infrastructure Levy** = Accounting for indexing, currently this is £37 or £0 per CIL liable square metre, which is applied to the relevant SHLAA sites based on their location.
- **Housing standards** = £22,694 per Cat 3 standard house and £7,906 per Cat 3 standard flat where they apply
- **Sustainable Design and Construction** = 2.5% of average build costs.
- **Policy regarding Affordable Housing** = 30% Affordable Housing rate applied to developments of 11 units and more in the Plymouth Policy Area

2.2.15 In the absence of a policy covering a required affordable housing tenure, based on recent delivery informed by PCC's housing team, the following assumptions are applied to the affordable housing units:

- 1/3 social rented
- 1/3 affordable rent; and

- 1/3 intermediate/shared ownership.

2.2.16 The appraisal assumes that affordable housing will command a transfer value to a Registered Provider at lower than market rates, which are set out in **Table 2.8**.

Table 2.8 Assumed transfer values by Affordable Housing tenure

	House	Flat
Social rent – all areas	£849	£1,049
Affordable rent	£1,117	£1,117
Intermediate/shared ownership	65%	

Benchmark Land Values Assumptions

2.2.17 PBA assume a benchmark land value to assess viability that would be sufficiently below the market rate for clean residential land to allow for the risks of obtaining planning permission for residential use and possible site on-costs, like remediation and opening up costs discussed previously. These on-costs would normally be expected to come off the clean land value price.

2.2.18 The benchmark land values used in the appraisal are shown in **Table 2.9**. Note that these are not used to identify a value or price for the land. They are values to compare against in terms of a site development being achievable.

Table 2.9 Benchmark land value for sites without planning

Value area	Per net hectare
Plymouth - East	£650,000
Plymouth - West	£450,000

3 Viability Results

3.1 Overview of the Viability Assessments

3.1.1 The 73 potentially suitable and available/developable SHLAA sites have been subjected to a high level assessment, complete with cashflow analysis using the approach and data inputs outlined earlier in this report to test their achievability on the basis of viability. The viability results for each site tested at the full policy requirements is shown in **Table 3.1**.

Table 3.1 Site viability assessments results

Site ID	Site name	Value area	Dwgs No.	Net Area ha	Viable?
0001	Civic Centre	City of Plymouth - East	248	1.12	Yes
0003	Colin Campbell Court	City of Plymouth - East	300	1.90	Yes
0071	Land at St.Levan Gate	City of Plymouth - West	43	0.71	Yes
0090	Weston Mill sports pitches and car park	City of Plymouth - West	28	3.81	No
0100	Former Woodlands School Site Whiteleigh	City of Plymouth - West	72	1.57	Yes
0118	Mount Gould Hospital	City of Plymouth - East	28	2.58	No
0138	Former Western National site, Laira Bridge	City of Plymouth - East	50	1.80	Marginal
0161	Plymouth Railway Station and Intercity House and land adjacent	City of Plymouth - East	16	1.69	No
0186	Land either side of Clittaford Road	City of Plymouth - East	108	3.12	Yes
0186f	Clittaford Road, Southway	City of Plymouth - East	21	0.51	Yes
0202	Land at Tamerton Foliot Road	City of Plymouth - East	18	1.19	No
0232	Pomphlett Industrial Estate	City of Plymouth - East	44	1.10	Yes
0242	Former nursery Haye Road	City of Plymouth - East	9	0.84	No
0264	Coombe Way & Kings Tamerton Road	City of Plymouth - West	40	2.80	No
0273	Land at Redwood Drive, Chaddlewood	City of Plymouth - East	190	3.47	Yes
0274	Land between Undercliff Road and Barton Road, Turnchapel	City of Plymouth - East	7	0.24	Yes
0297	Tamar Valley School Barne Barton	City of Plymouth - West	44	1.10	Yes
0303c	North Prospect redevelopment phase 4	City of Plymouth - West	190	2.80	Yes
0303d	North Prospect redevelopment phase 5	City of Plymouth - West	133	2.15	Yes
0310	Douglass House, Efford	City of Plymouth - East	5	0.57	No
0325	Foot Anstey Offices, Derrys Cross	City of Plymouth - East	120	0.60	Yes
0327	Windsor Road	City of Plymouth - East	26	0.66	Yes
0344	Plymouth Fruit Sales, Sutton Road	City of Plymouth - East	200	0.63	Yes

Site ID	Site name	Value area	Dwgs No.	Net Area ha	Viable?
0371	Chaucer Way Primary School	City of Plymouth - West	137	3.05	Yes
0387	Bath Street West	City of Plymouth - East	300	1.48	Yes
0406	BT Depot, Tamerton Foliot Road	City of Plymouth - East	87	2.18	Yes
0421	Downham School	City of Plymouth - East	28	0.49	Yes
0590c	Melville Building, Royal William Yard	City of Plymouth - East	40	0.54	Yes
0728	South West Water Site, Glacis Park	City of Plymouth - East	638	9.10	Yes
0729	Former Plympton Hospital	City of Plymouth - East	54	1.18	Yes
0744	Former Southway Primary School	City of Plymouth - East	95	2.25	Yes
0746	Former Gas Works, St Levan Road Site	City of Plymouth - East	57	0.81	Yes
0824a	Mount Wise, Devonport	City of Plymouth - East	75	0.31	Yes
0839	Registry office, Lockyer Street	City of Plymouth - East	52	0.27	No
0842	Stirling House & Honicknowle Clinic, Honicknowle Green	City of Plymouth - West	20	0.50	Yes
0858	Quality Hotel, land north of Cliff Road	City of Plymouth - East	80	0.89	Yes
0863	Land South of Langley Crescent	City of Plymouth - East	14	0.34	Yes
0864	Land Off Tamar Way	City of Plymouth - West	13	0.34	No
0865	Southway Campus, Clittaford Road	City of Plymouth - East	67	1.63	Yes
0876	Ham Drive, Pennycross	City of Plymouth - East	25	0.45	Yes
0899	Royal Parade and Old Town Street	City of Plymouth - East	90	0.90	Yes
0900	Royal Parade and East of Armada Way	City of Plymouth - East	78	0.78	Yes
0903	Charlton Crescent	City of Plymouth - East	60	1.73	Yes
0909a	Broadreach site, Richmond Walk	City of Plymouth - East	60	0.51	Yes
0913	Woodvale Nurseries, Truro Drive	City of Plymouth - West	31	0.78	Yes
0942	Land at Stuart Road/Victoria Park	City of Plymouth - East	46	0.65	Yes
0946	Errill Retail Park, Plymouth Road	City of Plymouth - East	60	2.53	No
0954	Fields to north of St Budeaux A38 junction	City of Plymouth - West	120	6.62	Marginal
0956	Land at Plympton House	City of Plymouth - East	14	2.85	No
0962	Mayflower Street East	City of Plymouth - East	132	0.66	Yes
0964	New George Street West	City of Plymouth - East	30	0.49	Yes
0965	Bath Street East	City of Plymouth - East	323	2.00	Yes
0966	Prince Rock playing pitch site	City of Plymouth - East	60	1.00	No

Site ID	Site name	Value area	Dwgs No.	Net Area ha	Viable?
0967a	Sutton Road West	City of Plymouth - East	194	0.89	Yes
0969	Land behind Marett Road, St Budeaux	City of Plymouth - West	37	0.93	Yes
0971	MDEC Central Park Avenue	City of Plymouth - East	141	0.75	Yes
0974	Royal Assurance site, Armada Way	City of Plymouth - East	110	0.49	Yes
0975	Savage Road, Barne Barton	City of Plymouth - West	230	3.00	Yes
0976	Bull Point Barracks	City of Plymouth - West	13	0.68	No
0977	Cornwall Street East	City of Plymouth - East	92	1.10	Yes
0978	Cornwall Street west	City of Plymouth - East	79	0.79	Yes
0979	Seventrees, Baring Street, Greenbank	City of Plymouth - East	80	0.66	Yes
0989	Land North of Clittaford Road	City of Plymouth - East	9	0.44	Marginal
0991	Derriford Commerical Centre	City of Plymouth - East	664	11.68	Yes
0993	Land adjacent to Plumer Road	City of Plymouth - East	20	0.50	Yes
0994	Land off Newnham Road, Colebrook	City of Plymouth - East	52	1.67	Yes
0995	Former China Clay site, Coypool	City of Plymouth - East	400	19.75	No
1,002	Land at 60 Vinery Lane	City of Plymouth - East	5	0.52	No
1,010	Island Farmhouse	City of Plymouth - East	11	0.27	Yes
1,014	Land between 140 and 150 Dunraven Drive	City of Plymouth - East	11	0.28	Yes
1,015	Millfields Trust, 278 Union Street	City of Plymouth - East	62	0.77	Yes
1,030	Sugar House, Sutton Harbour	City of Plymouth - East	150	0.43	Yes
1,041	Stonehouse Barracks	City of Plymouth - East	400	5.41	Yes

3.2 Summary of the Viability Results

- 3.2.1 As part of the Council's SHLAA process, PBA have assessed the 'achievability' of the 73 potentially suitable and available SHLAA sites based on high level testing of the viability of these sites. This is carried out in accordance with the National Planning Policy Framework (NPPF) and based on the method set out in the National Planning Policy Guidance (NPPG).
- 3.2.2 **Figure 3.2** summarises the viability results of the 73 SHLAA sites tested at the full policy requirements and **Figure 3.3** summarises the achievable housing number.

Figure 3.2 Overview of the sites viability assessments results

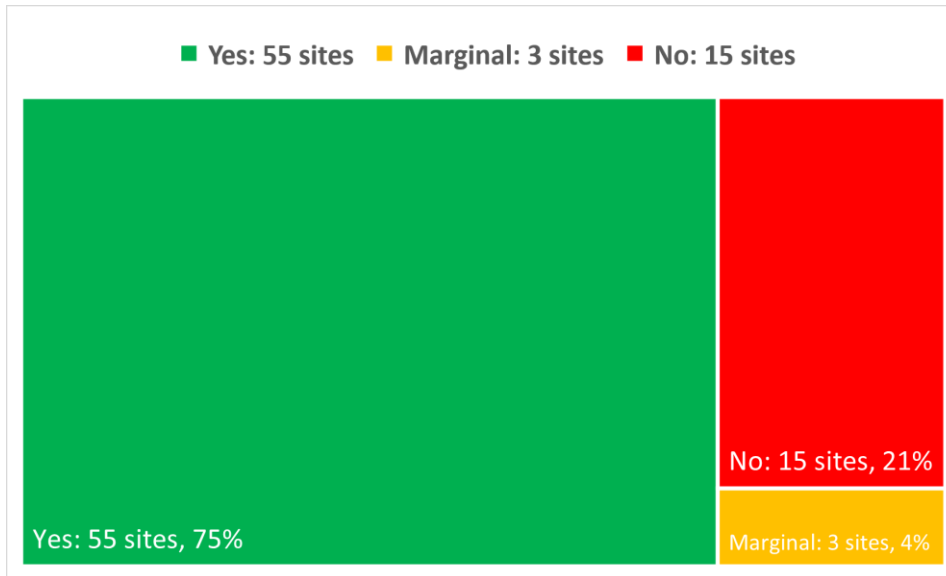
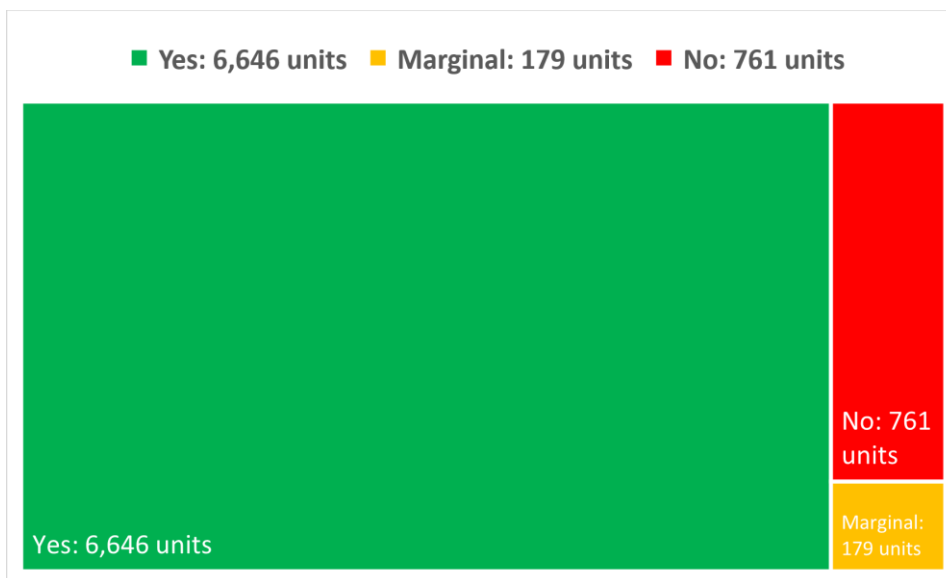


Figure 3.3 Overview of the housing viability assessments results



- 3.2.3 PBA’s findings are that based on the information presented in the Council’s SHLAA, it can be expected that unless any unknown significant abnormal costs occur on any sites, then three-quarters of the suitable and available Plymouth SHLAA sites (75%) are achievable with the potential to delivery about 6,646 units. A further 4% of sites are considered to be on the margins of being achievable because their residual land values are either 10% above or below the benchmark land value.
- 3.2.4 With the addition of the marginal viable sites, whereby not all policies might be met or there is a small change in values and/or costs, this would increase the potential delivery to 6,825 units in the Plymouth area, which is 90% of the potential yield.

Appendix A Example Site Assessment

ITEM		Residual Value		Technical Checks:		TIMING	
Net area (ha)	1.12	£2,787,825 per net ha		Sqm/ha	14,788		
Stamp Duty	Commercial Land			Dwgs/ha	221		
Land Type	Brownfield City of Plymouth - East			Units/ha	74		
	Private Affordable	Social rent	Affordable rent	Intermediate			
Nr of units	173.60 74.40	24.80	24.80	24.80	GDV=Total costs	133,122	
Site Ref	1.0						
Address	Civic Centre City Centre						
Value area	City of Plymouth - East						
# of units	248 Units						
Worksheet	1						
Contamination	1.0					Start	Finish
1.0 Development Value							
1.1	Private units	No. of units	Size sq.m	Total sq.m	Epsm	Total Value	
1.1.1	Flats (NIA)	121.52	55	6,653	£2,800	£18,629,016	Jul-16 Nov-19
1.1.2	2 bed house	17.36	75	1,293	£2,500	£4,233,300	Jul-16 Nov-19
1.1.3	3 bed house	17.36	93	1,614	£2,500	£4,036,200	Jul-16 Nov-19
1.1.4	4+ bed house	17.36	117	2,033	£2,500	£5,082,622	Jul-16 Nov-19
		173.6		11,594			
1.2	Social rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value	
1.2.1	Flats (NIA)	17.36	55	950	£1,049	£997,346	Jul-16 Nov-19
1.2.2	2 bed house	2.48	75	185	£849	£156,778	Jul-16 Nov-19
1.2.3	3 bed house	2.48	93	231	£849	£195,710	Jul-16 Nov-19
1.2.4	4+ bed house	2.48	117	290	£849	£246,449	Jul-16 Nov-19
		24.8		1,656			
1.3	Affordable rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value	
1.3.1	Flats (NIA)	17.36	55	950	£1,142	£1,085,009	Jul-16 Nov-19
1.3.2	2 bed house	2.48	75	185	£1,142	£210,915	Jul-16 Nov-19
1.3.3	3 bed house	2.48	93	231	£1,142	£263,290	Jul-16 Nov-19
1.3.4	4+ bed house	2.48	117	290	£1,142	£331,550	Jul-16 Nov-19
		24.8		1,656			
1.4	Intermediate	No. of units	Size sq.m	Total sq.m	Epsm	Total Value	
1.4.1	Flats (NIA)	17.36	55	950	£1,820	£1,729,837	Jul-16 Nov-19
1.4.2	2 bed house	2.48	75	185	£1,625	£300,235	Jul-16 Nov-19
1.4.3	3 bed house	2.48	93	231	£1,625	£374,790	Jul-16 Nov-19
1.4.4	4+ bed house	2.48	117	290	£1,625	£471,958	Jul-16 Nov-19
		24.8		1,656			
Gross Development value						£37,345,006	
2.0 Developer's Profit							
2.1	Private units		20.0%	on OM GDV		£6,196,228	Jul-16 Aug-16
2.2	Affordable units		6%	on AH transfer values		£381,832	Nov-19 Dec-19
Total Developer's Profit						£6,578,060	
3.0 Development Costs							
3.1 Sale cost							
3.1.1	Private units only		3.00%	on OM GDV		£929,434	Jul-16 Nov-19
						£929,434	
3.2 Build Costs							
3.2.1	Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs	
3.2.1.1	Flats (GIA)	121.52	63	7,651	£1,131	£8,656,061	Jan-16 May-19
3.2.1.2	2 bed house	17.36	75	1,293	£942	£1,218,307	Jan-16 May-19
3.2.1.3	3 bed house	17.36	93	1,614	£942	£1,520,840	Jan-16 May-19
3.2.1.4	4+ bed house	17.36	117	2,033	£942	£1,915,132	Jan-16 May-19
		174		12,592			
3.2.2	Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs	
3.2.2.1	Flats (GIA)	52.08	63	3,279	£1,131	£3,709,740	Jan-16 May-19
3.2.2.2	2 bed house	7.44	75	554	£942	£522,132	Jan-16 May-19
3.2.2.3	3 bed house	7.44	93	692	£942	£651,789	Jan-16 May-19
3.2.2.4	4+ bed house	7.44	117	871	£942	£820,771	Jan-16 May-19
		74		5,397			
3.2.3	Extra-over BR2013		£0	per unit		£0	Jan-16 May-19
Total build costs						£19,014,772	

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3.3	Extra over construction costs					
3.3.1	Externals	10%	extra-over on build cost	£1,901,477	Jan-16	May-19
3.3.2	Site abnormals (remediation/demolition)	£200,000	per net ha	£224,000	Jan-16	Sep-17
3.3.3	Site opening up costs	0.0	£0 per unit	£0	Jan-16	Sep-17
3.3.4	Contamination	1%	of build costs	£190,148	Jan-16	Sep-17
	Total extra over construction costs			£2,315,625		
3.4	Professional Fees					
3.4.1	on build costs (incl. externals)	8%		£1,521,181.79	Jan-16	May-19
	Total professional fees			£1,521,182		
3.5	Contingency					
3.5.1	on build costs	4%		£836,650	Jan-16	May-19
	Total contingency			£836,650		
3.6	Developer contributions					
3.6.1	Policy 15: Cat 3 houses	£22,694	per unit	£67,537	Jan-16	May-19
3.6.2	Policy 15: Cat 3 flats	£7,906	per unit	£54,899	Jan-16	May-19
3.6.3	CIL	£0	per sqm	£0	Jan-16	Sep-17
3.6.4	S106 contribution	£2,000	per unit	£496,000	Jan-16	Sep-17
3.6.5	Sustainable design	2.50%	of build costs	£475,369	Jan-16	May-19
	Total developer contributions			£971,369		
	TOTAL DEVELOPMENT COSTS			£25,589,033		
4.0	Site Acquisition					
4.1	Net site value (residual land value)			£3,122,364	Jan-16	Sep-17
4.2	Stamp Duty			£0	Jan-16	Sep-17
				£145,618	Jan-16	Sep-17
4.3	Purchaser costs	1.75%	on land costs	£54,641	Jan-16	Sep-17
	Total site costs			£3,322,623		
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£35,489,715		
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£1,855,291		
5.0	Finance Costs					
5.1	Finance	APR 6.00%	on net costs	PCM 0.487%	-£1,599,731	Opening Balance Interest Net Cashflow in month Closing Balance
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£37,089,447		
This appraisal has been prepared by Peter Brett Associates for the Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2015) valuation and should not be relied upon as such.						