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## Local Plan Viability Testing – Update

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Completed on behalf of Barnsley Metropolitan Borough Council



May 2019

CP Viability Ltd



*Independent Property Experts*

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## EXECUTIVE SUMMARY

- i. As supporting evidence to its Local Plan (which was adopted on 3<sup>rd</sup> January 2019) the Council commissioned a number of viability studies in 2012, 2015 and 2016. These studies tested key emerging policies to ensure they could be viably delivered (and if not what adjustments should be applied). The policies tested included affordable housing, public open space, financial contributions to schools and sustainable travel. Affordable housing was tested as an on-site provision and the subsequent policy introduced provided a range of between 10% and 30% affordable housing (dependent on the location or sub-market area of the site). For the other policy requirements a broad average equivalent to £5,000 per dwelling was applied (although it was accepted that this was likely to vary from site to site).
- ii. Following the adoption of the Local Plan, the Council is currently preparing a number of Supplementary Planning Documents, some of which include requirements for Section 106 contributions. In preparing these Supplementary Planning Documents the Council has identified a potential increase in the overall S106 contributions above the £5,000 per dwelling allowance that had previously been assumed in the viability testing. The rates identified could be in excess of £8,000 per dwelling (and potentially up to £11,000 per dwelling in certain circumstances).
- iii. CP Viability are instructed to undertake updated viability testing, factoring in the identified increases in S106 contributions. This is with a view to determining whether the policy requirements as proposed can be viably delivered or whether adjustments are required.

- iv. As the approach and findings of the 2016 viability study were accepted through the recent examination process the Council does not require a full review of all of the viability inputs adopted. For consistency, the Council therefore requires some of the core appraisal inputs in the modelling to remain in line with the 2016 study. That said, there are certain appraisal inputs which need updating due to the impact of inflation since 2016 and also the introduction of the amended NPPF (and a subsequent accompanying document the Planning Practice Guidance for viability which has made some amendments to previous guidance which will need to be incorporated into this assessment).
- v. To test scheme viability we have run residual appraisals. The residual land value is then compared to a separately assessed benchmark land value. If the residual land value is above the benchmark land value the scheme is deemed to be viable. If it falls below this shows the scheme to be unviable. Please note, in accordance with the professional guidance our testing principally considers typologies (i.e. hypothetical schemes) for 20, 50 and 100 dwellings. This, though, is supplemented with some 'live' site testing.
- vi. For our appraisal assumptions where possible we have looked to follow assumptions adopted in the previous viability testing. This is to ensure consistency. However, certain assumptions (e.g. sales values and build costs) need to be updated to reflect inflation. Likewise, other assumptions (e.g. benchmark land value) have been adjusted to take into account the current guidance.
- vii. Our initial (or 'base') appraisals adopt a rate of £8,000 per dwellings for S106 contributions, plus the policy requirement for on-site affordable housing. The majority of the typologies show a viable outcome.

**viii.** In addition to the base appraisal testing we have also run sensitivity testing. This is in recognition that appraisal assumptions can be subject to variance, which can have a significant impact on the overall viability outcome. By adjusting key assumptions and re-running the modelling we are able to see the potential for variance across the typologies and how this could impact on the viability outcomes.

**ix.** Our sensitivity testing, together with the results, can be summarised as follows:

**Sensitivity Test 1** – this assumes a reduced density of 35 dwellings per net Ha (rather than 40 dwellings per net Ha as allowed in the base modelling). Our results show that this had a marginally negative impact on viability. However, this was not sufficient to change any of the viability outcomes.

**Sensitivity Test 2** – adoption of the BCIS median build cost (rather than the lower quartile rate used for 50 or more dwellings in the base modelling). The results show that if the BCIS median rate is applied it does not affect the viability outcome for sub market areas 1 and 2. However, it does render sub market area 3 schemes unviable. We question, though, whether the BCIS median rate is appropriate in lower value locations. In these areas a more basic specification is likely to be applied, reducing build costs. This, in our view, points more to a lower quartile rate rather than a median figure.

**Sensitivity Test 3** – 5% reduction in sales values. For the 20 dwelling typology the viability outcomes do not change from the base appraisals. For the 50 and 100 dwelling typologies the viability outcomes are all the same from the base appraisals (i.e. viable), except for brownfield sites in the ‘other locations’ sub market, which changes to unviable.

**Sensitivity Test 4** – 10% increase in the benchmark land values. The viability outcomes remain unchanged from the base appraisals.

**Sensitivity Test 5** – runs tests based on S106 costs totalling £9,000, £10,000 and £11,000 per dwelling (rather than £8,000 per dwelling allowed in the base modelling). The viability outcomes remain unchanged from the base appraisals.

- x. In addition we have also tested 'live' sites (either allocated or subject to a current planning application). 3 of the 4 sites tested are deemed to be viable based on the revised SPD policy requirements. The site shown to be unviable could be delivered with the new SPD requirements if the land value is reduced accordingly.
- xi. In summary, the majority of the sites tested, even through sensitivity testing, are shown to be viable with the revised SPD policy requirements (and the subsequent increase in costs).
- xii. Based on the testing undertaken, the results therefore suggest that the proposed SPD policy requirements would not be sufficient alone to undermine viability. Instead, other factors such as density, build costs and sales value are more likely to have a significant bearing on the viability outcomes should there vary significantly from what has been assumed in the testing.
- xiii. In conclusion, the proposed supplementary planning document requirements are not considered to undermine the viability of the Local Plan (albeit accepting that viability is still likely to be a consideration on a case by case basis reflecting the specific circumstances of a scheme).

Summary Schedule – Key 'Basic' Viability Assumptions (Residential)

Appraisal input	Assumptions			
Typologies	<ul style="list-style-type: none"> <li>- 20 dwellings. Gross area 0.55 Ha. Net 0.50 Ha.</li> <li>- 50 dwellings. Gross area 1.56 Ha. Net 1.25 Ha.</li> <li>- 100 dwellings. Gross area 3.12 Ha. Net 2.50 Ha</li> </ul>			
Density	40 dwellings per net Ha			
Dwelling mix	30% terrace, 40% semi-detached, 30% detached			
Average house size	2 bed terrace 65 sq m 3 bed semi 90 sq m 4 bed detached 135 sq m			
Average sales values (£ psm)	Sub market area	2b terrace	3b Semi	4b det
	Rural West / Penistone & Dodworth	£2,300	£2,550	£2,400
	Darton & Barugh	£2,200	£2,300	£2,250
	All other locations	£1,825	£1,950	£1,950
Affordable rent transfer values	45% of market value			
Shared ownership transfer values	67.5% of market value			
Starter homes discount	80% of market value			
Average 'basic' build cost	Over 50 dwellings	£894 psm	BCIS LQ	
	Sub 50 dwellings	£997 psm	BCIS Median	

External / site infrastructure costs	15% of the basic build cost								
Contingency	3% of basic build costs and externals								
'Abnormal' development costs	£200,000 per net Ha								
Professional fees	Sub 20 dwellings – 8% of basic build costs / externals Over 20 dwellings – 6% of basic build costs / externals								
Marketing costs	3% of sales revenue  Plus additional allowance for legal costs at £500 per dwelling								
Finance Costs	Over 10 dwellings – 6% debit								
Developer's return	20% on revenue for market value 6% on revenue for affordable								
Benchmark Land Values	<p><b>Greenfield</b></p> <table> <tr> <td><i>Value area</i></td><td><i>BLV (£ / Ha)</i></td></tr> <tr> <td>All of sub-market areas</td><td>£200,000</td></tr> <tr> <td>Darton &amp; Barugh</td><td>£300,000</td></tr> <tr> <td>Rural West / Penistone &amp; Dodworth</td><td>£400,000</td></tr> </table> <p><b>Brownfield</b> - £300,000 per Ha</p>	<i>Value area</i>	<i>BLV (£ / Ha)</i>	All of sub-market areas	£200,000	Darton & Barugh	£300,000	Rural West / Penistone & Dodworth	£400,000
<i>Value area</i>	<i>BLV (£ / Ha)</i>								
All of sub-market areas	£200,000								
Darton & Barugh	£300,000								
Rural West / Penistone & Dodworth	£400,000								



## 1. INTRODUCTION

### 1.1. Background

**1.1.1.** Barnsley Metropolitan Borough Council (“the Council”) adopted its Local Plan 3<sup>rd</sup> January 2019.

**1.1.2.** By way of supporting evidence with respect to the viability of the Local Plan, at the public examination the Council submitted a viability study, which was completed in 2016 (as well as other studies dating back to 2015 and 2012).

**1.1.3.** Following the adoption of the Local Plan, the Council is currently preparing a number of Supplementary Planning Documents, some of which include requirements for Section 106 contributions. These include:

- (i) Affordable housing
- (ii) Public open space
- (iii) Financial contributions to schools
- (iv) Sustainable travel

**1.1.4.** With regards to affordable housing, in light of the evidence submitted through the 2016 viability, Local Plan Policy H7 requires that for schemes of 15 dwellings or more the following is required:

Sub area Rural West & Penistone / Dodworth	– 30% on-site provision
Sub area Darton and Barugh	– 20% on-site provision
All other locations	– 10% on-site provision

**1.1.5.** The wording to the policy remains flexible so that there is the ability for a developer to reduce the required provision if demonstrated robustly through a viability assessment.

**1.1.6.** With regards to other S106 contributions, in the 2016 viability study and general allowance equivalent to £5,000 per dwelling was included in the modelling. This recognised that in reality S106 contributions would fluctuate from site to site dependent on need and the specific circumstances of each development. However, an average allowance of £5,000 per dwelling was deemed reasonable (and covered policy requirements such as education, public open space and sustainable travel).

**1.1.7.** However, in preparing the Supplementary Planning Documents the Council has identified a potential increase in the overall S106 contributions above the £5,000 per dwelling allowance that had previously been assumed in the viability testing.

## **1.2. Scope of Work**

**1.2.1.** In order to inform the preparation of the Supplementary Planning Documents, and in light of the potential viability implications of the increased contributions (when compared to the assumptions made in the 2016 viability study), the Council requires a viability review / update.

**1.2.2.** This study will be used by the Council to determine whether to adopt or amend the 4 Supplementary Planning Documents referenced above.

**1.2.3.** With regards to affordable housing, the Council does not require a review of the policy levels already approved through the examination process. However, the Council recognises that since the previous viability study was undertaken in 2016, central government has published a revised National Planning Policy Framework ('NPPF') and within this document there is an amended definition of affordable housing, as follows:

- (a) **Affordable housing to rent:** *meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
- (b) **Starter homes:** *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

- (c) ***Discounted market sales housing:*** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- (d) ***Other affordable routes to home ownership:*** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

**1.2.4.** As such, there is now a greater emphasis on affordable ownership products, as opposed to affordable rental products. The 2016 viability study focused mainly on affordable rent and intermediate products. However, as indicated above, there is the potential to provide a wider range of affordable housing products, which could have implications for scheme viability. The Council therefore requires variations of the affordable housing tenures to be tested to determine how this could impact on scheme viability.

**1.2.5.** For the public open space, education and sustainable travel contributions, as stated above, the Council's review process has identified that these combined policies could result in developer contributions in excess £8,000 per dwelling (and in excess of £10,000 per dwelling for certain locations). As this is a significant increase above the £5,000 per dwelling previously allowed in the 2016 viability study, the Council requires the increased costs to be tested to demonstrate the impact this could have on viability. If this is shown to undermine viability, the Council requires advice as to what levels could be viably provided.

**1.2.6.** As the approach and findings of the 2016 viability study were accepted through the recent examination process the Council does not require a full review of all of the viability inputs adopted. For consistency, the Council therefore requires some of the core appraisal inputs in the modelling to remain in line with the 2016 study.

**1.2.7.** That said, there are certain appraisal inputs which need updating due to the impact of inflation since 2016 and also the introduction of the amended NPPF (and a subsequent accompanying document the Planning Practice Guidance for viability which has made some amendments to previous guidance which will need to be incorporated into this assessment).

### **1.3. CP Viability Ltd**

**1.3.1.** CP Viability specialises in providing advice to local authorities on all matters related to housing and commercial development; including individual site assessments, area wide studies and also providing expert witness advice at planning appeals. The company's Director, David Newham, has extensive experience in undertaking development appraisals and market studies.

## 2. METHODOLOGY

### 2.1. The Residual Method

**2.1.1.** Central to undertaking viability testing is the residual method of valuation (sometimes referred to as a development appraisal). This is an established valuation approach, which can be illustrated by the following equation:

$$\begin{array}{r} \textbf{Completed Development Value} \\ \text{(i.e. Total Revenue)} \\ \text{Less} \\ \textbf{Development Costs} \\ \text{(Developer's Profit + Construction + Fees + Finance)} \\ \text{Equals} \\ \textbf{Residue for Land Acquisition} \end{array}$$

**2.1.2.** In other words, to arrive at the land value the assessor assumes the scheme has been completed, and from this income takes away all the costs associated with delivering that scheme. The 'residual' (if any is left), equates to the value that could be paid for the land based on the development being proposed.

**2.1.3.** Whilst a simple concept, it is stressed that in reality the residual method often becomes a complicated and detailed approach. This is because the methodology inherently requires a wide variety of inputs to be factored into the assessment, all of which are subject to variance (e.g. sales values, build costs, professional fees, abnormal works, Council policies, profit, marketing, finance etc). All of these inputs need to be considered carefully, as potentially

relatively small variances to one or two inputs could have a significant impact on the results of the assessment.

- 2.1.4.** This inherent flaw in the methodology is recognised by the RICS and wider industry, and as a result 'sensitivity' testing is recommended to try and minimise the impact of these potential variances. Nevertheless, the industry still considers this to be the most appropriate methodology for assessing development sites and appraising land value.
- 2.1.5.** Furthermore, in undertaking a residual appraisal it is important to factor in the impact that the timings of payments and income can have on funding and cash flow. For this reason, and particularly for more complex developments, it is appropriate to use a discounted cash-flow approach when preparing a residual appraisal.
- 2.1.6.** The residual method can be applied to both residential and commercial development and is therefore applicable to Whole Plan and CIL viability testing. We have subsequently utilised this approach in undertaking our viability testing.
- 2.1.7.** The Harman Review and recent PPG are clear that the appraisal inputs (e.g. revenue, build costs, professional fees, developer's profit etc) should be evidence based and reflect the dynamics of the market being assessed. Stakeholders should be engaged to ensure the adopted inputs are as robust as possible.
- 2.1.8.** The residual method allows an iterative approach to be undertaken, as certain appraisal inputs (such as planning policies) can be varied and tested to determine their impact on overall viability. The method is therefore consistent with the requirements of the July 2018 (updated Feb 2019) NPPF and PPG.

## **2.2. Benchmark Land Value ('BLV')**

**2.2.1.** In short, the BLV represents the minimum land value that a hypothetical landowner would accept to release their land for development, in the context of the prevalent planning policies. A BLV does not therefore attempt to identify the market value, it is a distinct concept.

**2.2.2.** To establish whether a site is deemed to be viable or not, the assessor will run a residual appraisal (as described above) to identify the residual land value for that particular site. This is then compared to the BLV (which is separately assessed, as described below). If the residual land value is above the BLV, the scheme is deemed to be viable. If it is below the BLV it is deemed to be unviable.

**2.2.3.** Establishing the BLV is therefore crucial in determining whether a site is viable or not. However, this remains a controversial area.

**2.2.4.** To identify the BLV, the Harman Review and the PPG recommends using a premium over existing use value ("EUV") and credible alternative values as a means of determining the BLV.

**2.2.5.** The PPG goes on to say that the BLV should:

- Fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any Community Infrastructure Levy charge;
- Fully reflect the total cost of abnormal costs; site-specific infrastructure costs; and professional site fees;



- Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.

**2.2.6.** This follows the principle that if two identical sites are next to one another, and one has significant abnormal costs and the other does not, the site with abnormal costs will naturally have a lower site value than the land unconstrained by abnormals.

**2.2.7.** In other words, as abnormal costs increase, site value decreases and vice versa (although it is not necessarily the case that cost equals value). This is because a landowner would be forced to reduce their expectations of value as a developer would have to factor in the cost of the undertaking the abnormal costs, resulting in a lower offer. As long as the landowner still secured a reasonable uplift over the EUV this would represent an acceptable deal and therefore the scheme would be viable. It would become unviable if the offer became too close to the EUV leaving no incentive for the landowner to release the land for development.

**2.2.8.** In terms of assessing the uplift above the EUV, a differential should be made between assessing previously developed land and agricultural (greenfield) land. This is because the underlying EUV of an agricultural field will typically be significantly lower when compared to previously developed land. This means that different premiums will need to be applied to encourage landowners to sell.

**2.2.9.** The Harman Review and PPG are each silent on the precise level of premium. However, based on our experience in the market place a premium in the region of 10% to 30% above the EUV is typically expected for previously developed land (dependent on the nature of the land). For agricultural land, where values will be relatively consistent regardless of locational factors, the level of premium will be significantly higher (and can fluctuate typically from 5 to 25 (or higher) times the EUV).

**2.2.10.** However, the PPG goes on to suggest that one approach to assessing the premium over the EUV is to identify recent, policy compliant, sales of land (to capture the latest market conditions) that have recently secured a planning permission (to capture the most up to date planning policies). This can then be compared to the EUV of that site. The difference between the two figures can be regarded as a guide to premium uplifts in that location. However, there are two key difficulties attached to this approach:

- There are a wide variety of factors which impact on land values, including overall site size, gross to net ratios, density, proposed dwelling types, location, planning policy contributions (which fluctuate from site to site), abnormal costs, infrastructure works, the financial circumstances of the vendor and purchaser, restrictive covenants on the title, easements, whether the sale took place prior to or post achieving planning consent etc. All the factors that impacted on value will not typically be known to an assessor nor available in the public domain. This means analysing land transactions is extremely difficult and not particularly reliable.

- The amount of data available is likely to be limited, reducing the reliability of the evidence.

**2.2.11.** However, the PPG goes on to suggest that one approach to assessing the premium over the EUV is to identify recent, policy compliant, sales of land (to

### **2.3. Site Types**

**2.3.1.** The guidance states that the types of sites assessed as part of the viability testing should represent the likely supply of development over the plan period. Once identified, these are then tested using the residual method, with comparisons to the separately identified BLV, as outlined above.

**2.3.2.** The NPPF / PPG indicates that site testing can either be based on real 'live' sites or hypothetical site typologies, drawing upon historic completions and planning permissions.

**2.3.3.** In either case, a reasonably wide variety of sites should be considered. The guidance indicates a number of factors which could be considered when assessing hypothetical site typologies, including

- Varying levels of infrastructure dependent on the size of the scheme.
- The potential for 'abnormal' costs such as remediation and decontamination.
- Different BLV's dependent on the nature of the land (e.g. greenfield versus previously developed land in an urban area).

- Geographical locations impacting on revenue and sales rates.

**2.3.4.** However, the NPPF / PPG recognises that a balance needs to be struck between key viability considerations and ensuring there are a manageable number of site typologies to ensure the testing is as robust as possible. In other words, for the purposes of whole plan and CIL testing, it is acknowledged that all variations will not be able to be fully tested. However, what is important is that key fluctuations are reflected through the viability modelling as much as possible.

**2.3.5.** Please note, in addition to the typology testing we consider it appropriate to also run a number of supplementary 'live' site appraisals.

## **2.4. Iterative Approach**

**2.4.1.** Once it has been determined whether a typology or site specific scheme is viable or not, adjustments can be made to the planning policy contributions to adjust the outcome of the viability. For example, if the full aspirational policy provisions are applied and the scheme is shown to be unviable, this would demonstrate that the policy provisions are unlikely to be deliverable (therefore failing to meet the requirements of the NPPF). In this scenario, the policy provisions can be reduced and the scheme re-tested. This can be done on an iterative basis up to the point where the scheme is deemed to be viable.

**2.4.2.** Alternatively, it may be that the aspirational policy provisions are tested and the scheme is comfortably viable, generating a surplus of income. Under this scenario, the policy provision could be increased and the scheme re-tested

(again on an iterative basis) until there is a pre-set position of viability is reached.

**2.4.3.** In adopting an iterative approach, it is therefore important to identify ‘base’ appraisals, from which adjustments can be made. This can either be on the basis of the full policy aspirations being excluded, and then added back in on an iterative basis up to a pre-determined point of viability. Or alternatively the base appraisals could include the full policy aspirations from the outset, and if the testing shows there is significant viability pressure the policy provisions could be adjusted down again up to a pre-determined point of viability.

## **2.5. Our Approach**

**2.5.1.** On the basis of the above we have adopted the following approach for the purposes of the plan wide viability testing:

- We have identified hypothetical site types (in line with the previous study).
- However, it is considered appropriate to incorporate some limited ‘real’ site appraisals, to ensure the testing is as robust as possible and follow the approach advocated in national guidance.
- For each hypothetical site type or real site we have modelled a base development appraisal, inputting the revenue and costs associated with that scheme. This has been modelled in accordance with the residual method, whereby the outcome is the land value (with all other inputs fixed costs).

- Initially, we look to test base appraisals, building in the emerging policies. Adjustments are then made to policy provisions dependent on the viability outcome of the base test.
- Finally, we also undertake sensitivity testing, where key appraisal inputs are varied to test the impact on viability. This aids the overall analysis and ensures that the conclusions reached are as robust as possible.
- In forming our recommendations, a holistic approach is taken to all testing results.

## 2.6. Evidence

**2.6.1.** Primary data is crucial to ensuring the viability testing is robust. In this case, we are reviewing the sales revenues, build costs and benchmark land values only, therefore the following sources of evidence have been considered:

- Land Registry for residential and land sales.
- Build Cost Information Service (BCIS) part of the RICS for build costs.
- Essential Information Group property auctions, giving details of land transactions.
- An in-house database of historic viability assessments undertaken across the region (including within Barnsley Metropolitan Borough).

### 3. RESIDENTIAL VIABILITY ASSUMPTIONS

#### 3.1. Previous Studies

**3.1.1.** The 2012 and 2016 viability studies tested the following site typologies:

**Table 1 – Past Site Typologies**

Dwellings	Mix	Site area (Ha)
1	Det	0.05
3	2 x semi 1 x det	0.10
5	2 x terr, 2 x semi, 1 x det	0.14
8	4 x terr, 2 x semi, 2 x det	0.23
12	6 x terr, 4 x semi, 2 x det	0.30
15	6 x terr, 4 x semi, 5 x det	0.33
25	30% terr, 40% semi, 30% det	0.71
50	30% terr, 40% semi, 30% det	1.42
100	30% terr, 40% semi, 30% det	2.85
300	10% flat, 20% terr, 40% semi, 30% det	7.50
1,000	10% flat, 20% terr, 40% semi, 30% det	25.00

**3.1.2.** The previous viability testing therefore considered a wide range of site typologies. However, for the purposes of this exercise we do not consider it necessary / appropriate to adopt all of the same typologies, for the following reasons:

- A number of the policies being tested do not apply to the smallest site types (as discussed below in Section 3.12), for example the affordable housing only applies to schemes providing 15 or more dwellings and the open space provision only applies to 15 or more dwellings.

- In reality, a typology of say 20 dwellings would be sufficient to cover schemes providing 15 and 25 dwellings (as this scale of scheme is likely to be brought forward by the same type of developer, which means the costs across these sites will be broadly similar).
- For larger scale multi-outlet schemes (300 dwellings) as well as strategic scale sites (1,000 dwellings) it is more appropriate to undertake site specific testing, rather than looking to a typological approach. This is because, due to scale, the costs associated with this type of development can vary greatly meaning a typological approach is less robust. Furthermore, there are also likely to be fewer schemes of this scale coming forward, which means a more focused, site-specific approach to viability is practical.

**3.1.3.** Having considered all of the above, we consider the following typology tests to be appropriate for the purposes of this exercise:

- 20 dwellings: 30% terr, 40% semi, 30% det
- 50 dwellings: 30% terr, 40% semi, 30% det
- 100 dwellings: 30% terr, 40% semi, 30% det

**3.1.4.** In terms of density, the 2016 study states refers to 40 dwellings per net Ha, although we note that in the 2012 study 35 dwellings per net Ha had been applied to some sites.

**3.1.5.** For the purposes of this exercise we have assumed 40 dwellings per net Ha. We have subsequently adjusted the site sizes to equate to this ratio.

**3.1.6.** The 2016 study adopted the following key appraisal assumptions:



- Market sub-areas for affordable housing provision:
  - (i) Rural West & Penistone / Dodworth
  - (ii) Darton / Barugh
  - (iii) All other locations (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe).
- Gross to net ratio. Less than 1Ha 90%. 1Ha to 10Ha 80%. Over 10Ha 75%.
- 2 bed terrace average size 65 sq m, 3 bed semi 90 sq m, 4 bed detached 135 sq m.
- Based on the above mix and average dwellings sizes this equates to an overall average dwelling size of 96 sq m.
- Abnormals at £200,000 per Ha.
- Marketing fees 3% of revenue.
- Developer profit 15% on revenue plus 5% to cover internal overheads.

**3.1.7.** We have accepted the above assumptions within our appraisal modelling. Other appraisal assumptions, subject to our own interpretation, are discussed in more detail below.

**3.1.8.** Please note our modelling introduces a distinction between undeveloped greenfield sites and brownfield sites (i.e. previously developed land). The main difference is principally in relation to how the Benchmark Land Value is assessed.

## 3.2. Revenue – Market Value

**3.2.1.** In terms of current market conditions, in January 2019 the RICS released its UK Residential Market Survey results. The main findings of the survey are as follows:

- The results suggest a ‘subdued backdrop’.
- Enquiries, sales and new instructions have fallen over the last 6 months.
- The average time taken to sell a property has increased.
- Brexit is causing hesitancy, together with affordability constraints.
- However, in the medium term (over 12 months) expectations remain positive, with values still expected to grow.
- London and the South East, though, display the weakest values position on values, with 6 years of strong growth stretching affordability. Elsewhere, house price inflation has ‘lost at least some impetus in most English regions’ over the past 6 months or so.

**3.2.2.** More specifically, according to the Zoopla Zed Index (an index which, using sales data from the Land Registry and asking prices, estimates the value of all residential dwellings across England and Wales) the value of residential property across Barnsley has increased by 21.03% during the last 5 years. This compares with an average increase of 26.03% across England during the same period. This suggests house price inflation has been more modest across Barnsley when compared to the national average, although as noted above in recent months London / South East values have cooled at a faster rate than the English regions, suggesting the gap has narrowed.

**3.2.3.** Furthermore, the average increase for the South Yorkshire region during the same period equates to 20.97%. Barnsley has therefore experienced a broadly average growth when compared to the regional average.

**3.2.4.** In terms of evidence, we have identified sales from across Barnsley utilising the Land Registry. Using the online functions we have limited the data collected to different postcode areas within Barnsley, new build dwellings, type of dwelling (i.e. semi, detached, terrace etc) and sales achieved since Jan 2016. By collating the data in this way we are able to undertake a more focused analysis. The approach was to then look to collate values into the 3 market sub-areas, being (as shown above):

- (i) Rural West & Penistone / Dodworth
- (ii) Darton / Barugh
- (iii) All other locations (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe).

**3.2.5.** To aid our analysis further, we have also looked to identify the sizes of the comparable data collected. This enables us to establish values on a 'rate per sq m' basis, which ensures that 'like for like' comparisons can be made (if the overall size of a dwelling is not known it could be the case that the comparable evidence is derived from substantially larger dwellings, which could potentially lead to inaccurate analysis).

**3.2.6.** In order to identify the size of each property, we have cross-referenced the Land Registry data with dwelling sizes as shown on the respective EPC Register. The size of each dwelling is given as a single figure (in square metres). We consider the use of the EPC register to be appropriate for the purposes of this study when analysing sales values, for the following reasons:

- (i) This approach has been adopted by other authorities in their own area-wide viability testing and accepted through the examination process.
- (ii) In our experience, it is an approach used on a wide-spread basis in preparation of viability assessments for individual planning applications and area wide studies. The method is used by Local Authorities, surveyors, landowners and house-builders (albeit it is accepted that not all parties consistently use the approach).
- (iii) For the purposes of an area-wide study the assessor is looking to establish appropriate average sales values. It is accepted that the sales data collected through the Land Registry will reflect a variety of different dwelling types, for example some of dwellings that form the date will comprise garages and some of which will not. The rates per sq m data will therefore show a range of figures to reflect these variations. However, we have not looked to adopt values at the top end of the range, but instead looked to arrive at average values, which mitigates these variations in the data.

(iv) Furthermore, there is a lag of around 3 – 6 months in the Land Registry data, due to the time it takes for new transactions to be submitted to the Land Registry following a sale and to be uploaded onto the database. As such, any house price inflation that has taken place in recent months (over a 1 to 2 quarter period) is not reflected in the evidence. Allowances therefore need to be made in the analysis for this inflation.

**3.2.7.** With regards to evidence, we have identified over 30 ‘new build’ residential schemes across the Barnsley Metropolitan Borough since Jan 2016. To aid analysis, we have adopted the following approach:

- Our first step was to allocate each identified scheme into the 3 sub-market areas identified above. For the Rural West / Penistone & Dodworth we identified 7 schemes in total. For Darton & Barugh we identified 4 schemes. For all other locations were identified a total of 21 developments.
- We then collated the Land Registry / EPC data for individual developments on the basis of a broad house type and size (for example a semi-detached dwelling with an average size of 70 sq m, a semi-detached with an average size of 80 sq m, a detached dwelling with an average size of 100 sq m and so). If the evidence identified shows a range of semi-detached dwellings from, for example, 78 sq m to 82 sq m, all of this evidence is then categorised as “semi-detached with average size of 80 sq m”. This approach ensures that the differences in values due to size and dwelling type can be accurately assessed.

- Having established the dwelling categories, we have then looked to arrive at an average rate (£ per sq m) for each category in each scheme. This allows us to easily compare specific dwelling categories across different schemes.

**3.2.8.** For the 7 schemes identified in Rural West / Penistone & Dodworth, the most typical dwelling categories across these schemes showed the following average values:

Semi 70 sq m	-	Av rate £2,328 per sq m
Semi 80 sq m	-	Av rate £2,152 per sq m
Semi 90 sq m	-	Av rate £2,090 per sq m
Detached 90 sq m	-	Av rate £2,541 per sq m
Detached 100 sq m	-	Av rate £2,605 per sq m
Detached 110 sq m	-	Av rate £2,475 per sq m
Detached 120 sq m	-	Av rate £2,443 per sq m
Detached 130 sq m	-	Av rate £2,372 per sq m
Detached 140 sq m	-	Av rate £2,717 per sq m
Detached 150 sq m	-	Av rate £2,658 per sq m
Detached 170 sq m	-	Av rate £2,593 per sq m

**3.2.9.** It is stressed that a large proportion of the above data is derived from sales evidence dating back to 2016 and 2017 (only 1 scheme shows figures predominantly from 2018). The Zoopla and Land Registry data shows that there has been sales price inflation since this time, therefore the average rates shown above can be regarded as being low based on the prevalent market conditions. We therefore consider it appropriate to uplift the above average rates to reflect current values.

**3.2.10.**Based on the identified evidence, for a 4 bed detached dwelling with an average size of 135 sq m we consider a rate of £2,400 per sq m to be appropriate. For a 3 bed semi-detached at 90 sq m we have applied £2,550 per sq m. For a 2 bed terrace of 65 sq m we have allowed £2,300 per sq m.

**3.2.11.**For the 4 schemes identified in Darton & Barugh, the most typical dwelling categories across these schemes showed the following average values:

Terrace 60 sq m	-	Av rate £2,368 per sq m
Terrace 80 sq m	-	Av rate £1,903 per sq m
Semi 70 sq m	-	Av rate £2,229 per sq m
Semi 80 sq m	-	Av rate £2,024 per sq m
Semi 90 sq m	-	Av rate £2,004 per sq m
Semi 110 sq m	-	Av rate £1,877 per sq m (3 storey)
Detached 80 sq m	-	Av rate £2,477 per sq m
Detached 90 sq m	-	Av rate £2,267 per sq m
Detached 100 sq m	-	Av rate £2,250 per sq m
Detached 110 sq m	-	Av rate £2,204 per sq m
Detached 120 sq m	-	Av rate £2,115 per sq m
Detached 130 sq m	-	Av rate £2,235 per sq m

**3.2.12.**Again, it is stressed that a large proportion of the above data is derived from sales evidence dating back to 2017. The Zoopla and Land Registry data shows that there has been sales price inflation since this time, therefore the average rates shown above can be regarded as being low based on the prevalent market conditions. We therefore consider it appropriate to uplift the above average rates to reflect current values.

**3.2.13.**Based on the identified evidence, for a 4 bed detached dwelling with an average size of 135 sq m we consider a rate of £2,250 per sq m to be appropriate. For a 3 bed semi-detached at 90 sq m we have applied £2,300 per sq m. For a 2 bed terrace of 65 sq m we have allowed £2,200 per sq m.

**3.2.14.**For the 21 schemes identified in all other locations across the Metropolitan Borough, the most typical dwelling categories across these schemes showed the following average values:

Terrace 60 sq m	-	Av rate £1,870 per sq m
Terrace 70 sq m	-	Av rate £1,763 per sq m
Terrace 80 sq m	-	Av rate £1,738 per sq m
Terrace 90 sq m	-	Av rate £1,515 per sq m
Semi 60 sq m	-	Av rate £1,793 per sq m
Semi 70 sq m	-	Av rate £1,800 per sq m
Semi 80 sq m	-	Av rate £1,834 per sq m
Semi 90 sq m	-	Av rate £1,708 per sq m
Semi 100 sq m	-	Av rate £1,620 per sq m
Detached 70 sq m	-	Av rate £1,802 per sq m
Detached 80 sq m	-	Av rate £1,997 per sq m
Detached 90 sq m	-	Av rate £1,932 per sq m
Detached 100 sq m	-	Av rate £1,894 per sq m
Detached 110 sq m	-	Av rate £1,811 per sq m
Detached 120 sq m	-	Av rate £1,933 per sq m
Detached 130 sq m	-	Av rate £2,016 per sq m



**3.2.15.** Again, it is stressed that a large proportion of the above data is derived from sales evidence dating back to 2016 and 2017. The Zoopla and Land Registry data shows that there has been sales price inflation since this time, therefore the average rates shown above can be regarded as being low based on the prevalent market conditions. We therefore consider it appropriate to uplift the above average rates to reflect current values.

**3.2.16.** Based on the identified evidence, for a 4 bed detached dwelling with an average size of 135 sq m we consider a rate of £1,950 per sq m to be appropriate. For a 3 bed semi-detached at 90 sq m we have applied £1,950 per sq m. For a 2 bed terrace of 65 sq m we have allowed £1,825 per sq m.

**3.2.17.** In summary, our adopted rates are as follows:

**Table 2 – Market value average sales values (£ per sq m)**

Value banding	2b terrace 65 sq m	3b semi 90 sq m	4b detached 135 sq m
Rural West / Penistone & Dodworth	£2,300	£2,550	£2,400
Darton & Barugh	£2,200	£2,300	£2,250
All other sub-market locations	£1,825	£1,950	£1,950

### 3.3. Revenue – Affordable Housing

**3.3.1.** There are a number of approaches to identifying transfer values, albeit the most favoured tends to be where a percentage of the equivalent market value is allowed.

**3.3.2.** We consider a 'percentage of market value' to be an appropriate approach for the purposes of an area-wide viability study. Furthermore, and based on our experience of undertaking individual viability assessments, we consider the following allowances to be reasonable:

Affordable Rent	-	45% of market value
Shared ownership	-	67.5% of market value
Starter Homes / Discounted Market Sale	-	80% of market value

### 3.4. Plot construction costs

**3.4.1.** For the purposes of this review, plot construction costs mean the cost of building each dwelling, including preliminaries and contractor's margin, but excluding externals, abnormals and a contingency allowance.

**3.4.2.** With regard to 'plot construction' costs (the cost of constructing a house from foundations up, but excluding any external works) we have considered a variety of evidence, including reviewing viability appraisals received by us from across the wider region as well as the Build Cost Information Service (BCIS) of the RICS, which is database regularly referred to by the industry when preparing viability assessments.

**3.4.3.** During 2017 build cost inflation rose sharply, with some commentators seeing this as a consequence of Brexit (due to a reduction in the skilled labour market). This rise has increased pressure on viability in some areas. However, it remains to be seen whether this is a short-term adjustment in the market or a longer term trend.

**3.4.4.** The BCIS published an article in January 2018 which predicted tender prices would fall in the year to Q3 2018. The BCIS All-in Tender Price Index shows the following:

1Q 2017	-	298
2Q 2017	-	324
3Q 2017	-	306
4Q 2017	-	327
1Q 2018	-	317
2Q 2018	-	320
3Q 2018	-	320
4Q 2018	-	321
1Q 2019	-	322

**3.4.5.** This shows there was volatility in build costs between during 2017, with a sharp rise between Q1 and Q4. However, during 2018 and into Q1 2019 there has been some consolidation in the market which has resulted in a general 'levelling' of costs. This is expected to continue, at least in the short term.

- 3.4.6.** The BCIS is a favoured tool in the industry, particularly for the purposes of an area wide study (and was used for the purposes of the 2016 Doncaster viability study). This is because the data, which is based on voluntary tender information submitted to the RICS, gives a rate per sq m to apply to an assessment. Furthermore, it also can be rebased to particular locations, and can also be adjusted dependent on the size of your dwellings (for example a rate is given for 2 storey housing and a separate rate for single storey dwellings), therefore giving greater accuracy.
- 3.4.7.** The BCIS reflects the basic construction cost of a dwelling (from foundations to roof). It also includes a contractor's overhead and all preliminaries associated with a scheme. However, it excludes all external / infrastructure costs, contingency allowance, professional fees and abnormal works.
- 3.4.8.** It is stressed that, like any data source, it does have weaknesses which can often be overlooked. Firstly, the 'rate per sq m' shown in the BCIS includes the plot construction cost, site preliminary costs and the contractor's overhead allowance. However, it excludes external costs, contingency allowance and all abnormal works. If the BCIS is adopted the items excluded therefore need to be added back in. Likewise, it is important that items such as preliminaries are not 'double counted'.
- 3.4.9.** Secondly, it is important to understand the context of the data. From our analysis, between January 2014 and Jan 2019 there were 98 separate housing schemes across the UK which were used for 'elemental' analysis in determining the various BCIS rates. Of this sample, the size of schemes ranged from 2 houses to 109 houses, with an average of 15.54 houses per scheme submitted into the data. 80% of the sample comprised schemes consisting of 20 houses or less and only 6.12% of the sample (6 schemes) comprised 50 or more dwellings.

**3.4.10.** In other words, the vast majority of the data used for analysis when determining the various BCIS rates was derived from small schemes implemented by either local or relatively small contractors. We note that no volume housebuilder contributed to the aforementioned sample.

**3.4.11.** It is generally accepted that volume housebuilders are able to construct houses at a cheaper rate than smaller building firms (owing to their ability to bulk-buy materials and their ability to offer more regular work, therefore negotiate cheaper contracts with sub-contractors etc). The BCIS acknowledges this through a note on “Economies of Scale” it published on 25th Oct 2016, which states the following:

*Pricing levels on building contracts tend to fall as the size of the project increases. The latest BCIS Tender Price Study, based on project tender price indices analysed by contract sum, shows that pricing levels fall by as much as 20% between small contracts and multimillion pound schemes. Compared to the mean value of projects in the study of £1.7million projects, pricing on small projects is 10% higher, while pricing on projects over £40million can be 10% lower.*

**3.4.12.** The sample used in the elemental analysis only includes a small number of larger scale projects, instead it is mostly derived from schemes comprising 20 or less houses. As the cheaper volume house-builder costs are not reflected within this sample, the data can be regarded as being inherently high, at least when trying to determine the construction costs for a large scheme (in excess of say 50 units). For this reason, the BCIS is considered to be less reliable for larger developments (particularly those which would require implementation by a large volume house builder). To account for this, the BCIS lower quartile figure is often deemed a more appropriate benchmark for larger scale projects.

**3.4.13.** Thirdly, the data is partly estimated and is vulnerable to short-term 'spikes' in the wider construction market (regardless of whether this has in fact filtered through to specific tender prices for specific products e.g. housing). This can cause sharp short-term 'jumps' in the BCIS rates shown, which then typically level off in the future. For undertaking a study at a particular point in time, this can provide an unbalanced view of the market. As indicated above, in 2017 the BCIS rates reflected sharp inflationary pressure, but as shown this levelled off in 2018. Applying BCIS rates, which can incorporate recent spikes in the market place, can provide an unbalanced view of scheme viability.

**3.4.14.** The BCIS is a useful tool and routinely used when undertaking area wide studies. However, there are weaknesses in the sampling, particularly when assessing larger scale projects. As such, the context of the data needs to be understood and adjustments should be applied to certain scheme types.

**3.4.15.** Furthermore, the following appeal decisions (as previously referred to in Section 3) are relevant here:

***Poplar Close, Ruskington (ref 3150756)***

- Greenfield site, 67 dwellings.
- Average sales values £2,100 - £2,300 per sq m.
- Use of lower quartile BCIS agreed and accepted by the Inspector.

***Flaxley Rd, Selby (ref 3149425)***

- Greenfield site, 202 dwellings. Average sales values £2,000 per sq m.
- Inspector ruled that the lower quartile BCIS was not appropriate when a scheme was (i) likely to be delivered by a volume house builder and (ii) other information / data was available. A figure below the lower quartile was accepted.

***Lowfield Road, Bolton upon Dearne, Barnsley (PINS ref 3170851)***

- Greenfield site, Phase3 97 dwellings.
- Low value location.
- Inspector accepted build costs significantly lower than the BCIS lower quartile, on the basis of the scheme was likely to be delivered by a 'low cost' developer.

**3.4.16.** Two of the three appeal decisions therefore advocate the use of a build cost below the BCIS lower quartile in relation to scheme being delivered by volume housebuilders (either regional or national). In the case of a low value location scheme (implemented by a 'low cost' developer), the build costs are somewhat below the BCIS lower quartile rate. This is also reflected in our own experience of undertaking individual viability assessments in low value locations, where we typically see build costs below the BCIS lower quartile rate.

**3.4.17.** In terms of our in-house data, we collate all viability appraisals received by us from applicant's regarding individual planning applications. Since Jan 2017 our database shows over 100 individual cases across the North of England and East Midlands, ranging from 4 to 864 dwellings (sample average 119).

**3.4.18.** With regards to build costs, we have limited the sample to appraisals received during the last 6 months (i.e. since Sep 2018), to ensure the data is more up to date with recent cost inflation. We have identified housing schemes, ranging from 14 up to 215 dwellings. For schemes sub 50 units the average build cost equates to £1,117 per sq m. For schemes over 50 units the average build cost equates to £1,047 per sq m. This suggests there is a saving between schemes more likely to be delivered by volume house builders.

**3.4.19.** The current BCIS rates, rebased to Barnsley, are as follows:

2 storey lower quartile	-	£894 per sq m
2 storey median	-	£997 per sq m

**3.4.20.** For the purposes of the testing we have subsequently applied the BCIS lower quartile to schemes providing 50 or more dwellings (being site types likely to be brought forward by regional and national house builders). However, as discussed above, this is considered to be a cautious approach and in reality schemes are likely to be brought forward with reduced build costs, particularly by low cost developers.

**3.4.21.** For site types below 50 units, we have applied the median rate, on the basis that these would be delivered by local builders, who are less likely to be able to make the quantum savings available to volume house builders.

### **3.5. Externals / infrastructure**

**3.5.1.** As discussed above, the BCIS rates exclude any allowance for external / infrastructure costs. For this reason it is necessary to make additional allowances to cover standard road costs, drainage, services, parking, footpaths, landscaping etc.

**3.5.2.** By way of evidence we have referred to our in-house database of individual viability appraisals submitted to us by applicants. To consider the externals we have restricted the sample to include all housing schemes received since Jan 2017. The sample comprises 68 individual appraisals across the north of England and east Midlands, providing a range from 4 to 650 dwellings, with a sample average of 106 dwellings per site. The overall average across the sample equates to 15.35%.



**3.5.3.** Furthermore, we have been involved with a number of area wide studies during the last couple of years (including on behalf of Doncaster Council, Durham County Council, Northumberland County Council, Newcastle / Gateshead Councils and more recently Barnsley Council). For these studies again an allowance of 15% is typically applied to cover external works.

**3.5.4.** Having considered the above we conclude that a 15% allowance is reasonable for the purposes of the viability testing.

### **3.6. Contingency**

**3.6.1.** As discussed above, the BCIS rates exclude any allowance for contingency. In our experience it is standard practice to include some level of contingency when preparing viability assessments (to cover unknown factors such as delays in construction due to poor weather).

**3.6.2.** That said, the Planning Practice Guidance for viability states the following:

*Explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.*

**3.6.3.** This appears to imply that a contingency allowance should only apply to individual cases at the decision-making stage, not at plan-making stage. In this regard, including a contingency allowance can be regarded as being cautious (as it goes against the national policy guidance).

**3.6.4.** Notwithstanding the guidance set out above, we have again referred to our in-house sample of 68 viability appraisals received from applicants. However, to test the adopted levels of contingency we have categorised the sample into brownfield and greenfield (to determine whether there is a significant difference between the different schemes types). The data shows:

<b>Brownfield</b>	<b>-</b>	<b>26 sites sample average 3.35%</b>
<b>Greenfield</b>	<b>-</b>	<b>42 sites sample average 3.55%</b>

**3.6.5.** It is stressed that the above sample is derived from appraisals put forward by applicants. It should be noted that it is the interests of the applicant to try to 'down play' the viability of a scheme therefore there is the potential for costs to be pushed towards the upper limit of expectations. For this reason, it is the case that not all of the figures put forward by the applicant in their initial appraisal will have been accepted and in fact often will be reduced through the viability review process. It is therefore the case that if anything the sample of evidence referred to is likely to be slightly above expectations.

**3.6.6.** However, and appreciating this context, the evidence identified suggests there can be little difference in the contingency allowances put forward between greenfield and brownfield sites and that often similar rates are applied.

**3.6.7.** Having considered the above, we maintain that it is appropriate to include some level of allowance for contingency, even though this may now be regarded as a cautious approach given the Planning Practice Guidance on viability. In terms of the rate applied, given that the approach is if anything cautious and also the evidence shown above, we consider a 3% allowance to be reasonable for the purposes of the study.

### 3.7. Professional fees

**3.7.1.** We have again referred to our in-house sample of 68 viability appraisals received from applicants. However, to test the adopted levels of contingency we have categorised the sample into brownfield and greenfield (to determine whether there is a significant difference between the different schemes types). The data shows:

<b>Sub 20 dwellings</b>	<b>-</b>	<b>13 sites sample average 7.81%</b>
<b>Over 20 dwellings</b>	<b>-</b>	<b>55 sites sample average 6.57%</b>

**3.7.2.** It is stressed that the above sample is derived from appraisals put forward by applicants. It should be noted that it is the interests of the applicant to try to 'down play' the viability of a scheme therefore there is the potential for costs to be pushed towards the upper limit of expectations. For this reason, it is the case that not all of the figures put forward by the applicant in their initial appraisal will have been accepted and in fact often will be reduced through the viability review process. It is therefore the case that if anything the sample of evidence referred to is likely to be slightly above expectations.

**3.7.3.** Furthermore, the over 20 dwellings sample is impacted by 2 outliers in the sample over 12% (which were both later challenged and reduced through the viability process). If these outliers are removed, the overall average reduces to 6.33%.

**3.7.4.** Having considered the above, we conclude that units providing sub 20 dwellings are likely to have an increased proportion of professional fees. Further, based on the evidence identified an allowance of 8% is deemed appropriate for sub 20 dwellings and 6% for over 20 dwellings.

### 3.8. Finance

**3.8.1.** The averages for marketing as shown from our in-house viability database are as follows (please note some of the appraisals received excluded any finance costs therefore for the purposes of our analysis we have removed these from the sample):

Sub 10 dwellings	-	3 sites sample average 6.50%
Over 10 dwellings	-	57 sites sample average 5.76%

**3.8.2.** For the sub 10 dwelling schemes the sample is small therefore it is difficult to draw any firm conclusions.

**3.8.3.** However, for schemes in excess of 10 dwellings the average suggests sub 6% is appropriate.

**3.8.4.** Having considered the above, and taking into account the current uncertainty in the market place surrounding the ongoing Brexit negotiations, we have adopted a cautious approach, retaining 6% for schemes over 10 dwellings.

### 3.9. Developer Profit

**3.9.1.** The PPG refers to a range of developer's profit from 15% to 20% on revenue. It is stressed that profit is a function of risk and therefore it is appropriate to allow some fluctuation from site to site (as different sites carry different risks).

**3.9.2.** The 2016 study, as stated above, allowed 15% net profit on revenue, plus a further 5% on costs to cover in-house overheads. Essentially, the profit was therefore in the region of 20% on revenue.

**3.9.3.** By way of supporting evidence, we have again referred to our in-house database of appraisal received by us from applicants. Please note, not all of the appraisals explicitly stated what was deemed a viable profit level (as some of the appraisals simply showed a residual profit, rather than a residual land value and in these cases the applicant typically stated whether it was deemed viable or not). For this reason we have excluded these cases from the sample.

<b>Sub 10 dwellings</b>	<b>-</b>	<b>3 sites sample average 16.67%</b>
<b>Over 10 dwellings</b>	<b>-</b>	<b>68 sites sample average 18.34%</b>

**3.9.4.** For the sub 10 dwelling schemes the sample is small therefore it is difficult to draw any firm conclusions.

**3.9.5.** However, for schemes in excess of 10 dwellings the average broadly supports the previous assumption of 18.5%.

**3.9.6.** With regards to the affordable units, the rationale is that affordable dwellings can be 'bulk sold' to a single Registered Provider upon practical completion, often with a deal having been agreed before the construction works take place. This significantly reduces the risks associated with constructing these units (compared to market value dwellings that are constructed speculatively and then sold on an individual basis over time).

**3.9.7.** Furthermore, there are examples from appeal decisions where a variety of profit margins have been accepted. For example, at the *Poplar Close, Ruskington (ref 3150756)* appeal decision a 17.5% profit margin was deemed acceptable by the Inspector. In contrast, at the *Flaxley Rd, Selby (ref 3149425)* appeal the Inspector agreed to a 20% rate. This therefore highlights the nature of development and the fact that risk will differ from site to site. For example, it is reasonable to assume that a 50 dwelling scheme in a high value greenfield location would carry a lower risk than a 50 dwelling scheme in a low value brownfield location. The variation of risk and profit therefore reflects the workings of a free market.

**3.9.8.** Having considered all of the above, there is a legitimate argument to support a range of developer profit rates, at least for the market value dwellings (which is an approach supported through the PPG). Furthermore, the evidence identified supports the previous broad assumptions made.

**3.9.9.** Having considered all of the above factors, for this purposes of this exercise we have adopted a cautious approach applying a rate of 20% on revenue to the market value units (and Starter Homes), and a reduced rate of 6% on revenue for the affordable units.

### **3.10. Residential Benchmark Land Value (BLV)**

**3.10.1.** The principles behind this concept are discussed above in section 2. In short, the BLV represents the minimum land value that a hypothetical landowner would accept to release their land for development, in the context of the prevalent planning policies. A BLV does not therefore attempt to identify the market value; it is a distinct concept.

**3.10.2.** To identify the BLV, the PPG recommends using a premium over existing use value (EUV) and credible alternative values as a means of determining the BLV. This methodology was only introduced in its current form in July 2018.

**3.10.3.** Whilst a similar 'existing use value plus premium' approach had been advocated in previous guidance, there are a number of clarifications in the more recent PPG which has solidified the required approach. We note that the 2016 Doncaster viability study did follow a broad 'existing use value plus premium' methodology, however as this was undertaken prior to the most recent guidance some of the clarifications now in place were not necessarily reflected in the previous study.

**3.10.4.** For clarity, in the wake of the most recent guidance, for the purposes of this review it is necessary to again adopt an 'existing use value' plus premium approach. However, the following key elements must also be reflected:

- The existing use value must disregard any hope value for future development.
- A BLV must reflect the implications of all abnormal costs, site specific infrastructure costs and professional fees. The inference being that the higher these costs are the lower the premium should be above the existing use value.
- Where market evidence is used to inform the benchmark land value this should only be based on schemes which are compliant with the full planning policies (including affordable housing). This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

- In plan making the landowner premium should be tested and balanced against emerging policies.
- For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments.

**3.10.5.** The first step is therefore to identify the existing use value of a site. It is stressed that different site types can have fundamentally different existing use values. For example, an agricultural field is likely to have only a modest existing use value based on agricultural land values. An occupied brownfield site (for example an existing industrial estate) would have a much higher existing use value based on the existing industrial accommodation.

**3.10.6.** The second step is to establish the suitable premium uplift. On this, the PPG guidance is silent. However, in the Former Territorial Army Centre, Parkhurst Rd, Islington High Court decision (2018 EWHC 991 case number CO/3528/2017) a general principle of a percentage uplift was agreed (in keeping with our own experience which considers broadly a 10% to 30% uplift to be a reasonable incentive for a landowner above the existing use value).

**3.10.7.** However, the Parkhurst Rd case specifically related to a brownfield site. If a similar uplift was provided on an agricultural field (say 30%), this is unlikely to be deemed a reasonable incentive if the existing use value is say £20,000 per Ha. For this reason, in our experience a more significant multiple of the existing use value is typically applied in the case of agricultural /undeveloped amenity land.



**3.10.8.** In our experience this tends to range from 5 to 25 times the existing use value. The lower end of the range typically reflects larger scale schemes, with high abnormal / infrastructure costs and / or in weaker market areas. The upper end of the range tends to be small scale schemes, with low abnormals.

**3.10.9.** Firstly, we have considered the existing use values for greenfield land, identifying the following currently available for sale in South Yorkshire:

**Table 3 – Agricultural land comparables**

Location	Gross area (Ha)	Type	Asking / sold £ per gross Ha
Grindleford, Hope Valley	44.65	Grazing	£15,675
Aston, Sheffield	19.36	Arable	£17,558
Aston, Sheffield	11.30	Arable / restored	£17,701
Grindleford, Hope Valley	10.79	Grazing	£14,830
Aston, Sheffield	6.14	Arable / woodland	£16,289
Apy Hill Lane, Tickhill	2.77	Arable	£18,063
Morton, Gainsborough	2.67	Grassland	£18,720
Ecclesfield, Sheffield	2.42	Grassland	£26,076
Thurgoland, Sheffield	2.40	Arable	£27,040
Ecclesfield, Sheffield	2.37	Grassland	£20,275
Aston, Sheffield	1.93	Arable / pasture	£20,765
Bradfield, Sheffield	1.60	Grazing	£23,146
Vicarage Lane, Beckingham	1.35	Grassland	£31,166
Old Trent Rd, Beckingham	1.28	Grazing	£18,767
Main St, Great Heck	1.14	Arable	£21,906
Hardwick Lane, Pontefract	0.78	Amenity	£24,581
Fitzwilliam St, Swinton	0.16	Amenity	£18,533

**3.10.10.** The range shown above is from £14,830 to £31,166 per gross Ha, with fluctuations mainly dependent on the type of land and size. The average across the sample is £20,652 per Ha.

**3.10.11.** Having considered this evidence we conclude that an average existing use value equivalent to £20,000 per gross Ha is appropriate for agricultural / amenity land.

**3.10.12.** In terms of transactional evidence for greenfield sites we note the following from the wider South Yorkshire region:

**Table 4 – Greenfield land transactions**

Address	Pcode	Planning at sale?	Gross Land area (Ha)	Sale Price	£ per Ha	EUV £ per Ha	Multiple of EUV	Sale Date
Fenwick Comon Lane, Moss	DN6	No	0.69	£ 25,000	£ 36,338	£ 20,000	1.82	18/07/2018
White Lane, Thorne	DN8	No	2.14	£150,000	£ 69,934	£ 20,000	3.50	14/11/2017
Spa Terrace, Askern	DN6	No	5.94	£514,000	£ 86,578	£ 20,000	4.33	27/06/2016
Moor Dike Rd, Hatfield	DN7	No	0.24	£ 26,000	£108,892	£ 20,000	5.44	19/04/2018
New Station Rd, Swinton	S64	No	0.08	£ 18,000	£211,800	£ 20,000	10.59	17/07/2018
Nelson St, Doncaster	DN4	No	0.23	£ 62,000	£273,575	£ 20,000	13.68	17/07/2018
Decoy Bank North, Doncaster	DN4	No	0.11	£ 40,000	£366,074	£ 20,000	18.30	17/07/2018
Kestrel Drive, Mexborough	S64	No	0.04	£ 23,000	£516,664	£ 20,000	25.83	21/02/2019
Dockin Hill Rd, Doncaster	DN1	No	0.10	£ 51,000	£525,088	£ 20,000	26.25	21/02/2018
Chase Park, Malton Way, Woodlands	DN6	Yes	1.20	£900,000	£750,000	£ 20,000	37.50	18/09/2017

**3.10.13.** Assuming an average existing use value of £20,000 per Ha, the above shows a wide range of multiples above the existing use value (1.82 up to 37.50, with an average of 14.72 across the sample).

**3.10.14.** However, and whilst the Planning Practice Guidance does recommend a review of land transactions, we have reservations as to the robustness of this evidence for the following reasons:

- The majority of the sample are from schemes without planning permission at the point of sale. This will alter a landowner's expectation (and the subsequent multiple they would be willing to accept above the existing use value).
- For the one scheme where a planning permission was in place it is unclear as to whether this was fully policy compliant (which is required for the analysis as set out in the Planning Practice Guidance).
- Half of the sample are from schemes sub 0.25Ha (i.e. small projects). Size impacts on the level of premium a landowner would accept.
- Some of the data is from 2016 / 2017 so less weight can be attached.
- All of the sales took place before the new NPPF / PPG were published at the end of July 2018, therefore the rules and guidance set out in these documents is not reflected in the price paid.

**3.10.15.** As a general sense check of landowner expectations from the wider north of England and East Midlands regions, we have again reviewed our in-house viability database, albeit restricting the search from Jan 2018. It is acknowledged that this data is derived from a much broader area, often outside of South Yorkshire. Nonetheless, this is useful for gauging a general 'tone' of BLVs across a broad area. It is also stressed that, bar some inevitable outlying examples, BLVs for the majority of the cases remain within a relatively narrow spectrum across this wide region, as summarised below. Please note the figures are given on a per gross Ha basis, therefore net rates would be higher. Also, the full data remains confidential however we are able to provide sample averages and ranges of the opinions of benchmark land values provided to us by applicants / their advisors:

- 23 schemes within the sample ranging from 14 dwelling schemes to 650.
- Assuming an average existing use value of £20,000 per Ha, the required multiple ranges from 1.60 to 37.42 times the existing use value. The average across the sample is 17.20. The median is 16.19.
- Of the sample, 9 of the 23 schemes provide in excess of 50 dwellings. For these schemes the average multiple reduces to 12.99. This suggests, for reasons of quantum, required multiples reduces as the scale of the scheme increases.

**3.10.16.** However, it is stressed that the majority of the data relates to viability assessments undertaken prior to the introduction of the PPG and the newly confirmed approach to assessing benchmark land values. Some of the benchmark land values have been based on different approaches (i.e. not the existing use value plus premium approach now advocated). Some of the approaches previously used in setting benchmark land values resulted in inflated values when compared to the existing use value plus premium approach. For this reason, the averages identified can be regarded as being high when considered against the new existing use value plus premium approach.

**3.10.17.** Having considered all of the above, as well as the level of abnormal / infrastructure costs allowed, we consider the following greenfield benchmark land value to be appropriate for the purposes of this study:

**Table 5 – Greenfield BLV's**

Value area	EUV (£ / Ha)	Multiple of EUV	BLV (£ / Ha)
Rural West / Penistone & Dodworth	20,000	20	£400,000
Darton & Barugh	20,000	15	£300,000
All other sub-market locations	20,000	10	£200,000

**3.10.18.** With regards to brownfield sites, we have again looked at transactional evidence. However, of the 21 brownfield land transactions identified (from 2018 and 2019) 17 are for sites of 0.25Ha or less, i.e. they are small sites providing only a small number of dwellings. As small sites typically command higher 'rates per Ha' the evidence identified is not considered to be useful when considering large scale brownfield sites. Furthermore, the sales identified all were being advertised either with residential planning permission or having the potential for residential planning permission. 'Hope value' is therefore included within the price paid, which the PPG states should be ignored when considering an existing use value.

**3.10.19.** As such, we have again reviewed our in-house viability database, albeit restricting the search from Jan 2018. It is acknowledged that this data is derived from a much broader area, often outside of South Yorkshire. Nonetheless, this is useful for gauging a general 'tone' of BLVs across a broad area. Please note the figures are given on a per gross Ha basis, therefore net rates would be higher. Also, the full data remains confidential however we are able to provide sample averages and ranges of the opinions of benchmark land values provided to us by applicants / their advisors:

- 10 schemes within the sample ranging from 16 dwelling schemes to 138.
- The sample includes a mix of cleared sites as well as occupied properties.
- Benchmark Land Values range from £126,718 to £861,106 per gross Ha. The average is £582,357 per Ha, however this is not considered to be particularly helpful in this case as there are a wide range of site types, some with existing businesses in situ, which serve to inflate BLVs (and distort the sample average).
- There is little discernible pattern from evidence identified, which is considered to be reflective of the wide variety of site types and existing uses.

**3.10.20.** The above suggests brownfield sites are more likely to be subject to variance as the benchmark land value will not only depend on factors such as location and size, but also whether the site is cleared or occupied, whether there is a business in situ and the nature of any existing businesses. It is therefore likely that in the event of a viability assessment coming forward for a brownfield site at decision making stage then the existing use value and subsequent benchmark land value will need to be carefully considered on a case by case basis.

**3.10.21.** Notwithstanding this, for the purposes of this exercise it is necessary to look to identify an 'average' figure to apply to the testing. We have subsequently analysed the evidence and consider that a rate of £250,000 per Ha is reasonable as an existing use value for a cleared brownfield site (excluding any hope value for future redevelopment).

**3.10.22.** As an incentive, we have allowed a 20% uplift (which if anything is deemed to be on the cautious side). This subsequently equates to a brownfield benchmark land value of £300,000 per Ha.

### **3.11. Supplementary Planning Documents**

#### Affordable Housing

**3.11.1.** This applies to developments providing 15 or more dwellings.

**3.11.2.** The affordable housing policy requirement is as follows:

Rural West & Penistone / Dodworth	-	30%
Darton & Barugh	-	20%
All other areas	-	10%

**3.11.3.** The percentages stated above are not to be subject to amendment and therefore have been included as fixed rates in our appraisal testing.

**3.11.4.** However, as discussed above in section 2, the definition of affordable housing has been updated in the recent NPPF publication to include more 'affordable ownership' products. The NPPF specifically states that Local Authorities should plan for a minimum of 10% affordable home ownership (where it would not undermine the ability to address local affordable housing needs).

**3.11.5.** In light of this the Council proposes the following tenure mixes:

Rural West & Penistone / Dodworth	- 20% afford rent, 10% afford ownership
Darton & Barugh	- 10% afford rent, 10% afford ownership
All other areas	- 8% afford rent, 2% afford ownership

**3.11.6.** We have subsequently factored in the above requirements into our modelling.

#### Open Space Provision

**3.11.7.** This applies to development providing 20 or more dwellings.

**3.11.8.** The emerging supplementary planning document seeks a minimum of 15% of the gross site area as open space. Where it is not possible to provide on-site provision, an off-site contribution will be considered.

**3.11.9.** By way of further detail:

- (i) Equipped Children's Play Areas: for developments providing 20 to 100 dwellings, there is a requirement to enhance existing play areas where applicable, or provide a new play area when one is not available. For over 100 dwellings a new play area is generally required (although an off-site sum may be considered in certain circumstances).
- (ii) Informal play space and informal landscaped area: for developments providing 20 to 40 dwellings, there is a requirement to enhance existing informal spaces or provide new informal spaces if the former is not possible. Over 40 dwellings the provision should be on-site (although an off-site sum may be considered in certain circumstances).
- (iii) Formal recreation: for development providing 20 to 200 dwellings there is a requirement to enhance existing informal spaces or provide new informal spaces if the former is not possible. Over 200 dwellings the provision should be on-site (although an off-site sum may be considered in certain circumstances).



**3.11.10.** In terms of costs for new or enhanced green space, the Council has provided the following rates to cover all of the above requirements (plus a provision for 15 year maintenance):

1 bed dwelling	-	£693
2 bed dwelling	-	£1,524
3 bed dwelling	-	£1,829
4+ bed dwelling	-	£2,136

**3.11.11.** The supplementary planning document refers to maintenance rates at £6.22 to £10.38 per sq m over 15 years.

**3.11.12.** There is also a provision in relation to compensation of loss of greenspace, calculated at £125,640 per hectare of green space lost to development.

#### Financial Contributions to Schools

**3.11.13.** The supplementary planning document proposes to increase the contribution required to £16,000 per school place (applied to both primary and secondary).

**3.11.14.** The above rate will be based on 21 pupils per 100 homes for primary school places and 15 pupils per 100 homes for secondary school places.

**3.11.15.** Where there are no places required, the supplementary planning document requires contributions towards improving the condition of schools.

### Sustainable Travel

**3.11.16.** This requires developers to take action or provide financial contributions where levels of accessibility through public transport and active travel are unacceptable.

**3.11.17.** This also refers to the Accessibility Improvement Zone ('AIZ'), which is defined as Urban Barnsley and the remainder of the borough to the east of the M1 motorway. The emerging supplementary planning document therefore seeks to distinguish between more sustainable and less sustainable areas (and therefore adopting different charges between these areas). In short, a lower charge is required in the AIZ area than outside because the existing public transport network is better.

**3.11.18.** In terms of charges:

- Within the AIZ area £500 per bedroom for schemes of 10 or more dwellings.
- Outside the AIZ area £1,500 per bedroom for schemes of 5 or more dwellings.

### Conclusions

**3.11.19.** For the open space, education and sustainable travel contributions the Council has calculated (based on a 100 dwelling scheme) a total contribution equivalent to £8,731 per dwelling inside the AIZ area, increasing to £10,891 per dwelling outside the AIZ (which would be just the Rural West area).

**3.11.20.** For the purposes of the testing we have subsequently run various appraisals adopting £8,000, £9,000, £10,000 and £11,000 per dwelling. This is to demonstrate the impact this could have on the viability outcomes.

### **3.12. Sensitivity Testing**

**3.12.1.** The RICS acknowledges that the residual method is highly sensitive to its various inputs. In other words, if appraisal inputs were to vary (in some cases by a relatively small margin) this could potentially have a significant impact on the viability outcomes. For this reason the RICS recommends the use of sensitivity testing whereby key appraisal inputs are varied to demonstrate the impact this could have on the overall outcomes. The results of all the appraisal results should then be considered holistically before final conclusions are reached.

**3.12.2.** In addition to our 'base' appraisal testing (which reflects our initial views on the various appraisal inputs) we have subsequently run the following sensitivity testing scenarios:

**Sensitivity Test 1** – this assumes a reduced density of 35 dwellings per net Ha (rather than 40 dwellings per net Ha as allowed in the base modelling).

**Sensitivity Test 2** – adoption of the BCIS median build cost (rather than the lower quartile rate used for 50 or more dwellings in the base modelling).

**Sensitivity Test 3** – 5% reduction in sales values.

**Sensitivity Test 4** – 10% increase in the benchmark land values.

**Sensitivity Test 5** – runs tests based on S106 costs totalling £9,000, £10,000 and £11,000 per dwelling (rather than £8,000 per dwelling allowed in the base modelling).

## 4. RESIDENTIAL VIABILITY TESTING AND RESULTS

### 4.1. Base appraisals

**4.1.1.** The results for the residential base appraisals are shown in the attached Appendices A1 to A3.

**4.1.2.** The appraisals are also adjusted to reflect the 3 sub-market value areas:

**Sub-market Area 1** – Rural West / Penistone & Dodworth

**Sub-market Area 2** – Darton & Barugh

**Sub-market Area 3** – All other locations

**4.1.3.** We have also made adjustments to distinguish between greenfield and brownfield sites.

**4.1.4.** For clarity, the base appraisals adopt the assumptions outlined above in Section 3. For ease of reference, some of the key appraisal assumptions include:

- 40 dwellings per net Ha.
- Sub market area 1 30% affordable, Sub market area 2 20% affordable, Sub market area 3 10% affordable.
- The affordable housing mixes adopted as per the emerging supplementary planning documents.
- S106 £8,000 per dwelling.
- BCIS median for schemes sub 50 dwellings, BCIS lower quartile for scheme providing 50 or more dwelling.

**4.1.5.** Once the appraisal has been run, the residual land value is then compared with the separately assessed benchmark land value ('BLV'). If the residual land value is below the BLV, the scheme is deemed to be unviable. If the residual land value is above the BLV the scheme is deemed to be viable.

**4.1.6.** By way of a summary for each typology:

**20 dwellings (Appendix A1)**

- Greenfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are shown to be comfortably viable.
- Likewise, brownfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are also shown to be comfortably viable.
- However, all other locations return an unviable outcome for both brownfield and greenfield sites.

**50 dwellings (Appendix A2)**

- All greenfield sites return a viable outcome, regardless of location.
- Likewise, all brownfield sites also return a viable outcome, again regardless of location.

**100 dwellings (Appendix A3)**

- All greenfield sites return a viable outcome, regardless of location.
- Likewise, all brownfield sites also return a viable outcome, again regardless of location.

**4.1.7.** The results therefore generally show that with the existing affordable housing provisions and a S106 contribution equivalent to £8,000 per dwelling the schemes are viable. The only scheme which returns an unviable position is for a 20 dwelling scheme in sub market area 3.

#### **4.2. Sensitivity Test 1 – 35 dwellings per net Ha**

**4.2.1.** The results for Sensitivity Test 1 are attached Appendices B1 to B3.

**4.2.2.** We note that previous viability testing included allowances at 35 dwellings per net Ha. For the purposes of sensitivity testing we have subsequently re-run the base modelling to reflect this. The adjustment applied was based on an increased site area.

**4.2.3.** Our results show that this had a marginally negative impact on viability. However, this was not sufficient to change any of the viability outcomes. The schemes shown to be viable under the 'base' modelling remained viable under this scenario.

#### **4.3. Sensitivity Test 2 – BCIS median rate**

**4.3.1.** The results for Sensitivity Test 2 are attached Appendices C1 to C2.

**4.3.2.** Build costs is often an area of keen debate in viability cases. The BCIS data itself, as discussed in Section 3, has its limitations which can result in challenge. In light of this we have subsequently run a sensitivity test based on the BCIS median for 50 and 100 dwellings (it already was applied to 20 dwellings). Please note, for the purposes of the testing we have also based this on 35 dwellings per net Ha, rather than 40, as a cautious approach.

**4.3.3.** By way of a summary for each typology:

**50 dwellings (Appendix C1) 35 dwellings per net Ha**

- Greenfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are shown to be comfortably viable.
- Likewise, brownfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are also shown to be comfortably viable.
- However, for all other locations this shows the schemes to be unviable for both greenfield and brownfield.

**100 dwellings (Appendix C2) 35 dwellings per net Ha**

- Greenfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are shown to be comfortably viable.
- Likewise, brownfield sites in Rural West / Penistone & Dodworth, as well as Darton / Barugh are also shown to be comfortably viable.
- However, for all other locations this shows the schemes to be unviable for both greenfield and brownfield.



**4.3.4.** Please note, we have also tested again at 40 dwellings per net Ha and whilst this has a marginal improvement it is not sufficient to change the sub market area 3 outcome from being unviable to viable.

**4.3.5.** The results therefore show that if the BCIS median rate is applied it does not affect the viability outcome for sub market areas 1 and 2. However, it does render sub market area 3 schemes unviable.

**4.3.6.** We would comment, though, that we question whether the BCIS median rate is appropriate in lower value locations. In these areas a more basic specification is likely to be applied, reducing build costs. This, in our view, points more to a lower quartile rate rather than a median figure.

#### **4.4. Sensitivity Test 3 – 5% Reduction in Sales Values**

**4.4.1.** The results for Sensitivity Test 3 are attached Appendices D1 to D3.

**4.4.2.** Sales value are subjective and will vary across different locations (even within sub-market areas). To reflect the potential for variance we have adopted a cautious approach and run a sensitivity test in which the sales values in the base appraisals are reduced by 5%.

**4.4.3.** By way of a summary for each typology:

##### **20 dwellings (Appendix D1)**

- The viability outcomes do not change from the base appraisals.
- In other words, the sites in Rural West / Penistone & Dodworth as well as Darton / Barugh are viable. All other locations are unviable.

#### 50 dwellings (Appendix D2)

- The viability outcomes are all the same from the base appraisals (i.e. viable), except for brownfield sites in the 'other locations' sub market, which changes to unviable.

#### 100 dwellings (Appendix D3)

- The viability outcomes are all the same from the base appraisals (i.e. viable), except for brownfield sites in the 'other locations' sub market, which changes to unviable.

### **4.5. Sensitivity Test 4 – 10% Increase in Benchmark Land Value**

**4.5.1.** The results for Sensitivity Test 3 are attached Appendices E1 to E3.

**4.5.2.** The viability outcomes remain unchanged from the base appraisals.

### **4.6. Sensitivity Test 5 – S106 increases**

**4.6.1.** The results for Sensitivity Test 3 are attached Appendices F1 to F9.

**4.6.2.** In this sensitivity test we run iterations of the base appraisals to include:

- S106 costs at £9,000 per dwelling
- S106 costs at £10,000 per dwelling
- S106 costs at £11,000 per dwelling

**4.6.3.** By way of a summary for each iteration:

**S106 £9,000 per dwelling (Appendices F1 to F3)**

- The viability outcomes do not change from the base appraisals.

**S106 £10,000 per dwelling (Appendices F4 to F6)**

- The viability outcomes do not change from the base appraisals.

**S106 £11,000 per dwelling (Appendices F7 to F9)**

- The viability outcomes do not change from the base appraisals.

**4.6.4.** This suggests that the proposed S106 costs would not be sufficient alone to undermine viability. Instead, other factors such as density, build costs and sales value are more likely to have a significant bearing on the viability outcomes should there vary significantly from what has been assumed in the testing.

**4.7. Site Specific Testing – Residential**

**4.7.1.** As stated above in Section 2, as a supplement to the above typology testing we have also looked to run appraisals based on 'live' sites, being land allocated for residential development through the Local Plan or current applications.

**4.7.2.** Please note, we stress that the testing of these live sites reflects the limited information available to us (for example the full extent of abnormal costs cannot be known at this stage). There is therefore the potential for variance from the assumptions made at the planning application stage.

**4.7.3.** For ease of reference we have commented on each site individually, as follows.

**HS24 – Land b/w Mount Vernon Rd & Upper Sheffield Rd, Barnsley**

**4.7.4.** This is a greenfield site located to the east of Mount Vernon Road, on the southern edge of Worsbrough Common, around 2 miles south of Barnsley town centre.

**4.7.5.** We are advised that the indicative yield for the site is 42 dwellings.

**4.7.6.** We have measured the site using an online tool. This shows a gross area of approximately 1.30Ha. In accordance with the typology testing, for a scheme of this size we have assumed an 80% gross to net ratio. The net developable area is therefore assumed to be 1.04Ha.

**4.7.7.** Based on our assumed net developable area, the scheme density equates to 40.38 dwellings per net Ha, which is in line with the typology testing assumptions.

**4.7.8.** As for scheme design, in accordance with the typology testing we have assumed a broad mix of 30% terraces (65 sq m each), 40% semi-detached (90 sq m each) and 30% detached (135 sq m each).

**4.7.9.** In accordance with the Council's policy requirements, we have assumed 5 affordable dwellings (11.90% of the scheme). We have assumed 4 of these would be provided as affordable rent, with 1 unit as shared ownership.

**4.7.10.**For determining sales values we note that the property falls within the “All other locations” area (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe). For the typology testing, we applied average rates of £1,825 per sq m for the terraces and £1,950 per sq m for the semi-detached and detached dwellings.

**4.7.11.**However, the evidence suggests that values within Worsbrough Common tend to be below these average allowances. An adjustment is therefore appropriate to reflect this. That said, the subject site itself overlooks open fields to the most part and furthermore Mount Vernon Road itself does carry higher than average values for the locality. Taking all of the above factors into account we have applied the following rates:

- 2b terrace                      £1,800 per sq m
- 3b semi-detached            £1,925 per sq m
- 4b detached                   £1,925 per sq m

**4.7.12.**For the affordable we have assumed 45% of market value for the affordable rented and 67.5% of market value for the shared ownership.

**4.7.13.**For build costs we have adopted the BCIS lower quartile (£894 per sq m), plus 15% for externals and 3% contingency. For abnormals we have assumed £200,000 per net Ha.

**4.7.14.**Professional fees are assumed at 6% of plot construction / externals. Marketing is 3% on revenue (plus £500 per unit for legals). Debit interest is 6%. Developer profit is assumed to be 20% on revenue for market value units, reduced to 6% on affordable.

**4.7.15.**For the benchmark land value we have adopted £200,000 per Ha, in line with the typology testing. This equates to £260,000.

**4.7.16.**Finally, for S106 contributions, as this falls within the Accessibility Improvement Zone (AIZ) of the district, we have allowed £8,731 per dwelling.

**4.7.17.**Our appraisal (attached as appendix G1) shows a residual land value of £438,575. As this is above the benchmark land value of £260,000 the scheme is deemed to be viable with the policies assumed above.

#### **HS62 – Land off Meadowfield Drive, Hoyland**

**4.7.18.**This is a greenfield site located to the south of Meadowfield Drive, on the southern edge of Hoyland, around 6 miles south of Barnsley town centre.

**4.7.19.**We are advised that the indicative yield for the site is 74 dwellings.

**4.7.20.**We have measured the site using an online tool. This shows a gross area of approximately 1.90Ha. In accordance with the typology testing, for a scheme of this size we have assumed an 80% gross to net ratio. The net developable area is therefore assumed to be 1.52Ha.

**4.7.21.**Based on our assumed net developable area, the scheme density equates to 48.68 dwellings per net Ha, which is above the typology testing assumptions (which were based on 40 dwellings per net Ha). To compensate for the higher number of dwellings it is therefore necessary to adjust the mix / sizes of the dwellings to ensure the capacity of the site is in line with market requirements.

**4.7.22.**As for scheme design, taking into account the higher number of dwellings associated with the scheme, we have assumed a broad mix of 45% terraces (65 sq m each), 45% semi-detached (90 sq m each) and 10% detached (with reduced average size of 120 sq m each).

**4.7.23.**In accordance with the Council's policy requirements, we have assumed 8 affordable dwellings (10.81% of the scheme). We have assumed 6 of these would be provided as affordable rent, with 2 unit as shared ownership.

**4.7.24.**For determining sales values we note that the property falls within the "All other locations" area (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe). For the typology testing, we applied average rates of £1,825 per sq m for the terraces and £1,950 per sq m for the semi-detached and detached dwellings. In this case, taking into account the location of the site, we consider these average figures to be broadly reasonable for the purposes of the viability testing.

**4.7.25.**For the affordable we have assumed 45% of market value for the affordable rented and 67.5% of market value for the shared ownership.

**4.7.26.**For build costs we have adopted the BCIS lower quartile (£894 per sq m), plus 15% for externals and 3% contingency. For abnormals we have assumed £200,000 per net Ha.

**4.7.27.**Professional fees are assumed at 6% of plot construction / externals. Marketing is 3% on revenue (plus £500 per unit for legals). Debit interest is 6%. Developer profit is assumed to be 20% on revenue for market value units, reduced to 6% on affordable.

**4.7.28.** For the benchmark land value we have adopted £200,000 per Ha, in line with the typology testing. This equates to £380,000.

**4.7.29.** Finally, for S106 contributions, as this falls within the Accessibility Improvement Zone (AIZ) of the district, we have allowed £8,731 per dwelling.

**4.7.30.** Our appraisal (attached as appendix G2) shows a residual land value of £595,082. As this is above the benchmark land value of £380,000 the scheme is deemed to be viable with the policies assumed above.

#### **MU6 – Land at Gypsy Lane / Lundhill Road, Wombwell**

**4.7.31.** This is a part greenfield part former school site located to the north Lundhill Rd and Gypsy Lane within Wombwell, around 6 miles south east of Barnsley town centre.

**4.7.32.** The site is currently subject to a planning application (planning ref 2019/0089). This is for the development of 229 dwellings.

**4.7.33.** According to the details within the planning application the gross area is approximately 7.72Ha. In accordance with the typology testing, for a scheme of this size we have assumed an 80% gross to net ratio. The net developable area is therefore assumed to be 6.18Ha.

**4.7.34.** Based on our assumed net developable area, the scheme density equates to 37 dwellings per net Ha, which is slightly below the typology testing assumptions, but within a reasonable tolerance.



**4.7.35.** The planning application includes a 'Planning Statement' which sets out the proposed dwellings to be provided on site, summarised as follows:

-	Type L	Semi-det bungalow	57.97 sq m	6 units
-	Type B	Terrace	63.64 sq m	19 units
-	Type P	Dormer bungalow	77.29 sq m	3 units
-	Type F	Semi-detached	77.94 sq m	31 units
-	Type H	Semi-detached	85.38 sq m	15 units
-	Type S	Semi-detached	90.86 sq m	28 units
-	Type T	Semi-detached	98.01 sq m	10 units
-	Type C	Detached	92.90 sq m	4 units
-	Type G	Semi-detached	102.19 sq m	20 units
-	Type D	Detached	112.87 sq m	28 units
-	Type J	Semi-detached	111.48 sq m	38 units
-	Type A	Detached	120.40 sq m	14 units
-	Type E	Detached	131.92 sq m	13 units

**4.7.36.** We have adopted the above in our appraisal testing. Please note, the mix is out of kilter when compared to the typology testing, as around 65% are being provided as semi-detached (rather than 40% assumed in the typology testing) and around 8% as terraces (rather than 30% in the typology testing).

**4.7.37.** In accordance with the Council's policy requirements, we have assumed 23 affordable dwellings (10.04% of the scheme). We have assumed 19 of these would be provided as affordable rent, with 4 unit as shared ownership.

**4.7.38.**For determining sales values we note that the property falls within the “All other locations” area (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe). For the typology testing, we applied average rates of £1,825 per sq m for the terraces and £1,950 per sq m for the semi-detached and detached dwellings.

**4.7.39.**However, the evidence suggests that values within this location values tend to be below these average allowances. An adjustment is therefore appropriate to reflect this. That said, the subject site itself overlooks open fields in part. Taking all of the above factors into account we have applied the following rates ranging from £1,575 to £2,025 per sq m, with an overall scheme average of £1,712 per sq m.

**4.7.40.**For the affordable we have assumed 45% of market value for the affordable rented and 67.5% of market value for the shared ownership.

**4.7.41.**For build costs we have adopted the BCIS lower quartile (£894 per sq m), plus 15% for externals and 3% contingency. For abnormals we have assumed £200,000 per net Ha.

**4.7.42.**Professional fees are assumed at 6% of plot construction / externals. Marketing is 3% on revenue (plus £500 per unit for legals). Debit interest is 6%. Developer profit is assumed to be 20% on revenue for market value units, reduced to 6% on affordable.

**4.7.43.**For the benchmark land value we have adopted £200,000 per Ha, in line with the typology testing. This equates to £1,544,000.

**4.7.44.** Finally, for S106 contributions, as this falls within the Accessibility Improvement Zone (AIZ) of the district, we have allowed £8,731 per dwelling. However, we have then reduced this to a 'spot allowance' of £5,000 per dwelling, as the Planning Statement indicates that the open space provision is to be provided through on-site delivery (reducing the overall capital contribution).

**4.7.45.** Our appraisal (attached as appendix G3) shows a residual land value of £1,074,522. As this is below the benchmark land value of £1,544,000 the scheme is deemed to be unviable with the policies assumed above.

**4.7.46.** In order to make this scheme viable it would therefore be necessary to either reduce the planning policy requirements or reduce the land payment required to bring the site forward.

**Planning ref 2018/1039 – Land off Lidgett Lane, Pilley S75 3AR**

**4.7.47.** This is a greenfield site located to the south of Lidgett Lane and east of Pilley Green within the village of Pilley, around 7 miles south of Barnsley town centre.

**4.7.48.** The site is currently subject to a planning application Barratts David Wilson Homes (planning ref 2018/1039). This is for the development of 72 dwellings.

**4.7.49.** According to the details within the planning application the gross area is approximately 2.44 Ha and the net developable area is 2.02Ha.

**4.7.50.**Based on our assumed net developable area, the scheme density equates to circa 37 dwellings per net Ha, which is slightly below the typology testing assumptions, but within a reasonable tolerance.

**4.7.51.**The planning application includes a schedule of accommodation which sets out the proposed dwellings to be provided on site, summarised as follows:

-	Maidstone	Semi-detached	77.01 sq m	12 units
-	Maidstone	Mid Terrace	77.01 sq m	1 units
-	Maidstone	End Terrace	77.01 sq m	2 units
-	Maidstone	Detached	77.01 sq m	5 units
-	Moresby	Detached	79.34 sq m	2 units
-	Derwent	Detached	84.07 sq m	10 units
-	Windermere	Detached	99.68 sq m	12 units
-	Alderney	Detached	113.80 sq m	5 units
-	Halton	Detached	117.70 sq m	10 units
-	Radleigh	Detached	122.35 sq m	6 units
-	Radleigh	Detached	122.35 sq m	1 units
-	Bedale	End Terrace	61.96 sq m	4 units
-	T67	End Terrace	65.12 sq m	2 units
-	T67	End Terrace	65.12 sq m	2 units

**4.7.52.**We have adopted the above in our appraisal testing. Please note, the mix is out of kilter when compared to the typology testing, as around 69% are being provided as detached (rather than 30% assumed in the typology testing).

**4.7.53.**In accordance with the Council's policy requirements, we have assumed 8 affordable dwellings (10.81% of the scheme). We have assumed 6 of these would be provided as affordable rent, with 4 unit as shared ownership.

- 4.7.54.** For determining sales values we note that the property falls (just) within the “All other locations” area (South Barnsley / Worsbrough, Rural East, Hoyland / Wombwell / Darfield, North Barnsley / Royston, Bolton / Goldthorpe / Thurnscoe). For the typology testing, we applied average rates of £1,825 per sq m for the terraces and £1,950 per sq m for the semi-detached and detached dwellings. These are deemed to be broadly reasonable averages for given the nature and location of the site.
- 4.7.55.** For the affordable we have assumed 45% of market value for the affordable rented and 67.5% of market value for the shared ownership.
- 4.7.56.** For build costs we have adopted the BCIS lower quartile (£894 per sq m), plus 15% for externals and 3% contingency. For abnormals we have assumed £200,000 per net Ha.
- 4.7.57.** Professional fees are assumed at 6% of plot construction / externals. Marketing is 3% on revenue (plus £500 per unit for legals). Debit interest is 6%. Developer profit is assumed to be 20% on revenue for market value units, reduced to 6% on affordable.
- 4.7.58.** For the benchmark land value we have adopted £200,000 per Ha, in line with the typology testing. This equates to £488,000.
- 4.7.59.** Finally, for S106 contributions, as this falls within the Accessibility Improvement Zone (AIZ) of the district, we have allowed £8,731 per dwelling.
- 4.7.60.** Our appraisal (attached as appendix G4) shows a residual land value of £971,394. As this is above the benchmark land value of £488,000 the scheme is deemed to be viable with the policies assumed above.

## 5. CONCLUSIONS AND RECOMMENDATIONS

- 5.1.** As discussed above in Section 4, our initial 'base' appraisals (which adopt a rate of £8,000 per dwelling for S106 contributions) are all shown to be viable, except for the 20 dwelling typology in the 'sub-market 3' area. This suggests that, for the majority of site types, an increased S106 contribution from £5,000 to £8,000 per dwelling is unlikely to undermine viability.
- 5.2.** However, it is recognised that appraisal assumptions can be subject to variance, which can have a significant impact on the overall viability outcomes. Recognising this we have subsequently re-run the appraisals on the basis of adjusted key assumptions. The sensitivity testing undertaken, together with the outcomes, are summarised below:

**Sensitivity Test 1** – this assumes a reduced density of 35 dwellings per net Ha (rather than 40 dwellings per net Ha as allowed in the base modelling). Our results show that this had a marginally negative impact on viability. However, this was not sufficient to change any of the viability outcomes.

**Sensitivity Test 2** – adoption of the BCIS median build cost (rather than the lower quartile rate used for 50 or more dwellings in the base modelling). The results show that if the BCIS median rate is applied it does not affect the viability outcome for sub market areas 1 and 2. However, it does render sub market area 3 schemes unviable. We question, though, whether the BCIS median rate is appropriate in lower value locations. In these areas a more basic specification is likely to be applied, reducing build costs. This, in our view, points more to a lower quartile rate rather than a median figure.

**Sensitivity Test 3** – 5% reduction in sales values. For the 20 dwelling typology the viability outcomes do not change from the base appraisals. For the 50 and 100 dwelling typologies the viability outcomes are all the same from the base appraisals (i.e. viable), except for brownfield sites in the ‘other locations’ sub market, which changes to unviable.

**Sensitivity Test 4** – 10% increase in the benchmark land values. The viability outcomes remain unchanged from the base appraisals.

**Sensitivity Test 5** – runs tests based on S106 costs totalling £9,000, £10,000 and £11,000 per dwelling (rather than £8,000 per dwelling allowed in the base modelling). The viability outcomes remain unchanged from the base appraisals.

- 5.3.** In short, the majority of the sensitivity tests undertaken do not undermine scheme viability. It is also stressed that even if the S106 contributions are increased to £11,000 per dwelling this does not change the viability outcome (although it undoubtedly reduces the ‘headroom’ for a scheme to be viable).
- 5.4.** Finally, and in addition to the above, we have also tested ‘live’ sites (either allocated or subject to a current planning application). 3 of the 4 sites tested are deemed to be viable based on the revised SPD policy requirements. The site shown to be unviable could be delivered with the new SPD requirements if the land value is reduced accordingly.
- 5.5.** In summary, the majority of the sites tested, even through sensitivity testing, are shown to be viable with the revised SPD policy requirements (and the subsequent increase in costs).

- 5.6.** Based on the testing undertaken, the results therefore suggest that the proposed SPD policy requirements would not be sufficient alone to undermine viability. Instead, other factors such as density, build costs and sales value are more likely to have a significant bearing on the viability outcomes should there vary significantly from what has been assumed in the testing.
- 5.7.** In conclusion, the proposed supplementary planning document requirements are not considered to undermine the viability of the Local Plan (albeit accepting that viability is still likely to be a consideration on a case by case basis reflecting the specific circumstances of a scheme).



Appendix A1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 423,353	£ 258,353	156.58%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 322,887	£ 157,887	95.69%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 8,000	£ 300,000	£ 165,000	-£ 7,105	-£ 172,105	-104.31%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 8,000	£ 400,000	£ 220,000	£ 423,353	£ 203,353	92.43%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 322,887	£ 157,887	95.69%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 8,000	£ 200,000	£ 110,000	-£ 7,105	-£ 117,105	-106.46%	UNVIABLE

Appendix A2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,737,672	£ 1,269,672	271.30%	Viable
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,503,163	£ 1,035,163	221.19%	Viable
All other locations	Brownfield	50	5	10.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 656,286	£ 188,286	40.23%	Viable
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 8,000	£ 400,000	£ 624,000	£ 1,737,672	£ 1,113,672	178.47%	Viable
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,503,163	£ 1,035,163	221.19%	Viable
All other locations	Greenfield	50	5	10.00%	1.56	£ 8,000	£ 200,000	£ 312,000	£ 656,286	£ 344,286	110.35%	Viable

Appendix A3	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 3,471,891	£ 2,535,891	270.93%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 3,001,530	£ 2,065,530	220.68%	Viable
All other locations	Brownfield	100	10	10.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 1,409,455	£ 473,455	50.58%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 8,000	£ 400,000	£ 1,248,000	£ 3,471,891	£ 2,223,891	178.20%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 3,001,530	£ 2,065,530	220.68%	Viable
All other locations	Greenfield	100	10	10.00%	3.12	£ 8,000	£ 200,000	£ 624,000	£ 1,409,455	£ 785,455	125.87%	Viable

Appendix B1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.63	£ 8,000	£ 300,000	£ 189,000	£ 410,648	£ 221,648	117.27%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.63	£ 8,000	£ 300,000	£ 189,000	£ 310,183	£ 121,183	64.12%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.63	£ 8,000	£ 300,000	£ 189,000	-£ 20,608	-£ 209,608	-110.90%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.63	£ 8,000	£ 400,000	£ 252,000	£ 410,648	£ 158,648	62.96%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.63	£ 8,000	£ 300,000	£ 189,000	£ 310,183	£ 121,183	64.12%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.63	£ 8,000	£ 200,000	£ 126,000	-£ 20,608	-£ 146,608	-116.36%	UNVIABLE

Appendix B2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 1,707,760	£ 1,176,760	221.61%	Viable
Darton & Barugh	Brownfield	50	10	20.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 1,473,250	£ 942,250	177.45%	Viable
All other locations	Brownfield	50	5	10.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 624,885	£ 93,885	17.68%	Viable
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.77	£ 8,000	£ 400,000	£ 708,000	£ 1,707,760	£ 999,760	141.21%	Viable
Darton & Barugh	Greenfield	50	10	20.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 1,473,250	£ 942,250	177.45%	Viable
All other locations	Greenfield	50	5	10.00%	1.77	£ 8,000	£ 200,000	£ 354,000	£ 624,885	£ 270,885	76.52%	Viable

Appendix B3	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 3,412,775	£ 2,344,775	219.55%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 2,942,408	£ 1,874,408	175.51%	Viable
All other locations	Brownfield	100	10	10.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 1,347,384	£ 279,384	26.16%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.56	£ 8,000	£ 400,000	£ 1,424,000	£ 3,412,775	£ 1,988,775	139.66%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 2,942,408	£ 1,874,408	175.51%	Viable
All other locations	Greenfield	100	10	10.00%	3.56	£ 8,000	£ 200,000	£ 712,000	£ 1,347,384	£ 635,384	89.24%	Viable

Appendix C1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 1,162,533	£ 631,533	118.93%	VIABLE
Darton & Barugh	Brownfield	50	10	20.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 928,023	£ 397,023	74.77%	VIABLE
All other locations	Brownfield	50	5	10.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 52,533	-£ 478,467	-90.11%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.77	£ 8,000	£ 400,000	£ 708,000	£ 1,162,533	£ 454,533	64.20%	VIABLE
Darton & Barugh	Greenfield	50	10	20.00%	1.77	£ 8,000	£ 300,000	£ 531,000	£ 928,023	£ 397,023	74.77%	VIABLE
All other locations	Greenfield	50	5	10.00%	1.77	£ 8,000	£ 200,000	£ 354,000	£ 52,533	-£ 301,467	-85.16%	UNVIABLE

Appendix C2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 2,365,971	£ 1,297,971	121.53%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 1,895,565	£ 827,565	77.49%	Viable
All other locations	Brownfield	100	10	10.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 248,215	-£ 819,785	-76.76%	Unviable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.56	£ 8,000	£ 400,000	£ 1,424,000	£ 2,365,971	£ 941,971	66.15%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.56	£ 8,000	£ 300,000	£ 1,068,000	£ 1,895,565	£ 827,565	77.49%	Viable
All other locations	Greenfield	100	10	10.00%	3.56	£ 8,000	£ 200,000	£ 712,000	£ 248,215	-£ 463,785	-65.14%	Unviable



Appendix D1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 279,798	£ 114,798	69.57%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 182,416	£ 17,416	10.56%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 8,000	£ 300,000	£ 165,000	-£ 137,593	-£ 302,593	-183.39%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 8,000	£ 400,000	£ 220,000	£ 279,798	£ 59,798	27.18%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 8,000	£ 300,000	£ 165,000	£ 182,416	£ 17,416	10.56%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 8,000	£ 200,000	£ 110,000	-£ 137,593	-£ 247,593	-225.08%	UNVIABLE

Appendix D2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,386,004	£ 918,004	196.15%	VIABLE
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,163,175	£ 695,175	148.54%	VIABLE
All other locations	Brownfield	50	5	10.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 344,907	-£ 123,093	-26.30%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 8,000	£ 400,000	£ 624,000	£ 1,386,004	£ 762,004	122.12%	VIABLE
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 8,000	£ 300,000	£ 468,000	£ 1,163,175	£ 695,175	148.54%	VIABLE
All other locations	Greenfield	50	5	10.00%	1.56	£ 8,000	£ 200,000	£ 312,000	£ 344,907	£ 32,907	10.55%	VIABLE

Appendix D3	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 2,790,383	£ 1,854,383	198.12%	VIABLE
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 2,343,408	£ 1,407,408	150.36%	VIABLE
All other locations	Brownfield	100	10	10.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 804,855	£ -131,145	-14.01%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 8,000	£ 400,000	£ 1,248,000	£ 2,790,383	£ 1,542,383	123.59%	VIABLE
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 8,000	£ 300,000	£ 936,000	£ 2,343,408	£ 1,407,408	150.36%	VIABLE
All other locations	Greenfield	100	10	10.00%	3.12	£ 8,000	£ 200,000	£ 624,000	£ 804,855	£ 180,855	28.98%	VIABLE

Appendix E1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 8,000	£ 330,000	£ 181,500	£ 423,353	£ 241,853	133.25%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 8,000	£ 330,000	£ 181,500	£ 322,887	£ 141,387	77.90%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 8,000	£ 330,000	£ 181,500	-£ 7,105	-£ 188,605	-103.91%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 8,000	£ 440,000	£ 242,000	£ 423,353	£ 181,353	74.94%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 8,000	£ 330,000	£ 181,500	£ 322,887	£ 141,387	77.90%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 8,000	£ 220,000	£ 121,000	-£ 7,105	-£ 128,105	-105.87%	UNVIABLE

Appendix E2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 8,000	£ 330,000	£ 514,800	£ 1,737,672	£ 1,222,872	237.54%	Viable
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 8,000	£ 330,000	£ 514,800	£ 1,503,163	£ 988,363	191.99%	Viable
All other locations	Brownfield	50	5	10.00%	1.56	£ 8,000	£ 330,000	£ 514,800	£ 656,286	£ 141,486	27.48%	Viable
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 8,000	£ 440,000	£ 686,400	£ 1,737,672	£ 1,051,272	153.16%	Viable
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 8,000	£ 330,000	£ 514,800	£ 1,503,163	£ 988,363	191.99%	Viable
All other locations	Greenfield	50	5	10.00%	1.56	£ 8,000	£ 220,000	£ 343,200	£ 656,286	£ 313,086	91.23%	Viable

Appendix E3	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 8,000	£ 330,000	£ 1,029,600	£ 3,471,891	£ 2,442,291	237.21%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 8,000	£ 330,000	£ 1,029,600	£ 3,001,530	£ 1,971,930	191.52%	Viable
All other locations	Brownfield	100	10	10.00%	3.12	£ 8,000	£ 330,000	£ 1,029,600	£ 1,409,455	£ 379,855	36.89%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 8,000	£ 440,000	£ 1,372,800	£ 3,471,891	£ 2,099,091	152.91%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 8,000	£ 330,000	£ 1,029,600	£ 3,001,530	£ 1,971,930	191.52%	Viable
All other locations	Greenfield	100	10	10.00%	3.12	£ 8,000	£ 220,000	£ 686,400	£ 1,409,455	£ 723,055	105.34%	Viable

Appendix F1	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 9,000	£ 300,000	£ 165,000	£ 400,185	£ 235,185	142.54%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 9,000	£ 300,000	£ 165,000	£ 299,720	£ 134,720	81.65%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 9,000	£ 300,000	£ 165,000	-£ 31,729	-£ 196,729	-119.23%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 9,000	£ 400,000	£ 220,000	£ 400,185	£ 180,185	81.90%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 9,000	£ 300,000	£ 165,000	£ 299,720	£ 134,720	81.65%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 9,000	£ 200,000	£ 110,000	-£ 31,729	-£ 141,729	-128.84%	UNVIABLE

Appendix F2	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 9,000	£ 300,000	£ 468,000	£ 1,682,532	£ 1,214,532	259.52%	Viable
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 9,000	£ 300,000	£ 468,000	£ 1,448,023	£ 980,023	209.41%	Viable
All other locations	Brownfield	50	5	10.00%	1.56	£ 9,000	£ 300,000	£ 468,000	£ 598,399	£ 130,399	27.86%	Viable
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 9,000	£ 400,000	£ 624,000	£ 1,682,532	£ 1,058,532	169.64%	Viable
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 9,000	£ 300,000	£ 468,000	£ 1,448,023	£ 980,023	209.41%	Viable
All other locations	Greenfield	50	5	10.00%	1.56	£ 9,000	£ 200,000	£ 312,000	£ 598,399	£ 286,399	91.79%	Viable



Appendix F3	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 9,000	£ 300,000	£ 936,000	£ 3,366,031	£ 2,430,031	259.62%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 9,000	£ 300,000	£ 936,000	£ 2,895,660	£ 1,959,660	209.37%	Viable
All other locations	Brownfield	100	10	10.00%	3.12	£ 9,000	£ 300,000	£ 936,000	£ 1,298,304	£ 362,304	38.71%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 9,000	£ 400,000	£ 1,248,000	£ 3,366,031	£ 2,118,031	169.71%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 9,000	£ 300,000	£ 936,000	£ 2,895,660	£ 1,959,660	209.37%	Viable
All other locations	Greenfield	100	10	10.00%	3.12	£ 9,000	£ 200,000	£ 624,000	£ 1,298,304	£ 674,304	108.06%	Viable

Appendix F4	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 10,000	£ 300,000	£ 165,000	£ 377,018	£ 212,018	128.50%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 10,000	£ 300,000	£ 165,000	£ 276,552	£ 111,552	67.61%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 10,000	£ 300,000	£ 165,000	-£ 56,353	-£ 221,353	-134.15%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 10,000	£ 400,000	£ 220,000	£ 377,018	£ 157,018	71.37%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 10,000	£ 300,000	£ 165,000	£ 276,552	£ 111,552	67.61%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 10,000	£ 200,000	£ 110,000	-£ 56,353	-£ 166,353	-151.23%	UNVIABLE

Appendix F5	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 10,000	£ 300,000	£ 468,000	£ 1,627,392	£ 1,159,392	247.73%	Viable
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 10,000	£ 300,000	£ 468,000	£ 1,392,882	£ 924,882	197.62%	Viable
All other locations	Brownfield	50	5	10.00%	1.56	£ 10,000	£ 300,000	£ 468,000	£ 540,518	£ 72,518	15.50%	Viable
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 10,000	£ 400,000	£ 624,000	£ 1,627,392	£ 1,003,392	160.80%	Viable
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 10,000	£ 300,000	£ 468,000	£ 1,392,882	£ 924,882	197.62%	Viable
All other locations	Greenfield	50	5	10.00%	1.56	£ 10,000	£ 200,000	£ 312,000	£ 540,518	£ 228,518	73.24%	Viable

Appendix F6	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 10,000	£ 300,000	£ 936,000	£ 3,260,170	£ 2,324,170	248.31%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 10,000	£ 300,000	£ 936,000	£ 2,789,790	£ 1,853,790	198.05%	Viable
All other locations	Brownfield	100	10	10.00%	3.12	£ 10,000	£ 300,000	£ 936,000	£ 1,187,152	£ 251,152	26.83%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 10,000	£ 400,000	£ 1,248,000	£ 3,260,170	£ 2,012,170	161.23%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 10,000	£ 300,000	£ 936,000	£ 2,789,790	£ 1,853,790	198.05%	Viable
All other locations	Greenfield	100	10	10.00%	3.12	£ 10,000	£ 200,000	£ 624,000	£ 1,187,152	£ 563,152	90.25%	Viable

Appendix F7	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	20	6	30.00%	0.55	£ 11,000	£ 300,000	£ 165,000	£ 353,851	£ 188,851	114.46%	VIABLE
Darton & Barugh	Brownfield	20	4	20.00%	0.55	£ 11,000	£ 300,000	£ 165,000	£ 253,385	£ 88,385	53.57%	VIABLE
All other locations	Brownfield	20	2	10.00%	0.55	£ 11,000	£ 300,000	£ 165,000	-£ 81,037	-£ 246,037	-149.11%	UNVIABLE
Rural West / Penistone & Dodworth	Greenfield	20	6	30.00%	0.55	£ 11,000	£ 400,000	£ 220,000	£ 353,851	£ 133,851	60.84%	VIABLE
Darton & Barugh	Greenfield	20	4	20.00%	0.55	£ 11,000	£ 300,000	£ 165,000	£ 253,385	£ 88,385	53.57%	VIABLE
All other locations	Greenfield	20	2	10.00%	0.55	£ 11,000	£ 200,000	£ 110,000	-£ 81,037	-£ 191,037	-173.67%	UNVIABLE

Appendix F8	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	50	15	30.00%	1.56	£ 11,000	£ 300,000	£ 468,000	£ 1,572,251	£ 1,104,251	235.95%	VIABLE
Darton & Barugh	Brownfield	50	10	20.00%	1.56	£ 11,000	£ 300,000	£ 468,000	£ 1,337,742	£ 869,742	185.84%	VIABLE
All other locations	Brownfield	50	5	10.00%	1.56	£ 11,000	£ 300,000	£ 468,000	£ 482,635	£ 14,635	3.13%	VIABLE
Rural West / Penistone & Dodworth	Greenfield	50	15	30.00%	1.56	£ 11,000	£ 400,000	£ 624,000	£ 1,572,251	£ 948,251	151.96%	VIABLE
Darton & Barugh	Greenfield	50	10	20.00%	1.56	£ 11,000	£ 300,000	£ 468,000	£ 1,337,742	£ 869,742	185.84%	VIABLE
All other locations	Greenfield	50	5	10.00%	1.56	£ 11,000	£ 200,000	£ 312,000	£ 482,635	£ 170,635	54.69%	VIABLE

Appendix F9	Land	Total Dwellings	Total Affordable	AH %	Gross (Ha)	S106 per dwelling	BLV (£ per gross Ha)	BLV	Residual Land Value	Base appraisal surplus	Surplus % of BLV	Viable?
Rural West / Penistone & Dodworth	Brownfield	100	30	30.00%	3.12	£ 11,000	£ 300,000	£ 936,000	£ 3,154,309	£ 2,218,309	237.00%	Viable
Darton & Barugh	Brownfield	100	20	20.00%	3.12	£ 11,000	£ 300,000	£ 936,000	£ 2,683,920	£ 1,747,920	186.74%	Viable
All other locations	Brownfield	100	10	10.00%	3.12	£ 11,000	£ 300,000	£ 936,000	£ 1,076,001	£ 140,001	14.96%	Viable
Rural West / Penistone & Dodworth	Greenfield	100	30	30.00%	3.12	£ 11,000	£ 400,000	£ 1,248,000	£ 3,154,309	£ 1,906,309	152.75%	Viable
Darton & Barugh	Greenfield	100	20	20.00%	3.12	£ 11,000	£ 300,000	£ 936,000	£ 2,683,920	£ 1,747,920	186.74%	Viable
All other locations	Greenfield	100	10	10.00%	3.12	£ 11,000	£ 200,000	£ 624,000	£ 1,076,001	£ 452,001	72.44%	Viable

Land b/w Mount Vernon Rd & Upper Sheffield Rd, Barnsley  
HS24  
Appendix G1  
DN-0182

Development Appraisal  
Prepared by David Newham MRICS Director  
CP Viability Ltd  
31 March 2019



**APPRAISAL SUMMARY****CP VIABILITY LTD**

Land b/w Mount Vernon Rd &amp; Upper Sheffield Rd, Barnsley

HS24

Appendix G1

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
MV - Terrace	10	650.00	1,800.00	117,000	1,170,000
MV - Semi	15	1,350.00	1,925.00	173,250	2,598,750
MV - Det	12	1,620.00	1,925.00	259,875	3,118,500
AR - Terrace	2	130.00	810.00	52,650	105,300
AR - Semi	2	180.00	866.26	77,963	155,926
SO - Det	<u>1</u>	<u>135.00</u>	1,299.38	175,416	<u>175,416</u>
<b>Totals</b>	<b>42</b>	<b>4,065.00</b>			<b>7,323,892</b>

**NET REALISATION****7,323,892****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.30 Ha 337,365.37 pHect)	438,575	
		438,575
Stamp Duty	11,429	
Legal Fee	2,193	
		13,622

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
MV - Terrace	650.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	581,100
MV - Semi	1,350.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,206,900
MV - Det	1,620.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,448,280
AR - Terrace	130.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	116,220
AR - Semi	180.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	160,920
SO - Det	<u>135.00 m<sup>2</sup></u>	894.00 pm <sup>2</sup>	<u>120,690</u>

**APPRAISAL SUMMARY****CP VIABILITY LTD**

Land b/w Mount Vernon Rd &amp; Upper Sheffield Rd, Barnsley

HS24

**Appendix G1**

<b>Totals</b>	<b>4,065.00 m²</b>		<b>3,634,110</b>	<b>3,634,110</b>
Contingency		3.00%	125,377	
Abnormals	1.04 ha	200,000.00 /ha	208,000	
S106 contributions	42.00 un	8,731.00 /un	366,702	
Externals		15.00%	545,117	
				1,245,195
<b>PROFESSIONAL FEES</b>				
Professional fees		6.00%	250,754	
				250,754
<b>DISPOSAL FEES</b>				
Marketing & sales		3.00%	206,618	
Sales Legal Fee - MV	37.00 un	500.00 /un	18,500	
Sales Legal Fee - Affordable	5.00 un	500.00 /un	2,500	
				227,618
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			54,313	
Construction			54,915	
Other			801	
Total Finance Cost				110,029
<b>TOTAL COSTS</b>				<b>5,919,902</b>
<b>PROFIT</b>				
				<b>1,403,990</b>
<b>Performance Measures</b>				
Profit on Cost%		23.72%		
Profit on GDV%		19.17%		
Profit on NDV%		19.17%		

## APPRAISAL SUMMARY

CP VIABILITY LTD

Land b/w Mount Vernon Rd & Upper Sheffield Rd, Barnsley

HS24

### Appendix G1

IRR	51.98%
Profit Erosion (finance rate 6.000%)	3 yrs 7 mths
Land Cost pHect	337,365

Land off Meadowfield Drive, Hoyland  
HS62  
Appendix G2  
DN-0182

Development Appraisal  
Prepared by David Newham MRICS Director  
CP Viability Ltd  
31 March 2019

**APPRAISAL SUMMARY****CP VIABILITY LTD**

Land off Meadowfield Drive, Hoyland

HS62

Appendix G2

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
MV - Terrace	29	1,885.00	1,825.00	118,625	3,440,125
MV - Semi	29	2,610.00	1,950.00	175,500	5,089,500
MV - Det	8	960.00	1,950.00	234,000	1,872,000
AR - Terrace	3	195.00	821.25	53,381	160,143
AR - Semi	3	270.00	877.50	78,975	236,925
SO - Terrace	1	65.00	1,231.88	80,072	80,072
SO - Semi	1	90.00	1,316.26	118,463	118,463
<b>Totals</b>	<b>74</b>	<b>6,075.00</b>			<b>10,997,228</b>

**NET REALISATION****10,997,228****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.90 Ha 313,200.79 pHect)	595,082	
		595,082
Stamp Duty	19,254	
Legal Fee	2,975	
		22,229

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
MV - Terrace	1,885.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,685,190
MV - Semi	2,610.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	2,333,340
MV - Det	960.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	858,240
AR - Terrace	195.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	174,330
AR - Semi	270.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	241,380

**APPRAISAL SUMMARY****CP VIABILITY LTD****Land off Meadowfield Drive, Hoyland****HS62****Appendix G2**

SO - Terrace	65.00 m²	894.00 pm²	58,110	
SO - Semi	<u>90.00 m²</u>	894.00 pm²	<u>80,460</u>	
<b>Totals</b>	<b>6,075.00 m²</b>		<b>5,431,050</b>	<b>5,431,050</b>
Contingency		3.00%	187,371	
Abnormals	1.52 ha	200,000.00 /ha	304,000	
S106 contributions	74.00 un	8,731.00 /un	646,094	
Externals		15.00%	814,658	
				1,952,123
<b>PROFESSIONAL FEES</b>				
Professional fees		6.00%	374,742	
				374,742
<b>DISPOSAL FEES</b>				
Marketing & sales		3.00%	312,049	
Sales Legal Fee - MV	66.00 un	500.00 /un	33,000	
Sales Legal Fee - Affordable	8.00 un	500.00 /un	4,000	
				349,049
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			91,853	
Construction			65,234	
Total Finance Cost				157,086
<b>TOTAL COSTS</b>				<b>8,881,361</b>
<b>PROFIT</b>				
				<b>2,115,867</b>
<b>Performance Measures</b>				
Profit on Cost%		23.82%		
Profit on GDV%		19.24%		
Profit on NDV%		19.24%		

## APPRAISAL SUMMARY

CP VIABILITY LTD

Land off Meadowfield Drive, Hoyland

HS62

Appendix G2

IRR	46.89%
Profit Erosion (finance rate 6.000%)	3 yrs 7 mths
Land Cost pHect	313,201

Gypsy Lane  
MU6  
Appendix G3  
DN-0182

Development Appraisal  
Prepared by David Newham MRICS Director  
CP Viability Ltd  
31 March 2019



**APPRAISAL SUMMARY****CP VIABILITY LTD**

Gypsy Lane  
MU6  
Appendix G3

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE****Sales Valuation**

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Type L	4	231.88	1,975.00	114,491	457,963
Type B	2	127.28	1,875.00	119,325	238,650
Type P	3	231.87	2,025.00	156,512	469,537
Type F	27	2,104.38	1,900.00	148,086	3,998,322
Type H	15	1,279.20	1,775.00	151,372	2,270,580
Type S	28	2,544.08	1,725.00	156,734	4,388,538
Type T	10	980.10	1,675.00	164,167	1,641,668
Type C	4	371.60	1,925.00	178,833	715,330
Type G	20	2,043.80	1,575.00	160,949	3,218,985
Type D	28	3,160.36	1,775.00	200,344	5,609,639
Type J	38	4,236.24	1,575.00	175,581	6,672,078
Type A	14	1,685.60	1,725.00	207,690	2,907,660
Type E	13	1,714.96	1,675.00	220,966	2,872,558
AR - Type L	2	115.94	888.74	51,520	103,040
AR - Type B	17	1,081.88	843.70	53,693	912,781
SO - Type F	4	311.76	1,265.68	98,647	394,588
<b>Totals</b>	<b>229</b>	<b>22,220.93</b>			<b>36,871,916</b>

**NET REALISATION****36,871,916****OUTLAY****ACQUISITION COSTS**

Residualised Price (7.72 Ha 139,186.73 pHect)	1,074,522	
Stamp Duty	43,226	1,074,522

**APPRAISAL SUMMARY****CP VIABILITY LTD****Gypsy Lane****MU6****Appendix G3**

Legal Fee	0.50%	5,373	48,599
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**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Type L	231.88 m <sup>2</sup>	894.00 pm <sup>2</sup>	207,301	
Type B	127.28 m <sup>2</sup>	894.00 pm <sup>2</sup>	113,788	
Type P	231.87 m <sup>2</sup>	894.00 pm <sup>2</sup>	207,292	
Type F	2,104.38 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,881,316	
Type H	1,279.20 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,143,605	
Type S	2,544.08 m <sup>2</sup>	894.00 pm <sup>2</sup>	2,274,408	
Type T	980.10 m <sup>2</sup>	894.00 pm <sup>2</sup>	876,209	
Type C	371.60 m <sup>2</sup>	894.00 pm <sup>2</sup>	332,210	
Type G	2,043.80 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,827,157	
Type D	3,160.36 m <sup>2</sup>	894.00 pm <sup>2</sup>	2,825,362	
Type J	4,236.24 m <sup>2</sup>	894.00 pm <sup>2</sup>	3,787,199	
Type A	1,685.60 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,506,926	
Type E	1,714.96 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,533,174	
AR - Type L	115.94 m <sup>2</sup>	894.00 pm <sup>2</sup>	103,650	
AR - Type B	1,081.88 m <sup>2</sup>	894.00 pm <sup>2</sup>	967,201	
SO - Type F	<u>311.76 m<sup>2</sup></u>	894.00 pm <sup>2</sup>	<u>278,713</u>	
<b>Totals</b>	<b>22,220.93 m<sup>2</sup></b>		<b>19,865,511</b>	<b>19,865,511</b>

Contingency		3.00%	685,360	
Abnormals	6.18 ha	200,000.00 /ha	1,236,000	
S106 contributions	229.00 un	5,000.00 /un	1,145,000	
Externals		15.00%	2,979,827	6,046,187

**PROFESSIONAL FEES**

Professional fees	6.00%	1,370,720	1,370,720
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**DISPOSAL FEES**

Marketing & sales	3.00%	1,063,845	
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**APPRAISAL SUMMARY****CP VIABILITY LTD****Gypsy Lane****MU6****Appendix G3**

Sales Legal Fee - MV	206.00 un	500.00 /un	103,000	
Sales Legal Fee - Affordable	23.00 un	500.00 /un	11,500	
				1,178,345

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			96,305	
Construction			16,452	
Total Finance Cost				112,757

**TOTAL COSTS****29,696,641****PROFIT****7,175,275****Performance Measures**

Profit on Cost%	24.16%
Profit on GDV%	19.46%
Profit on NDV%	19.46%
IRR	49.75%
Profit Erosion (finance rate 6.000%)	3 yrs 8 mths
Land Cost pHect	139,187

Land off Lidgett Lane, Pilley  
2018/1039  
Appendix G4  
DN-0182

Development Appraisal  
Prepared by David Newham MRICS Director  
CP Viability Ltd  
31 March 2019

**APPRAISAL SUMMARY****CP VIABILITY LTD**

Land off Lidgett Lane, Pilley

2018/1039

Appendix G4

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Sales Valuation**

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Maidstone	12	924.12	1,950.00	150,170	1,802,034
Maidstone	1	77.01	1,825.00	140,543	140,543
Maidstone	2	154.02	1,825.00	140,543	281,087
Maidstone	5	385.05	1,950.00	150,170	750,848
Moresby	2	158.68	1,950.00	154,713	309,426
Derwent	10	840.70	1,950.00	163,937	1,639,365
Windermere	12	1,196.16	1,950.00	194,376	2,332,512
Alderney	5	569.00	1,950.00	221,910	1,109,550
Halton	10	1,177.00	1,950.00	229,515	2,295,150
Radleigh	6	734.10	1,950.00	238,583	1,431,495
Radleigh	1	122.35	1,950.00	238,583	238,583
AR - Bedale	3	185.88	821.30	50,888	152,664
AR - T67	1	65.12	821.28	53,482	53,482
AR - T67	2	130.24	821.28	53,482	106,964
SO - Bedale	1	61.96	1,231.96	76,332	76,332
SO - T67	<u>1</u>	<u>65.12</u>	<u>1,231.93</u>	<u>80,223</u>	<u>80,223</u>
<b>Totals</b>	<b>74</b>	<b>6,846.51</b>			<b>12,800,257</b>

**NET REALISATION****12,800,257****OUTLAY****ACQUISITION COSTS**

Residualised Price (2.44 Ha 398,112.21 pHect)	971,394	
		971,394
Stamp Duty	38,070	

**APPRAISAL SUMMARY****CP VIABILITY LTD**

Land off Lidgett Lane, Pilley

2018/1039

**Appendix G4**

Legal Fee	0.50%	4,857	
			42,927

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Maidstone	924.12 m <sup>2</sup>	894.00 pm <sup>2</sup>	826,163	
Maidstone	77.01 m <sup>2</sup>	894.00 pm <sup>2</sup>	68,847	
Maidstone	154.02 m <sup>2</sup>	894.00 pm <sup>2</sup>	137,694	
Maidstone	385.05 m <sup>2</sup>	894.00 pm <sup>2</sup>	344,235	
Moresby	158.68 m <sup>2</sup>	894.00 pm <sup>2</sup>	141,860	
Derwent	840.70 m <sup>2</sup>	894.00 pm <sup>2</sup>	751,586	
Windermere	1,196.16 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,069,367	
Alderney	569.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	508,686	
Halton	1,177.00 m <sup>2</sup>	894.00 pm <sup>2</sup>	1,052,238	
Radleigh	734.10 m <sup>2</sup>	894.00 pm <sup>2</sup>	656,285	
Radleigh	122.35 m <sup>2</sup>	894.00 pm <sup>2</sup>	109,381	
AR - Bedale	185.88 m <sup>2</sup>	894.00 pm <sup>2</sup>	166,177	
AR - T67	65.12 m <sup>2</sup>	894.00 pm <sup>2</sup>	58,217	
AR - T67	130.24 m <sup>2</sup>	894.00 pm <sup>2</sup>	116,435	
SO - Bedale	61.96 m <sup>2</sup>	894.00 pm <sup>2</sup>	55,392	
SO - T67	<u>65.12 m<sup>2</sup></u>	894.00 pm <sup>2</sup>	<u>58,217</u>	
<b>Totals</b>	<b>6,846.51 m<sup>2</sup></b>		<b>6,120,780</b>	<b>6,120,780</b>
Contingency		3.00%	211,167	
Abnormals	2.02 ha	200,000.00 /ha	404,000	
S106 contributions	74.00 un	8,731.00 /un	646,094	
Externals		15.00%	918,117	
				2,179,378

**PROFESSIONAL FEES**

Professional fees	6.00%	422,334	
			422,334

**DISPOSAL FEES**

Marketing & sales	3.00%	369,918	
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**APPRAISAL SUMMARY****CP VIABILITY LTD****Land off Lidgett Lane, Pilley****2018/1039****Appendix G4**

Sales Legal Fee - MV	66.00 un	500.00 /un	33,000	
Sales Legal Fee - Affordable	8.00 un	500.00 /un	4,000	
				406,918

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			141,060	
Construction			20,697	
Total Finance Cost				161,757

**TOTAL COSTS****10,305,487****PROFIT****2,494,770****Performance Measures**

Profit on Cost%	24.21%
Profit on GDV%	19.49%
Profit on NDV%	19.49%
IRR	49.99%
Profit Erosion (finance rate 6.000%)	3 yrs 8 mths
Land Cost pHect	398,112