

Local Plan Viability Scoping (Residential)

Derby City Council

April 2025

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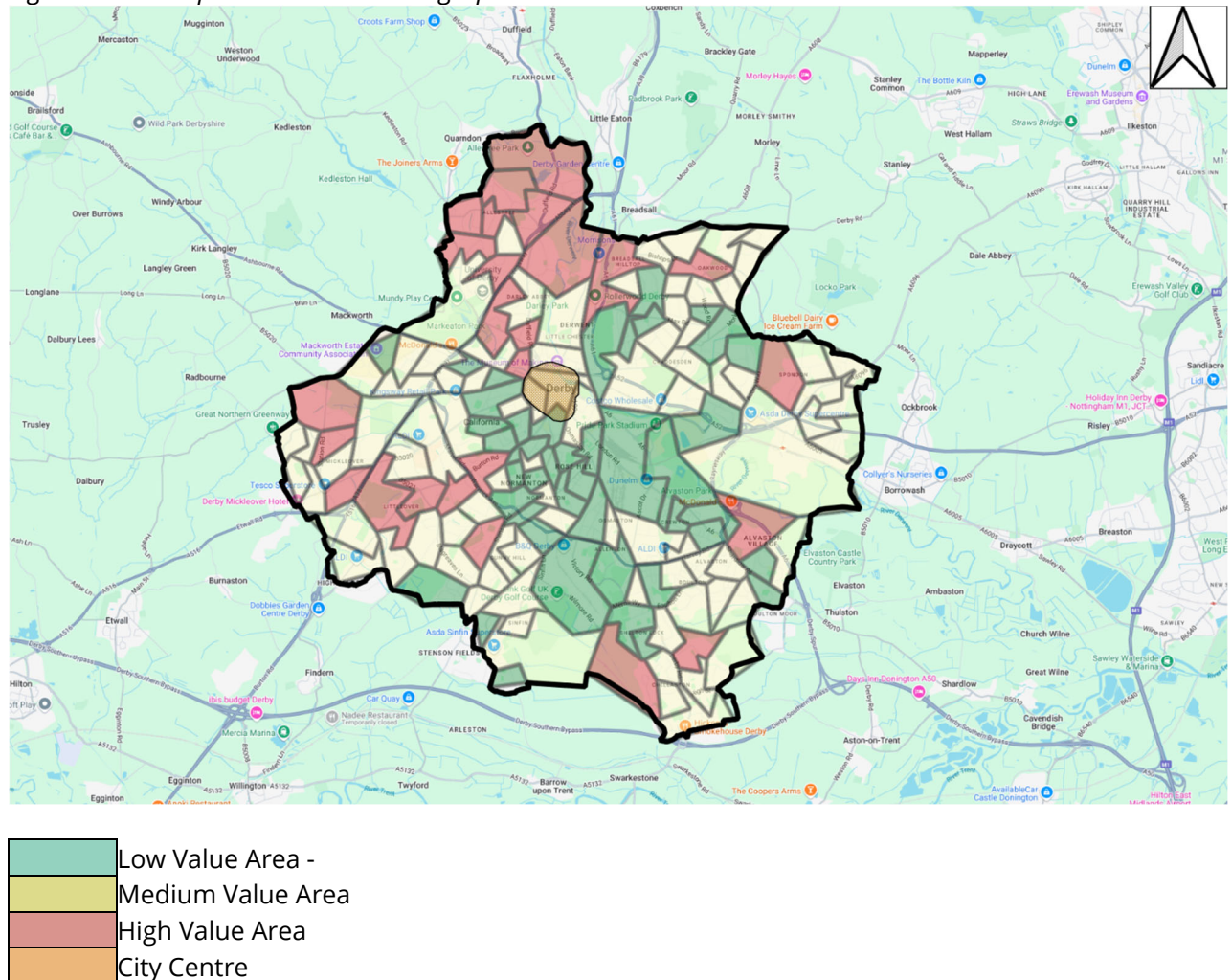
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For and on behalf of Avison Young (UK) Limited

1. Executive Summary

- 1.1 Within this assessment, the viability of residential development across the City has been explored. The purpose of the report is to inform emerging local plan policies, particularly focussed on whether it is viable to retain the existing affordable housing policy¹, which seeks up to a maximum of 30% of all dwellings to be affordable (on sites of 15 or more dwellings) or whether the policy needs to be changed including consideration of whether a separate affordable housing requirement is necessary within the City Centre.
- 1.2 The assessment also considers what impact other standards and emerging local plan policies may have on residential viability.
- 1.3 The assessment is based on a range of hypothetical development typologies (49 in total), which were agreed with the Council. These typologies reflect the principal market value geographies and the main types of development that are considered likely to come forward over the plan period.

Figure 1.1- Principal Market Value Geographies



- 1.4 Our report has been prepared in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct, and Reporting, 1st edition, May 2019. Further to the mandatory RICS reporting requirements the assessment has also been undertaken with due regard to the RICS Guidance Note:

¹ Policy CP7 Derby City Local Plan – Part 1 Core Strategy January 2017.

Assessing viability in planning under the National Planning Policy Framework 2019 for England, 1st edition March 2021 and the latest Planning Policy guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability.

- 1.5 Assessing viability requires judgements which are informed by the relevant available information /evidence. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market. Whilst the development cost and value assumptions applied within this assessment will generally align with normal or usual figures expected in the majority of developments they may differ, in some cases, from the figures that may be used in actual development schemes.
- 1.6 Through this assessment we have demonstrated that the Council's existing affordable policy isn't viable within most areas of the City and should take these findings into account when considering their policy approaches in their emerging new local plan.
- 1.7 The housing market in low and medium value areas is challenging from a viability perspective with limited scope to implement and deliver existing local plan policies relating to affordable housing or any emerging policy aspirations, including accessible home standards, green and blue infrastructure all of which will be compromised further through the introduction of national standards on 'future homes'. Within these areas, which comprise the majority of the City, there is an argument that the local housing market is unlikely to function /operate (private and affordable tenures) without public sector intervention.
- 1.8 The only areas of the City which can support a maximum of 30% affordable housing, even after taking into account the cumulative cost impacts of Future Homes and accessibility standards, is within high value areas. Within these areas there would be additional headroom for other emerging policy aspirations. Strategic Green Belt Sites are also viable in these areas with affordable housing at 50%. However, these sites become unviable when taking into consideration the cumulative cost impact associated with Future Homes Standards (Option 1). Future Homes Standards (assuming Option 2) and 50% affordable housing is, however, viable on strategic green belt sites. However, there is no additional headroom for other emerging policy aspirations, including accessible housing standards.
- 1.9 Medium and high rise BtR developments in the city centre are viable. However, after layering on the cumulative cost impact of Future Homes Standards and emerging policies relating to accessible housing standards, affordable housing would need to be capped at between c5% and 8% to maintain viability. Medium and low rise apartments, assuming open market tenure, are not viable even with no affordable housing, meaning there is no headroom for affordable housing and other emerging local plan policies for these typologies. Whilst small infill housing sites are generally viable, within the City Centre, affordable housing would need to be capped at no more than c5% to main viability on these small sites. However, if the affordable threshold is lowered to 10 dwellings small infill development become unviable with affordable housing.

2. Introduction

- 2.1 Avison Young (AY) has been appointed by Derby City Council (The Council) to undertake an initial viability assessment of existing and emerging / proposed local plan policies, specifically relating to housing development.
- 2.2 The purpose of the assessment is to understand the viability of residential development across the City taking into consideration current policy requirements, including Affordable Housing. The current affordable housing policy (Policy CP7²) seeks a maximum 30% affordable housing on sites of 15 or more dwellings and the Council are seeking to retain this position in the new Local Plan, subject to viability. If this assessment proves that affordable housing is unviable, at this level, then the Council is keen to understand what level of affordable housing is viable including whether a separate affordable housing requirement is necessary within the City Centre.
- 2.3 The assessment will also consider what impact emerging local plan policies may have on residential viability, individually and cumulatively.
- 2.4 The report will also seek to identify areas of the City where the local housing market is unlikely to function without intervention, thereby impacting the ability of the Council to deliver local growth aspirations. In this event, the Council, can use the findings of this viability work to open discussions with potential funders (i.e. Homes England) to consider mechanisms to close the viability gaps.

Basis of Reporting

- 2.5 Our report has been prepared in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct, and Reporting, 1st edition, May 2019³.
- 2.6 Further to the mandatory RICS reporting requirements the assessment has also been undertaken with due regard to the RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019⁴ for England, 1st edition March 2021 and the latest Planning Policy guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability.
- 2.7 The advice contained within this report does not constitute a valuation of the site in accordance with RICS Valuation – Global Standards 2022 and should not be relied upon as such⁵.
- 2.8 This assessment has been carried out by an RICS member who has acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. Furthermore the RICS member who has undertaken this report is a suitably qualified practitioner and RICS Registered Valuer with sufficient skills, expertise and knowledge to provide a robust and objective assessment.
- 2.9 The RICS member has extensive experience in advising on financial viability assessments and up-to-date knowledge of the planning system gained through previous viability experience and working alongside Avison Young's local and national planning teams.

² Derby City Local Plan – Part 1 Core Strategy January 2017.

³ This document sets out mandatory requirements on conduct and reporting in relation to viability assessments for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at.

⁴ It should be noted that although the latest version of the NPPF is December 2024 the guidance remains valid.

⁵ The assessment is prepared for assessing the viability of development to assist with planning matters, either plan/policy making, or decision taking. The assessment therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book, and is not a formal valuation and should not be relied upon as such.

- 2.10 This report has been prepared for the sole use of our client, based on the scope of work and on the terms and conditions agreed with our client. Whilst facts have been rigorously checked, Avison Young can take no responsibility for any damage or loss suffered because of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced, or referred to without prior approval. Any such reproduction should be credited to Avison Young.

3. Residential Development Typologies

- 3.1 Para 003⁶ of Planning Policy Guidance (NPPG) states that assessing the viability of local plans does not require individual testing of every site or assurance that individual sites are viable. Instead PPG states that plan makers can use site typologies to determine viability at the plan making stage. PPG further states⁷ that plan makers can follow a typology approach to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period. In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.
- 3.2 This assessment has, therefore, tested viability based on a number of hypothetical development schemes / typologies which reflect the main types of development likely to come forward over the plan period.

Residential Typologies

- 3.3 The hypothetical development typologies to be tested in this assessment have been agreed with the Council and are summarised in the table below. For the purpose of this exercise we have assumed that all typologies within the City Centre will be on Brownfield land, whereas both greenfield and brownfield typologies occur outside of the city centre.

Table 3.1 – Residential Development Typologies

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha) ⁸	Tenure
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market
City Centre	Brownfield	Small site/infill	10	Houses	0.3	Open Market
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market

⁶ Reference ID: 10-003-201807245.0

⁷ Para 004 (Ref ID: 10-004-20190509)

⁸ Sites areas were calculated by applying an average density of 40 dwellings per ha, except for the low and medium rise apartment typologies and medium to high rise BtR typologies in the city centre for which densities of 75 and 150 dph were applied respectively.

Location	Land Status	Description	No Dwg	House Types	Site Area (ha) ⁸	Tenure
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market
High Value	Greenfield	Small Site	25	Housing	0.6	Open Market
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market

Source: Derby City Council and Avison Young

House Types

- 3.4 Within strategic viability exercises such as this, it is difficult to identify an appropriate housing mix that is suitable for every site/typology. Our assessment is, therefore, based on the following average unit sizes.

Table 3.2 – Average Unit Sizes

	Housing	Apartments	BtR Apartments
Average unit size (gross)	94sq.m (1,011sq.ft)	72sq.m (777sq.ft)	65sq.m (700sq.ft)
Gross to Net	100%	90%	85%
Average unit size (net)	94sq.m (1,011sq.ft)	65sq.m (700sq.ft)	55sq.m (588sq.ft)

Source: Avison Young

Affordable Housing

- 3.5 The Council require a maximum of 30% of all new homes to be affordable on sites with 15 or more dwellings⁹. For the Green Belt typologies affordable housing is applied at 50% in line with the Golden Rules introduced by the new NPPF.
- 3.6 There is an expectation that affordable housing will be provided on site and will comprise a mix of tenures to include social rent, affordable rent and intermediate housing; which will be agreed on a site by site basis. For the purpose of this assessment the Council requested that an 80:20 split between social rent and shared ownership be applied.
- 3.7 With respect to the BtR typologies; The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided, by default, in the form of affordable private rent, a class of affordable housing specifically designed for build to rent and 20% of the total number of dwellings, is generally supported as a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. However, local authorities are permitted to set a different proportion, based on evidence from their local housing need assessment, and set this out in their local plan policies. As stated previously, Policy CP7 specifies that in all developments of 15 or more dwellings, a maximum of 30% of the dwellings should be affordable housing. The NPPF defines affordable housing for rent as follows. [Housing that] 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.

⁹ Policy CP7 – Affordable and Specialist Housing (Part 1 Derby City Local Plan – Jan 2017).

4. Methodology

4.1 There is no standard answer to questions of viability, nor is there a single approach for assessing viability.

4.2 For the purpose of this assessment we have referred to guidance issued by the Royal Institution of Chartered Surveyors (RICS) and the latest Planning Practice Guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability. In the first instance we have referred to the 'RICS Professional Statement Financial Viability in Planning: Conduct, and Reporting, 1st edition, May 2019. The Guidance provides recommended good practice when assessing financial viability for planning purposes and is grounded in the statutory and regulatory planning regime that currently operates in England.

4.3 Financial viability for planning purposes is defined as:

'An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project'.

4.4 An accepted method of valuation of development land is the 'residual method'. This is explained further in the RICS Valuation Information Paper (VIP) 12. In summary this valuation approach recognises that the value of a development scheme is a function of several elements. These include:

- The value of the completed development (GDV¹⁰);
- The direct costs of developing the scheme (TCC¹¹);
- The return (profit) to the developer for taking the development risk and delivering the scheme;
- The cost of any planning obligations; and
- The cost or value of the land.

4.5 The residual approach can be expressed through the following simple calculation.

Gross Development Value (GDV) (minus) Total Costs (including Developers Profit) = Residual Site Value

- Gross Development Value includes all sales income generated by the development, including income from affordable housing.
- Total Development Costs include construction costs, professional fees, planning/S106, finance / interest charges etc.
- Developer's profit is expressed by reference to a percentage of the Total Development Costs or Gross Development Value. It can also be expressed by reference to an Internal Rate of Return (IRR)¹² or Return on Capital Employed (ROCE)¹³. IRR and ROCE are not generally used in strategic viability assessment as they are a relative unstable metric compared to the traditional profit as a

¹⁰ Gross Development Value

¹¹ Total Construction Costs

¹² Internal Rate of Return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment. If the IRR of a new project exceeds a company's required rate of return, that project is desirable. If the IRR falls below the required rate of return, the project is normally rejected.

¹³ Return on Capital Employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed.

proportion of GDV or Development Costs. They are reliant on accurate forecasts of expenditure and revenue and small changes can significantly impact these calculations. As a result, in strategic exercises such as this where timing of costs and income are uncertain or likely to change the approach is less reliable.

- 4.6 The consequential output from the appraisal can then be compared to a benchmark land value to assess the viability of the scheme.
- 4.7 In terms of the process, land value is a key component of a development appraisal, albeit (as explained previously) it can often be the 'outcome' of the appraisal rather than being a fixed figure, hence why appraisals are often referred to as being 'residual', because once all the inputs are included the 'residue' (if there is any) is the amount that the developer can afford to pay for the site.
- 4.8 However, the 'residue' from the appraisal (as a land value) does not always meet the expectations of the landowner. If a developer is only able to pay a significantly reduced sum below the landowners' expectations, or the costs of the scheme exceed the values generated resulting in a negative land value, then the outcome is straight forward. The land will not be sold / released for development.
- 4.9 Therefore, when undertaking a viability assessment, a minimum land value (aka benchmark land value) needs to be identified.

Benchmark Land Value.

- 4.10 Para 013 (Reference ID: 10-013-20190509], of the PPG provides guidance on the issue of benchmark land values and states that a benchmark... should be established on the basis of the Existing Use Value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'Existing Use Value plus (EUV+).
- 4.11 In determining the benchmark PPG states at Para 014 (Ref ID: 10-014-20190509] what factors should be considered. It states that the benchmark land value should:
- Be based upon Existing Use Value (EUV).
 - Allow for a premium to landowners (including equity resulting from those building their own homes.
 - Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
 - Be informed by market evidence including current uses, costs and values. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.
- 4.12 PPG defines Existing Use Value at Para 015 (Reference ID: 10 - 015-20180724]. It states that Existing Use Value (EUV) is the first component of calculating benchmark land value. It goes on to state that EUV is the value of the land in its existing use, which will vary depending on the type of site and development types. Para 015 of PPG is also clear in that Existing Use Value is not the price paid for the land and should also disregard hope value.

- 4.13 The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. Para 016 of PPG (Ref: 10-016-20190509) states that the premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a contribution to fully comply with policy requirements. Para 016 states that the process for establishing the premium will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. PPG states that policy compliance means that the development complies fully with up-to-date plan policies including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. PPG also confirms that a decision maker can give appropriate weight to emerging policies.
- 4.14 PPG (para 173¹⁴) also states that for the purpose of viability assessment alternative use value (AUV) of the land may be informative in establishing benchmark land value. This refers to the value of land for uses other than its existing use. If applying alternative uses when establishing benchmark land value PPG states that these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. It further states that plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.
- 4.15 The RICS professional Statement¹⁵ also provides guidance on the issue of benchmark land value. It states:

In the interest of transparency, when providing benchmark land values in accordance with the PPG for an FVA, RICS members must report the:

- **Current Use Value.** CUV referred to as EUV or first component in the PPG¹⁶. This equivalent use of terms (i.e. that CUV and EUV are often interchangeable) is dealt with in paragraph 150.1 of IVS 104 Bases of Value (2017).
- **Premium.** Second component as set out in the PPG¹⁷
- **Market Evidence** as adjusted in accordance with the PPG¹⁸
- **All supporting considerations, assumptions and justifications adopted** including valuation reports, where available¹⁹.
- **Alternative Use Value** as appropriate (market value on the special assumption of a specified alternative use²⁰). It will not be appropriate to report an alternative use value where it does not exist.

¹⁴ Ref: 10-017-20190509

¹⁵ Financial Viability in Planning Conduct and Reporting, 1st Edition, May 2019

¹⁶ Para 015 (Reference ID: 10 – 015-20190509)

¹⁷ Para 016 (Ref: 10-016-20190509)

¹⁸ Para 016 (Ref: 10-016-20190509)

¹⁹ Para 014 (Ref 10-014-20190509, Para 15 (Ref: 10-15-20190509, Para 16 (Ref: 10-016-20190509)

²⁰ Para 17 (Ref 10-017-20190509)

A statement must be included in the FVA or review of the applicant's FVA or area wide FVA that explains how market evidence and other supporting information has been analysed and, as appropriate, adjusted to reflect existing or emerging planning policy and other relevant considerations. If a market value report has recently been prepared, this should be stated with the reason for the report, assumptions adopted and reported valuation.

In addition, the price paid for the land (or the price expected to be paid through an option or conditional agreement), should be reported as appropriate²¹ to improve transparency. Price paid is not allowable evidence for the assessment of BLV and cannot be used to justify failing to comply with policy.

- 4.16 Within this context the benchmark land values applied within this assessment are based on the EUV + approach²². As explained in the previous section of this report our assessment is based on hypothetical 'development typologies' including Greenfield/Greenbelt and brownfield sites.

Benchmark Land Values for Greenfield /Greenbelt Sites (Outside of City Centre)

- 4.17 We have assumed that the majority of these sites will be agricultural land or Greenfield in nature such as paddocks, former gardens, grassed areas etc.
- 4.18 Agricultural land /greenfield sites rarely transact on the open market and, therefore, sourcing land evidence is challenging.
- 4.19 The latest English Estates and Farmland Market Review (winter 24/25) undertaken by Strutt and Parker states that the average price of arable land remains high at £27,429 per ha (£11,100 per acre²³) with more than two-thirds of arable land sold in 2024 achieving a price of £24,711 per ha (£10,000 per acre) or more. The report also highlights that average pasture prices also remain close to record levels at £22,240 per ha (£9,000 per acre). However, there can be huge variation in the prices achieved, for example arable prices ranged from £16,062 per ha (£6,500 acre) to £42,008 per ha (£17,000 per acre).
- 4.20 The report highlights that within the East Midlands, which includes Derbyshire, the bottom 25% of arable land sales achieved a value of £19,274 per ha (£7,800 per acre) and the top 25% of land sales achieved a value of £30,889 per ha (£12,500 per acre). For pasture land the bottom 25% of land sales achieved a value of £16,309 per ha (£6,600per acre) and the top 25% of sales a value of £23,475 per ha (£9,500 per acre).
- 4.21 The Carter Jonas farmland market update (Q4 2024) states that the average value for arable land is currently £24,147 per ha (£9,772 per acre) and pasture land is £19,495per ha (£7,889 per acre). Within the East Midlands, average values for arable land are reported as £23,475 per ha (£9,500 per acre²⁴) and pasture land has an average value of £20,387 per ha (£8,250 per acre²⁵).

- 4.22 Based on this evidence, we are of the opinion that an appropriate EUV for the greenfield sites would be circa £23,475 per ha (£9,500per acre).

Setting the Premium Multipliers

- 4.23 The setting of a "premium" over and above the EUV is not unusual but it is not without some controversy and disagreement.

²¹ Para 16 (Ref 10-016-20190509)

²² Alternative Use Values are not relevant for the purpose of this exercise.

²³ only £100 per acre less than the record level set in 2023

²⁴ With a low of £20,386 per ha (£8,250 per acre) and a high of £27,800 per acre (£11.250 per acre).

²⁵ With a low of £17,915 per ha (£7,250 per acre) and a high of £20,387 per ha (£8,250 per acre).

4.24 In accordance with current guidance,

The premium should provide a reasonable incentive for a landowner to bring forward land for development, while allowing a sufficient contribution to fully comply with policy requirements. It is the minimum return that would persuade a reasonable landowner to release the land for development.

4.25 A recent publication/article by Lichfields, concluded that an appropriate average multiplier [premium] for sites to reflect a low/high bookend which takes into account the impact of various drivers (such as landowner expectations (after tax), land promotion return and collateral for upfront infrastructure loan funding) is between 23 and 30 times a sites EUV. Alternative figures were also discussed/set out in the article, which was published on 20th September 2024 in response to the consultation on the draft NPPF, principally focused on 50% affordable housing on Greenbelt and proposals to set an indicative BLV²⁶.

4.26 We are also aware of a recent paper by Professor Glenn Bramley²⁷ in which he argues that premiums should be in single figures, and ideally no more than three times EUV.

4.27 However, neither the article from Lichfield nor the paper by Professor Glenn Bramley represent a consensus as to what an appropriate premium /multiplier should be,

4.28 As set out in the RICS guidance there is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement.

4.29 In terms of a premium, the only specific guidance is set out within the HCA's (now Homes England) Area Wide Viability Model (Annex 1 Transparent Viability Assumptions). Whilst the document has been withdrawn many practitioners still refer to this guidance. The document recognises that there is practitioner convention on the required premium above EUV, but this is some way short of consensus. The document states that benchmarks for greenfield agricultural sites typically range between 10 and 20 times EUV.

4.30 In setting the premium uplift we have also referred to key planning appeal decisions, specifically:

- *Warburton Lane, Trafford appeal* from Jan 2021 (ref 3243720) solidified the key viability principle that there is a relationship between the level of abnormal costs and the corresponding benchmark land value (on the basis that as abnormals increase the benchmark land value decreases and vice versa). In this decision the Inspector agreed with the Council that a 10 times multiple of the existing use value was appropriate. In that particular case the abnormal costs were in excess of £400,000 per net acre (around £350,000 per gross acre).
- *Halton Heights, Forge Weir View involving Weinman Homes and Lancaster City Council* (ref 3285794) dated 29th July 2022. The Inspector accepts an existing use value of £10,000 per acre and a premium uplift of 15 times this amount to arrive at the benchmark land value. At that scheme, the abnormal costs equated to £164,544 per net acre. The guidance states that the higher the abnormal

²⁶ In response to the Consultation on the proposed NPPF changes regarding setting indicative benchmark land values the Government notes both the support and concerns relating to this proposal, with opinion almost evenly divided. Overall, the government still believes there is merit in providing more guidance on benchmark land values. However, they accept more work is required to review and then implement the approach. The government is therefore considering the treatment of benchmark land values as part of a review into the viability planning practice guidance in 2025.

²⁷ Housing Requirements in England Revisited (2024).

costs, the lower the benchmark land value (as the existing use value is fixed the only way this can be accounted for is by reducing the premium uplift).

- 4.31 Within this context we have applied the following premiums/Benchmark Land Values within this assessment.

Table 4.1 – Greenfield Benchmark Land Values

Site Typology		EUV (£ per acre)	Premium	BLV (£per acre)	BLV (£ per ha)
Greenfield	Small Sites	£9,500	X20	£190,000	£469,509
Greenfield	Medium Sites	£9,500	X15	£142,500	£352,132
Greenfield	Upper Medium / Large sites	£9,500	X15	£142,500	£352,132
Greenfield	Large Sites	£9,500	X10	£95,000	£234,754
Greenfield	Strategic Sites	£9,500	X10	£95,000	£234,754
Greenfield	Strategic Green Belt Sites	£9,500	X10	£95,000	£234,754

Source: Avison Young

Benchmark Land Values for Brownfield Sites (City Centre)

- 4.32 The Council has advised that many brownfield sites in the City Centre are private car parks (mainly surface ones) which benefit from ongoing operating incomes. Valuing surface level car parks requires a nuanced approach considering various factors, such as market conditions and understanding the specific location's characteristics. Additionally, a valuer should have expertise in understanding the income stream and potential profits associated with the car park. Unfortunately, these factors can't easily be captured in strategic viability exercises such as this.
- 4.33 There is also a dearth of comparable evidence upon which to base an opinion of EUV. For the purpose of this assessment we have assumed an EUV of £250,000 per acre (£617,775 per ha), including premium.

Benchmark Land Values for Brownfield Sites (Outside of City Centre)

- 4.34 Outside of the city centre it is assumed that most of the brownfield sites are likely to be either vacant / cleared sites generating no rental income or comprise low quality buildings let at very low rents on a short term basis. Therefore, the EUV of most brownfield sites outside of the city centre is likely to be inherently low.
- 4.35 The issue of abnormal costs is also dealt with by PPG, which states that “abnormal costs, including those associated with treatment for contaminated sites or listed buildings or costs associated with brownfield, phased or complex sites... should be taken into account when defining benchmark land value”.
- 4.36 Within this context it is difficult to establish what an appropriate minimum benchmark land value should be for the brownfield typologies outside of the city centre.
- 4.37 For the purpose of this assessment we have assumed a benchmark land value of £75,000 per acre (£185,332per ha), including premium.

5. Appraisal Assumptions

- 5.1 Assessing viability requires judgements which are informed by the relevant available information /evidence. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.
- 5.2 The development cost and value assumptions applied within this assessment are set out below. All inputs into this assessment have been reasonably justified, as explained in further detail throughout this section of our report.
- 5.3 However, even at this stage, it must be recognised that whilst our assumptions will generally align with normal or usual figures expected in the majority of developments they may differ, in some cases, from the figures that may be used in actual development schemes.

Developments Costs

Construction Costs

- 5.4 Planning Practice Guidance (PPG) states that build costs should be based on appropriate data, for example that of the Building Cost Information Service. Our assessment of new build construction costs is based on cost data obtained from BCIS (Building Cost Information Service) rebased to the 1st Quarter 2025 and adjusted to reflect local sensitivities in Derby. The costs are inclusive of preliminaries but exclude external works. Because the data from BCIS excludes costs associated with external works an additional allowance has been included for these items.
- 5.5 For clarity the base construction costs that have been included in this assessment are summarised in the table below.

Table 5.1 – Base Construction Costs

Description	Costs Rates ²⁸	External Works	Total Costs)
Housing ²⁹	£1,289psm (£120psf)	15%	£1,482psm (£138psf)
Apartments – Open Market (low and medium rise) ³⁰	£1,476psm (£137psf)	10%	£1,624psm (£151psf)
Apartments – Build to Rent (medium and high rise) ³¹	1,850psm (£172psf)	10%	£2,035psm (£189psf)

Source: BCIS and Avison Young

Remediation / Ground Conditions (Brownfield sites only)

- 5.6 In exercises such as this it is very difficult to make allowances for such costs, which are invariably subject to intrusive / detailed ground investigations etc. For the purpose of this assessment we have referred to guidance issued by Homes England on dereliction, demolition and remediation costs (March 2015). This evidence has limited validity given how dated and geographically generalised it is. However, it is the best available evidence and it is important to have regard to this and make an allowance for remediation costs.
- 5.7 We have assumed that most Brownfield sites will fall under Category A, which comprise small scale and general industrial sites, miscellaneous factories and works (not heavy industry) and sites with very small

²⁹ Based on lower quartile rates from BCIS as these rates align more closely with costs typically incurred by volume house builders.

³⁰ Based on lower quarter rates from BCIS for 3 to 5 storey construction.

³¹ Based on lower quarter rates from BCIS for 6 storey and above construction plus £108psm (£10psf) for furniture and set up costs.

to small fuel tanks³². We appreciate that these definitions do not directly relate to the surface level car parks in the city centre, but we have taken a cautious approach in this assessment.

5.8 Within our assessment we make a second assumption that all Brownfield sites fall within the low water risk category³³.

5.9 Based on these assumptions the remediation costs are:

- Flats / apartments with limited soft landscaping– between £50,000 and £130,000 per hectare; and
- Residential with private gardens – between £75,000 and £205,000 per ha.

5.10 Our assessment has assumed a worst case scenario and is applying these costs to 100% of the brownfield land. However, the reality is likely to be very different and not all of the sites will be contaminated, and some may only have contamination present in limited areas. For this reason, we have adopted the lowest costs, which we have then adjusted for inflation (using the BCIS all in Tender Price Index) and location.

5.11 On this basis the costs set out within the table below have been incorporated into our assessment.

Table 5.2 – Remediation Costs (Brownfield sites only)

Description	Cost £per ha (March 2015)	Adjusted Cost £per Ha (Q1 2025)	Location Adjustment	Cost £ per Ha (Q1 2025)
Flats / Apartments	£50,000	£74,081	0.92 ³⁴	£68,154
Residential with private gardens	£75,000	£111,121	0.92	£102,232

Source: Homes and Communities Agency (now Homes England) - Dereliction, demolition and remediation costs (March 2015).

Site Preparation (Brownfield sites only)

5.12 It is also assumed that the Brownfield sites will require an element of site preparation/clearance, including removal of redundant services, to facilitate redevelopment etc.

5.13 Assuming non-complex sites, the guidance published by Homes England states that costs range between £20,000 and £100,000 for removal of redundant services and between £5psm and £25psm of site area for site clearance. With respect to removal of redundant services we have assumed a midpoint and after making adjustments for inflation we have included a cost of c£81,785 per site.

5.14 Because we are applying site clearance costs to 100% of the site area and reflecting a worst case scenario, we have adopted the lowest cost of £5psm. After adjusting for inflation and location the overall cost for site clearance is £7psm or c£68,000 per ha.

³² Other categories include; Category B, which includes garages, workshops, pithead sites, railway lines, textiles, small scale timber treatment, sewage works, smaller chemical works, sites with small to mid-sized fuel tanks; Category C, which includes metal workings, scrap yards and shipyards, paints and solvents, small gasworks/gas holder sites, smaller power stations, rail depots (maintenance and refuelling) and site with large fuel tanks; and Category D, which includes major gasworks, iron and steel works, large chemical works, refineries and major fuel depots, ship breaking and building, larger power stations and sites with large tank farms.

³³ The guidance states that if the potentially contaminated site is in an area where there is a sensitive water receptor on, adjacent to or under the land, then it may be necessary to perform additional remediation of soils or water over and above than required to deliver a development suitable for the proposed end use. Low risk is defined as perched water in made ground and unproductive strata (e.g. associated with low permeability deposits).

³⁴ Location adjustment for East Midlands.

- 5.15 Reflecting the fact that the majority of brownfield sites in the City Centre are expected to be surface level car parks we have not included an allowance for site clearance for the city centre brownfield typologies.

Bio Diversity Net Gain

- 5.16 For the purpose of this assessment we have assumed that developments will need to provide a minimum of 10% Biodiversity Net Gain (BNG) and ensure delivery for at least 30 years, in line with the Environment Act 2021. The DEFRA impact assessment (2022)³⁵ estimated that the cost of meeting BNG obligations for developers was £21,672 per hectare to create and maintain sites over a 30-year lifecycle. The costs have been adjusted for inflation, which results in a total cost of c£25,000 per ha.
- 5.17 These costs have not been applied the Brownfield development typologies as it is assumed they would be exempt under the “low impact test” where the baseline biodiversity score is zero, such as development which is wholly on hard standing or sealed surfaces.

EV Charging

- 5.18 Building Regulation Approved Document S requires a new residential building with associated parking to have access to an electric vehicle charge point, as well as the supporting infrastructure to sustain the installation of future charge points. It is assumed that during the construction phase of the development the below ground base infrastructure for charge points would be installed at relatively little extra cost, typically included in our allowance for external works³⁶.
- 5.19 Upon installation of the infrastructure the scheme is EV ready and it is assumed that the cost of installing the charge points will be built into the developer's sales process, meaning the cost will be passed onto the home buyer.

Project Fees

- 5.20 Many viability studies incorporate an assessment of fees based upon a percentage of the base construction costs³⁷. Expenditure on fees will vary with the complexity of the site. They will also vary depending on the type of developer, with volume house builders often able to realise some savings from in-house provision. Figures for fees relating to design, planning and other professional fees can range between 6% and 8% for straight forward sites but can be a lot of higher for complex multi-phased sites. For the purpose of this appraisal we have included an allowance for project fees based on 6% of the build costs, expect for the Build to Rent and large/strategic sites where fees are included at 8%.

Contingency

- 5.21 Contingencies are an allowance for unexpected development costs and within this assessment allowances have been included at 3% for Greenfield sites and 5% for the Brownfield sites.

Planning Contributions

- 5.22 The Council has a financial contributions matrix setting out the sums expected for the 2024/25 financial year. However, some of these contributions are based on areas of open space and ‘costs per person’ which are usually determined through detailed design. As a result scheme specific data can't be captured in area wide viability assessments, such as this, which by their very nature are based on hypothetical schemes. To avoid any misplaced assumptions that might prejudice the results we have not included an allowance for these costs. These costs will be reflected in the viability cushion, described later.

³⁵ The DEFRA impact assessment on BNG and nature recovery strategies (NRS's)

³⁶ Refer to Table 4.1.

³⁷ Professional institutes used to publish recommended fee scales as a percentage of construction, however, legislation aimed at preventing anti-competitive behaviour forced the abolition of these scales. Despite the demise of fee scales, developers are still inclined to use percentages of building costs for early calculation of likely fees. However, they will then generally negotiate a fixed price lump sum.

Community Infrastructure Levy (CIL)

- 5.23 The Council is not a CIL charging authority so no costs have been included in our assessment.

Marketing, Agents and Legal Fees

- 5.24 For open market housing we have included marketing, agents and legal fees at 3% of Gross Development Value (GDV) of the private for sale units.
- 5.25 For the BtR development typologies allowances for Purchasers Costs (sale agents and legal fees) have been included at c1.8% of Gross Development Value.

Profit

- 5.26 Para 018 of PPG (Ref: ID-018-20190509) states that for the purpose of plan making an assumption of 15% to 20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. It goes on to state that plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. It further states that a lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk.
- 5.27 Another factor to consider is stricter lending criteria and high interest rates meaning it is now becoming increasingly difficult for developers (particularly SME's) to secure funding unless there is a sufficient buffer. Within this context a typical margin for an SME, which satisfies a funders criteria, may be in the range of 20 to 25% perhaps as high at 30%.
- 5.28 Within this context, our opinion of a reasonable return for the developer, is a profit of 25% on GDV for small sites typologies and 20% for the remaining typologies. For the BtR typologies we have applied a profit equal to 10% of the total project cost, based on a forward fund commitment

Stamp Duty and Purchasers Costs

- 5.29 For the BtR typologies we have assumed the method of transaction that carries the least risk for the developer. We have assumed that at land purchase the developer has a forward commitment agreed to fund or sell the product on practical completion. Within our modelling we have assumed that the land would be transferred to a fund or end buyer, as such no stamp duty would be paid on the residential elements to be built, only on the land purchase.
- 5.30 With respect to Stamp Duty on the land value/purchase the rates are in line with the prevailing HMRC rates. These are set out in the table below.

Table 5.3 - Stamp Duty Thresholds for Non-Residential Land and Mixed Land and Property³⁸

Purchase Price	SDLT Rate
Up to £150,000	0%
The next £100,000 (the portion from £150,001 to £250,000)	2%
The remaining amount (the portion over £250,000)	5%

Source: HM Customs and Revenue

- 5.31 In addition to the stamp duty rates an extra allowance of 1.8% has been applied to purchasers' costs associated with the transaction.

³⁸ The HMRC Guidance states that non – residential properties include commercial property such as shops or offices, agricultural land, forests, and any other land or property transaction which is not used as a dwelling and six or more residential properties bought in a single transaction.

Finance

- 5.32 It is difficult to establish what the appropriate rate of interest would be in the current market. Current margins are substantial and the current Bank of England base rate is 4.50%. It is also widely recognised that the approach to development varies widely and is influenced by the equity invested in the site along with the financial organisation / strength of the developer. In addition some residential developers will have rolling credit facilities across multiple schemes/sites whereby they can offset borrowing costs on one scheme through positive cashflows on another, thereby minimising finance costs.
- 5.33 The interest rates can, therefore, differ widely between these approaches.

Finance for Market Housing

- 5.34 Loans to an experienced developer, at a loan to GDV below 70% would most likely be charged between 6.25% and 7.5% per annum depending on demand and quality and size of the scheme. For the purpose of our appraisal we assumed an interest rate of 6.5% and applied finance to 70% of the development costs.

Finance for Build to Rent

- 5.35 It is assumed that the BtR schemes will be financed via a forward fund arrangement. At the start of the development, the fund will open a development account and various costs (including construction and any other costs incurred during the development etc) will be charged to this account. A rate of interest accrues on this account, *at a rate which is* typically in line with the yield paid for the asset (i.e. 5% see later).

Visibility Cushion

- 5.36 We have applied a 'viability cushion' of 25% on the residual land values to reflect the fact this is a strategic viability exercise and can't necessarily give consideration to all known development costs.

Proposed National and Local Policy Related Development Costs**Future Homes and Building Standard**

- 5.37 Later this year it is expected that the Government will introduce the new Future Homes Standard (FHS) which all new homes must meet. The overarching aim of the FHS is to reduce carbon emissions from the residential building sector by 75%-80%. The impact of these requirements (likely through Building Regulations) will also need to be tested alongside emerging Local Plan policies.
- 5.38 The consultation on the Future Homes Standard closed in March 2024. There are two options being considered – both of which require properties to be off-gas, most likely with a heat pump. The government has helpfully published estimates of the additional costs of the two options under consideration:
- Option 1, includes a high – efficiency air source heat pump, solar PV (photovoltaic) panels, a wastewater heat recovery system. Increased airtightness, a decentralised mechanical ventilation (dMEV) system, high fabric standards to minimise heat loss and increase in performance standards for domestic hot water storage.
 - Option 2, mirrors the first option but excludes the following features, Solar PV Panels, a wastewater heat recovery system. Increased air tightness and a decentralised mechanical ventilation (dMEV) system
- 5.39 Estimated Capital costs were set out in the Governments Consultation Stage Impact Assessment (December 2023), which we have summarised below.

Table 5.4 – Additional Capital Costs FHS

House Type	Option 1	Option 2
Detached House	£6,390	-£200 ³⁹
Semi Detached House	£6,170	£950
Mid Terraced House	£5,960	£740
Low Rise Flat	£4,460	£2,760
Mid – High Rise Flat	£190	£190
Weighted Average	£4,360	£640

Governments Consultation Stage Impact Assessment (December 2023)

- 5.40 The Government has not yet confirmed which of these two options it intends to proceed with, but taking in consideration feedback from Housing Forum members and the wider housing sector, Option 1 is the more likely. It can be reasonably expected that these costs will reduce as the industry increasingly gears up for new ways of building housing. However, in the short term much will depend on the availability of relevant technology and appropriately trained installers.
- 5.41 For the Purpose of this assessment we have modelled /considered the impact of both options and included the following costs within our assessment after making adjustments for inflation.

Table 5.5 – Costs for FHS

House Type	Option 1	Option 2
Low Rise Flat	£4,630	£2,875
Mid – High Rise Flat	£200	£200
Housing - Weighted Average	£4,530	£665

*Governments Consultation Stage Impact Assessment (December 2023 and Avison Young)***Lifetime Homes**

- 5.42 In preparing their new local plan the Council are considering whether all new homes should be built to M4(2) adaptable standards with 10% of all dwellings being built to M4(3) standards. The EHRC⁴⁰ (May 2018) report 'Housing and Disabled People: a toolkit for local authorities in England' highlights the extra costs of build and space for adaptable dwellings, as summarised in the tables below.

Table 5.6 – Extra Cost of Build and Space for M4(2) Accessibility Standards

Dwelling Type	Build Cost	Extra Space	Space Cost	Total Cost
1 bed apartment	£940	+1sq.m	£289	£1,229
2 bed apartment	£907	+1sq.m	£289	£1,196
2 bed terrace	£525	+2sq.m	£578	£1,101
3 bed terrace	£521	+3sq.m	£866	£1,387
4 bed terrace	£520	+3sq.m	£855	£1,387

- 5.43 There is an argument that the extra space cost would be recovered through additional value of the property. However, for the purpose of this assessment we have assumed space costs are not recovered. After making adjustments for inflation an average cost of c£1,500per apartment and £1,600 per house have been included in this assessment for M42 dwellings.
- 5.44 The extra costs of build and space for M4(3) are split between whether the M43 dwellings are either adaptable (M43 2a⁴¹) or accessible (M43 2b⁴²) homes, as summarised below.

³⁹ Cost Saving⁴⁰ Equality and Human Rights Commission⁴¹ Wheelchair adaptable provide space and layout features but are not fully fitted out for wheelchair user household.⁴² Wheelchair accessible are ready and fitted to accommodate wheelchair user household.

Table 5.7 – Extra Cost of Build and Space for M4(3) 2a Adaptable Standards

Dwelling Type	Build Cost	Extra Space	Space Cost	Total Cost
1 bed apartment	£7,607	+8sq.m	£2,310	£9,908
2 bed apartment	£7,891	+14sq.m	£4,043	£11,934
2 bed terrace	£9,754	+21sq.m	£6,065	£15,819
3 bed terrace	£10,307	+24sq.m	£6,931	£17,244
4 bed terrace	£10,568	+24sq.m	£6,931	£17,499

Table 5.8 – Extra Cost of Build and Space for M4(3) 2b Accessible Standards

Dwelling Type	Build Cost	Extra Space	Space Cost	Total Cost
1 bed apartment	£7,767	+8sq.m	£2,310	£10,077
2 bed apartment	£8,048	+14sq.m	£4,043	£12,091
2 bed terrace	£22,238	+21sq.m	£6,065	£28,303
3 bed terrace	£22,791	+24sq.m	£6,931	£29,722
4 bed terrace	£23,052	+24sq.m	£6,931	£29,983

5.45 Within this assessment we have tested the viability impact of providing 10% of new homes as either M43 adaptable or accessible dwellings. After making adjustments for inflation the following average cost have been included in our assessment;

- An average of £13,500 per flat and £20,835 per house for adaptable standards; and
- An average of £13,702 per flat and £36,265 per house for accessible standards.

Value Assumptions

Open Market Sales

5.46 For the purpose of this assessment we have split the City into four value zones, based on Lower Super Output Areas (LSOA's), as shown in figure 4.1. As outlined in Section 2 the hypothetical development typologies tested have also been established based on these values areas.

New Build Sales Values

5.47 The market values, relative to each zone/area that have been incorporated within our assessment are set out in the table below. These values have been determined through our analysis of comparable sales evidence.

Table 5.9 – Average Sales Values

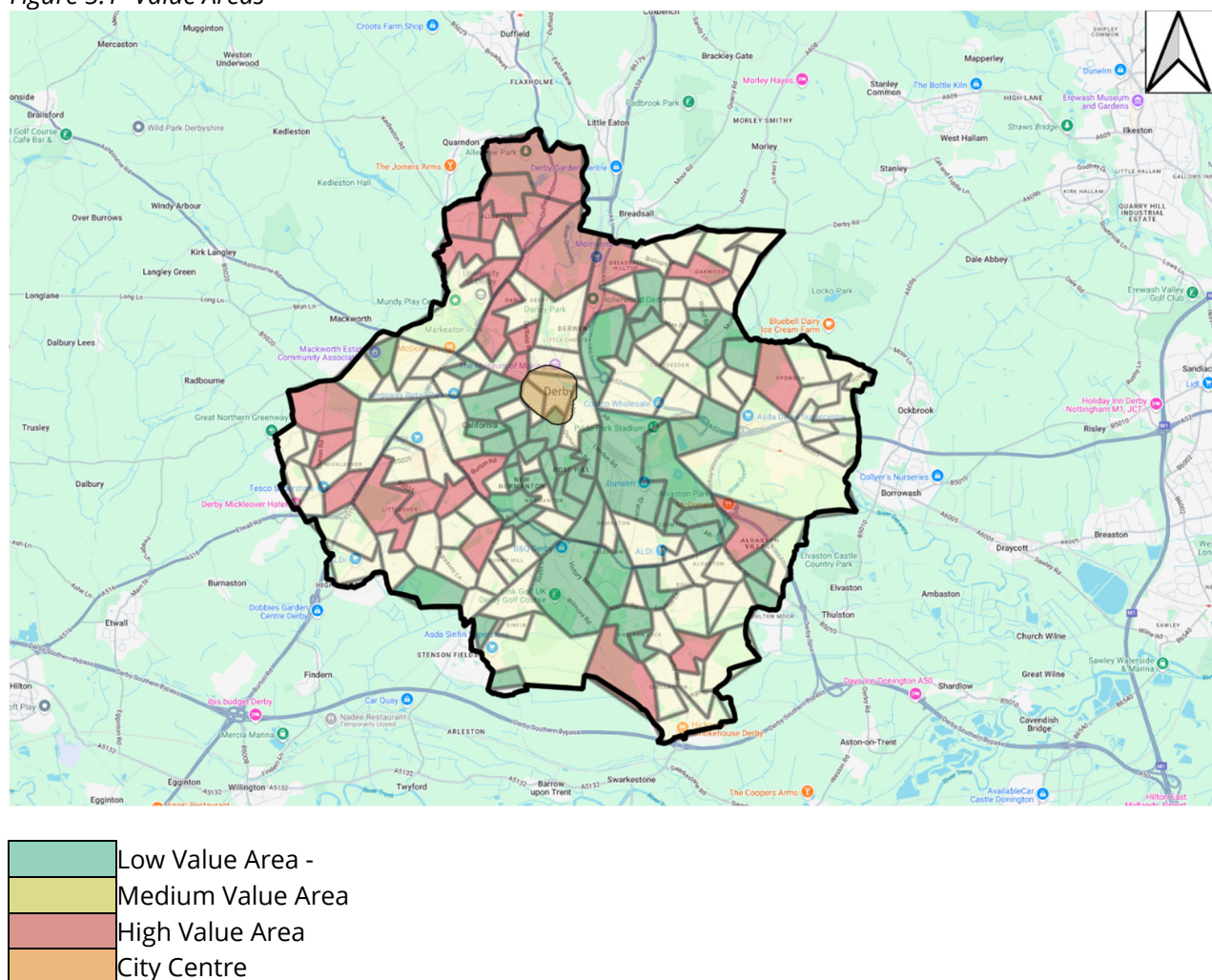
Value Area	Average Value £psm	Average Value £psf
City Centre	£2,906	£270
Low	£1,830	£170
Medium	£2,368	£220
High	£3,229	£300

Source: Avison Young

Affordable Housing Values

5.48 For the purpose of this assessment we have valued social rent units at a discount of 60% to market value and shared ownership at a 20% discount to market value.

Figure 5.1- Value Areas



Build to Rent

Rental Values

- 5.49 Derby has one operation Built to Rent scheme in the City Centre. The scheme known as Condor was forward funded by Grainger. There are currently 10 flats listed as being available for rent, with values ranging between £810pcm and £1260pcm. The average value is £1,092pcm, which is the rent we have applied in our assessment. Affordable rents have been included at a 20% discount to market rents.

Management / Operating Expenditure (OPEX)

- 5.50 OPEX is the key metric used to run a Build to Rent scheme, and is dictated by a building's height, the plant installed, its amenity offering, staffing strategy and the rents that can be achieved, incorporating elements like facilities management, individual unit expenditure, tenancy changeover costs and any on-site staffing costs and operator/letting agent costs. These costs are often significant for Build to Rent assets, which rely on their breadth of amenities and community offering to attract tenants, drive rent premium and limit voids. There is little real data available as to the actual costs of operating purpose built BTR schemes and in reality, the costs will vary depending on unit numbers, amenity provision and scheme design. A figure of 25% quickly become the market norm in relation to the operational costs of multi occupancy (flats) BtR schemes.

Capital Value

- 5.51 There is very little transactional evidence upon which to base pricing. We have, therefore, referred to Knight Franks residential investment yield guide (March 2025), which shows yields of 4.75% for Tier 2 regional cities and described the market as stable. These yields are based on modern purpose built and fully stabilised schemes and suggest that once stabilised a yield of 4.75% could be achieved. We

would apply a 25-bps differential between pre-stabilised and stabilised yields. Within this context we have applied a yield of 5%.

6. Appraisal Results

6.1 The results of our viability analysis are presented in the following tables.

Table Scenario / Title	Description
6.1 Scenario 1 - Baseline and Impact of Affordable Housing.	Highlights the viability of development assuming no policy obligations (existing or emerging), referred to as the 'Baseline Position 1'. The table then presents the impact on the baseline viability by layering on various affordable housing requirements, including the existing policy requirements for a maximum of 30%. All scenarios assume an 80:20 split between social rent and shared ownership.
6.2 Scenario 2 - Impacts of Affordable Housing, and Future Homes Standards (Option 1)	Same as Scenario 1 but the additional cost impact of Future Homes Standards (Option 1) is included.
6.3 Scenario 3 - Impacts of Affordable Housing, and Future Homes Standards (Option 2)	Same as Scenario 1 but the cost of the Future Homes Standard is based on Option 2 instead of Option 1.
6.4 Scenario 4 - Impacts of Affordable Housing, Future Homes Standard (Option 2) and M42 accessibility standards.	Same as Scenario 3 but the cost impact of constructing all dwellings to M4(2) accessibility standards is layered on.
6.5 Scenario 5 - Impacts of Affordable Housing, Future Homes Standard (Option 2) and M4(2) and M4(3) accessibility standards.	Same as Scenario 3 but the cost impact of constructing 90% of the dwellings to M4(2) and 10% to M4(3) accessibility standards is layered on. It is assumed that M4 (3) dwellings will be constructed to adaptable standards.
6.6 Scenario 6 - Baseline and Impact of Affordable Housing but excluding viability cushion.	Same as Scenario 1 but excludes the 25% viability cushion.
6.7 Scenario 7 - Impacts of Affordable Housing, and Future Homes Standards (Option 2), but excluding viability cushion.	Same as Scenario 3 but excludes the 25% viability cushion
6.8 Scenario 8 - impacts of lowering the affordable housing threshold from 15 to 10 dwellings	Highlights the viability of development assuming no policy obligations (existing or emerging) and then layering on the impact of affordable housing requirements assuming an affordable housing threshold of 10 dwellings or more.

6.2 The results in the subsequent tables represent the amount by which the benchmark land value is exceeded or otherwise, as described below.

123	Benchmark Land Value is exceeded (viable). The numbers represent the amount by which the benchmark land value is exceeded. Equalling the Benchmark would result in a 1.
123	Positive Land Value generated but below the Benchmark Land Value (not viable). The numbers represent the amount by which residual value falls short of the benchmark land value. Equalling the Benchmark would result in a 1.
-123	Negative land values generated (not viable). The numbers represent how many times below the benchmark land value the residual land value is. Equalling the Benchmark would result in a 1.

Table 6.1 – Scenario 1 - Baseline Viability Results and Impact of Affordable Housing

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (1)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.66	0.66	0.66	0.66	0.66	0.66	0.66	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	1.09	1.09	1.09	1.09	1.09	1.09	1.09	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.22	0.87	0.51	0.51	0.40	0.04	-0.55	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.56	0.22	-0.15	-0.73	-1.25	-1.83	-2.35	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.62	0.31	-0.01	-0.56	-1.11	-1.66	-2.21	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	3.27	1.64	0.21	-2.57	-5.12	-8.03	-10.58	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	3.29	1.77	0.24	-2.33	-5.07	-7.80	-10.53	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-13.95	-13.95	-13.95	-13.95	-13.95	-13.95	-13.95	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-13.14	-14.44	-15.73	-15.73	-16.10	-17.39	-18.69	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-12.50	-13.27	-14.27	-15.05	-15.82	-16.60	-17.60	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-9.69	-10.64	-11.48	-12.43	-13.26	-14.21	-15.05	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-9.45	-10.34	-11.23	-12.13	-13.02	-13.91	-14.80	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-10.11	-11.01	-11.90	-12.79	-13.68	-14.58	-15.47	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-4.14	-4.14	-4.14	-4.14	-4.14	-4.14	-4.14	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-3.33	-5.01	-6.68	-6.68	-7.16	-8.84	-10.51	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-2.69	-3.69	-4.98	-5.99	-6.99	-8.00	-9.29	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.47	-0.43	-1.51	-2.74	-3.82	-5.05	-6.13	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.61	-0.11	-1.27	-2.42	-3.58	-4.73	-5.89	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	0.22	-0.78	-1.93	-3.09	-4.24	-5.40	-6.55	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	6.69	6.69	6.69	6.69	6.69	6.69	6.69	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	7.06	5.79	4.51	4.51	4.15	2.85	1.51	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	7.36	6.60	5.61	4.85	4.08	3.31	2.33	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.88	8.94	8.12	7.18	6.36	5.42	4.60	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.99	9.11	8.23	7.35	6.47	5.59	4.71	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	9.61	8.73	7.85	6.97	6.09	5.21	4.32	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-3.81	-3.81	-3.81	-3.81	-3.81	-3.81	-3.81	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-3.81	-4.33	-4.84	-4.84	-4.98	-5.49	-6.00	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-3.81	-4.12	-4.51	-4.82	-5.13	-5.43	-5.83	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-3.86	-4.37	-4.80	-5.30	-5.74	-6.24	-6.68	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-3.86	-4.33	-4.80	-5.27	-5.74	-6.21	-6.68	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	-13.46
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	0.03	0.03	0.03	0.03	0.03	0.03	0.03	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	0.03	-0.60	-1.27	-1.27	-1.45	-2.11	-2.78	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	0.03	-0.34	-0.85	-1.25	-1.64	-2.04	-2.55	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.95	0.59	0.26	-0.21	-0.77	-1.42	-1.99	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.94	0.60	0.26	-0.17	-0.77	-1.38	-1.99	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	-7.25
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.59	3.59	3.59	3.59	3.59	3.59	3.59	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.56	3.05	2.55	2.55	2.40	1.90	1.40	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.53	3.23	2.84	2.54	2.24	1.93	1.54	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.89	5.40	4.96	4.47	4.04	3.54	3.11	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.88	5.42	4.95	4.49	4.03	3.56	3.10	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	8.46	7.77	7.07	6.38	5.68	4.99	4.29	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	8.46	7.76	7.07	6.37	5.68	4.98	4.29	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	8.46	7.76	7.07	6.37	5.68	4.98	4.29	1.51

Table 6.2 – Scenario 2 - Impacts of Affordable Housing, and Future Homes Standards (Option 1)

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (1)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.41	0.41	0.41	0.41	0.41	0.41	0.41	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	0.84	0.84	0.84	0.84	0.84	0.84	0.84	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	0.98	0.62	0.26	0.26	0.15	-0.36	-0.97	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.08	-0.45	-0.96	-1.55	-2.06	-2.65	-3.16	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.60	0.29	-0.05	-0.60	-1.15	-1.70	-2.25	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	3.23	1.60	0.16	-2.64	-5.20	-8.11	-10.66	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	3.25	1.72	0.19	-2.41	-5.15	-7.88	-10.61	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-15.37	-15.37	-15.37	-15.37	-15.37	-15.37	-15.37	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-14.56	-15.85	-17.15	-17.15	-17.52	-18.81	-20.11	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-13.91	-14.69	-15.69	-16.47	-17.24	-18.02	-19.02	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-11.11	-12.06	-12.89	-13.85	-14.68	-15.63	-16.46	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-10.87	-11.76	-12.65	-13.54	-14.44	-15.33	-16.22	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-11.56	-12.45	-13.34	-14.23	-15.13	-16.02	-16.91	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-5.56	-5.56	-5.56	-5.56	-5.56	-5.56	-5.56	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-4.75	-6.43	-8.10	-8.10	-8.58	-10.25	-11.93	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-4.11	-5.11	-6.40	-7.41	-8.41	-9.42	-10.71	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-0.62	-1.85	-2.93	-4.16	-5.24	-6.47	-7.55	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-0.38	-1.53	-2.69	-3.84	-5.00	-6.15	-7.31	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-1.07	-2.22	-3.38	-4.53	-5.69	-6.84	-8.00	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	5.89	5.89	5.89	5.89	5.89	5.89	5.89	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	6.27	4.99	3.71	3.71	3.35	2.03	0.68	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	6.57	5.80	4.82	4.05	3.29	2.52	1.52	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.09	8.15	7.32	6.39	5.56	4.62	3.80	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.20	8.32	7.44	6.56	5.68	4.80	3.91	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	8.80	7.92	7.04	6.16	5.28	4.40	3.52	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-4.36	-4.36	-4.36	-4.36	-4.36	-4.36	-4.36	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-4.36	-4.87	-5.39	-5.39	-5.53	-6.04	-6.55	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-4.36	-4.67	-5.06	-5.37	-5.68	-5.98	-6.38	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-4.60	-5.10	-5.54	-6.04	-6.48	-6.98	-7.42	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-4.60	-5.07	-5.54	-6.01	-6.48	-6.95	-7.42	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-7.54	-8.24	-8.95	-9.65	-10.35	-11.06	-11.76	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-7.54	-8.24	-8.95	-9.65	-10.35	-11.06	-11.76	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-7.54	-8.24	-8.95	-9.65	-10.35	-11.06	-11.76	-14.58
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-0.49	-0.49	-0.49	-0.49	-0.49	-0.49	-0.49	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-0.49	-1.15	-1.82	-1.82	-2.00	-2.66	-3.33	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-0.49	-0.89	-1.40	-1.80	-2.19	-2.59	-3.10	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.54	0.16	-0.29	-0.94	-1.51	-2.16	-2.72	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.53	0.19	-0.29	-0.90	-1.51	-2.11	-2.72	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	0.43	-0.17	-1.08	-1.99	-2.90	-3.81	-4.72	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	0.42	-0.17	-1.08	-1.99	-2.90	-3.81	-4.72	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	0.42	-0.17	-1.08	-1.99	-2.90	-3.81	-4.72	-8.37
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.28	3.28	3.28	3.28	3.28	3.28	3.28	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.25	2.74	2.24	2.24	2.10	1.59	1.08	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.22	2.92	2.53	2.23	1.93	1.63	1.24	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.48	4.99	4.55	4.06	3.63	3.13	2.70	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.47	5.01	4.54	4.08	3.62	3.15	2.69	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	7.84	7.14	6.45	5.75	5.06	4.36	3.66	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	7.83	7.14	6.44	5.75	5.05	4.36	3.66	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	7.83	7.14	6.44	5.75	5.05	4.36	3.66	0.88

Table 6.3 – Scenario 3 - Impacts of Affordable Housing, and Future Homes Standards (Option 2)

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (1)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.63	0.63	0.63	0.63	0.63	0.63	0.63	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	1.05	1.05	1.05	1.05	1.05	1.05	1.05	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.18	0.83	0.47	0.47	0.37	0.00	-0.61	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.26	-0.14	-0.65	-1.24	-1.75	-2.34	-2.85	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.60	0.29	-0.05	-0.60	-1.15	-1.70	-2.25	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	3.23	1.60	0.16	-2.64	-5.20	-8.11	-10.66	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	3.25	1.72	0.19	-2.41	-5.15	-7.88	-10.61	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-14.16	-14.16	-14.16	-14.16	-14.16	-14.16	-14.16	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-13.35	-14.64	-15.94	-15.94	-16.31	-17.60	-18.90	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-12.70	-13.48	-14.48	-15.26	-16.03	-16.81	-17.81	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-9.90	-10.85	-11.68	-12.64	-13.47	-14.42	-15.25	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-9.66	-10.55	-11.44	-12.33	-13.23	-14.12	-15.01	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-10.33	-11.22	-12.11	-13.00	-13.90	-14.79	-15.68	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-4.35	-4.35	-4.35	-4.35	-4.35	-4.35	-4.35	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-3.54	-5.22	-6.89	-6.89	-7.37	-9.04	-10.72	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-2.90	-3.90	-5.19	-6.20	-7.20	-8.21	-9.50	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.35	-0.64	-1.72	-2.95	-4.03	-5.26	-6.34	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.49	-0.32	-1.48	-2.63	-3.79	-4.94	-6.10	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	0.10	-0.99	-2.14	-3.30	-4.45	-5.61	-6.76	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	6.57	6.57	6.57	6.57	6.57	6.57	6.57	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	6.95	5.67	4.39	4.39	4.03	2.73	1.39	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	7.25	6.48	5.50	4.73	3.96	3.20	2.21	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.76	8.82	8.00	7.06	6.24	5.30	4.48	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.88	9.00	8.11	7.23	6.35	5.47	4.59	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	9.49	8.61	7.73	6.85	5.97	5.09	4.21	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-3.89	-3.89	-3.89	-3.89	-3.89	-3.89	-3.89	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-3.89	-4.41	-4.92	-4.92	-5.06	-5.57	-6.08	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-3.89	-4.20	-4.60	-4.90	-5.21	-5.52	-5.91	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-3.97	-4.47	-4.91	-5.41	-5.85	-6.35	-6.79	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-3.97	-4.44	-4.91	-5.38	-5.85	-6.32	-6.79	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-6.58	-7.29	-7.99	-8.69	-9.40	-10.10	-10.81	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-6.58	-7.29	-7.99	-8.69	-9.40	-10.10	-10.81	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-6.58	-7.29	-7.99	-8.69	-9.40	-10.10	-10.81	-13.63
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-0.02	-0.68	-1.35	-1.35	-1.53	-2.20	-2.86	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-0.02	-0.42	-0.93	-1.33	-1.72	-2.12	-2.63	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.89	0.53	0.20	-0.31	-0.88	-1.53	-2.10	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.88	0.54	0.20	-0.27	-0.88	-1.49	-2.10	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	0.96	0.45	-0.12	-1.03	-1.95	-2.86	-3.77	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	0.96	0.45	-0.12	-1.03	-1.95	-2.86	-3.77	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	0.96	0.45	-0.12	-1.03	-1.95	-2.86	-3.77	-7.42
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.54	3.54	3.54	3.54	3.54	3.54	3.54	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.51	3.01	2.50	2.50	2.36	1.85	1.35	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.49	3.18	2.80	2.49	2.19	1.89	1.50	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.83	5.34	4.90	4.41	3.98	3.48	3.05	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.82	5.36	4.89	4.43	3.96	3.50	3.04	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	8.37	7.68	6.98	6.29	5.59	4.89	4.20	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	8.37	7.67	6.98	6.28	5.59	4.89	4.19	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	8.37	7.67	6.98	6.28	5.59	4.89	4.19	1.41

Table 6.4 – Scenario 4 - Impacts of Affordable Housing, Future Homes Standard (Option 2) and M42 accessibility standards

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (1)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.54	0.54	0.54	0.54	0.54	0.54	0.54	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	0.97	0.97	0.97	0.97	0.97	0.97	0.97	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.10	0.74	0.38	0.38	0.28	-0.15	-0.76	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.11	-0.41	-0.92	-1.50	-2.02	-2.60	-3.12	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.45	0.14	-0.31	-0.86	-1.41	-1.96	-2.51	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	2.89	1.26	-0.32	-3.24	-5.79	-8.71	-11.26	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	2.92	1.39	-0.27	-3.01	-5.74	-8.47	-11.21	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-14.66	-14.66	-14.66	-14.66	-14.66	-14.66	-14.66	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-13.85	-15.15	-16.44	-16.44	-16.81	-18.10	-19.40	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-13.20	-13.98	-14.98	-15.76	-16.53	-17.31	-18.31	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-10.40	-11.35	-12.18	-13.14	-13.97	-14.92	-15.75	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-10.16	-11.05	-11.94	-12.84	-13.73	-14.62	-15.51	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-10.84	-11.73	-12.62	-13.51	-14.41	-15.30	-16.19	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-4.85	-4.85	-4.85	-4.85	-4.85	-4.85	-4.85	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-4.04	-5.72	-7.39	-7.39	-7.87	-9.55	-11.22	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-3.40	-4.40	-5.69	-6.70	-7.70	-8.71	-10.00	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.05	-1.14	-2.22	-3.45	-4.53	-5.76	-6.84	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.20	-0.82	-1.98	-3.13	-4.29	-5.44	-6.60	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-0.34	-1.50	-2.65	-3.81	-4.96	-6.12	-7.27	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	6.29	6.29	6.29	6.29	6.29	6.29	6.29	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	6.67	5.39	4.11	4.11	3.75	2.44	1.10	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	6.97	6.20	5.22	4.45	3.68	2.92	1.93	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.48	8.54	7.72	6.78	5.96	5.02	4.20	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.60	8.72	7.83	6.95	6.07	5.19	4.31	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	9.21	8.32	7.44	6.56	5.68	4.80	3.92	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-4.09	-4.09	-4.09	-4.09	-4.09	-4.09	-4.09	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-4.09	-4.60	-5.11	-5.11	-5.26	-5.77	-6.28	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-4.09	-4.40	-4.79	-5.10	-5.40	-5.71	-6.10	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-4.23	-4.73	-5.17	-5.67	-6.11	-6.61	-7.05	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-4.23	-4.70	-5.17	-5.64	-6.11	-6.58	-7.05	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-6.98	-7.68	-8.39	-9.09	-9.79	-10.50	-11.20	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-6.98	-7.68	-8.39	-9.09	-9.79	-10.50	-11.20	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-6.98	-7.68	-8.39	-9.09	-9.79	-10.50	-11.20	-14.02
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-0.22	-0.22	-0.22	-0.22	-0.22	-0.22	-0.22	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-0.22	-0.88	-1.54	-1.54	-1.73	-2.39	-3.05	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-0.22	-0.61	-1.12	-1.52	-1.92	-2.31	-2.82	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.75	0.38	0.04	-0.57	-1.14	-1.79	-2.36	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.73	0.39	0.04	-0.53	-1.14	-1.75	-2.36	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	0.74	0.23	-0.52	-1.43	-2.34	-3.25	-4.16	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	0.73	0.23	-0.52	-1.43	-2.34	-3.25	-4.16	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	0.73	0.23	-0.52	-1.43	-2.34	-3.25	-4.16	-7.81
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.43	3.43	3.43	3.43	3.43	3.43	3.43	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.40	2.90	2.39	2.39	2.25	1.75	1.24	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.38	3.08	2.69	2.38	2.08	1.78	1.39	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.69	5.19	4.76	4.26	3.83	3.34	2.90	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.67	5.21	4.75	4.28	3.82	3.36	2.89	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	8.15	7.45	6.76	6.06	5.37	4.67	3.98	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	8.15	7.45	6.75	6.06	5.36	4.67	3.97	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	8.15	7.45	6.75	6.06	5.36	4.67	3.97	1.19

Table 6.5 – Scenario 5 - Impacts of Affordable Housing, Future Homes Standard (Option 2) and M4(2) and M4(3) accessibility standards.

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (1)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.32	0.32	0.32	0.32	0.32	0.32	0.32	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	0.86	0.86	0.86	0.86	0.86	0.86	0.86	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	0.96	0.60	0.24	0.24	0.14	-0.39	-1.00	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	-0.03	-0.62	-1.13	-1.72	-2.23	-2.82	-3.33	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.34	0.02	-0.52	-1.07	-1.62	-2.17	-2.72	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	2.63	1.00	-0.80	-3.71	-6.27	-9.18	-11.73	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	2.65	1.12	-0.75	-3.48	-6.22	-8.95	-11.68	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-15.26	-15.26	-15.26	-15.26	-15.26	-15.26	-15.26	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-14.65	-15.95	-17.24	-17.24	-17.61	-18.91	-20.20	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-13.93	-14.70	-15.70	-16.48	-17.26	-18.03	-19.03	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-11.00	-11.95	-12.79	-13.74	-14.57	-15.52	-16.36	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-10.76	-11.65	-12.54	-13.44	-14.33	-15.22	-16.11	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-11.45	-12.34	-13.23	-14.13	-15.02	-15.91	-16.80	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-5.45	-5.45	-5.45	-5.45	-5.45	-5.45	-5.45	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-4.84	-6.52	-8.20	-8.20	-8.67	-10.35	-12.02	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-4.12	-5.12	-6.41	-7.42	-8.43	-9.43	-10.72	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-0.51	-1.74	-2.82	-4.05	-5.13	-6.36	-7.44	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-0.27	-1.42	-2.58	-3.73	-4.89	-6.04	-7.20	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-0.96	-2.11	-3.27	-4.42	-5.58	-6.73	-7.89	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	5.95	5.95	5.95	5.95	5.95	5.95	5.95	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	6.22	4.94	3.66	3.66	3.29	1.97	0.62	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	6.56	5.80	4.81	4.05	3.28	2.51	1.51	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.15	8.21	7.38	6.45	5.62	4.68	3.86	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.26	8.38	7.50	6.62	5.74	4.86	3.97	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	8.86	7.98	7.10	6.22	5.34	4.46	3.58	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-4.32	-4.32	-4.32	-4.32	-4.32	-4.32	-4.32	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-4.40	-4.91	-5.42	-5.42	-5.57	-6.08	-6.59	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-4.37	-4.68	-5.07	-5.38	-5.68	-5.99	-6.38	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-4.54	-5.04	-5.48	-5.98	-6.42	-6.92	-7.36	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-4.54	-5.01	-5.48	-5.95	-6.42	-6.89	-7.36	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-7.45	-8.16	-8.86	-9.57	-10.27	-10.97	-11.68	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-7.45	-8.16	-8.86	-9.57	-10.27	-10.97	-11.68	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-7.45	-8.16	-8.86	-9.57	-10.27	-10.97	-11.68	-14.50
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-0.53	-1.19	-1.85	-1.85	-2.04	-2.70	-3.36	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-0.50	-0.89	-1.40	-1.80	-2.20	-2.59	-3.10	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.57	0.20	-0.24	-0.88	-1.45	-2.10	-2.67	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.56	0.22	-0.24	-0.84	-1.45	-2.06	-2.67	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	0.47	-0.08	-0.99	-1.90	-2.82	-3.73	-4.64	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	0.47	-0.08	-0.99	-1.90	-2.82	-3.73	-4.64	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	0.47	-0.08	-0.99	-1.90	-2.82	-3.73	-4.64	-8.29
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.30	3.30	3.30	3.30	3.30	3.30	3.30	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.23	2.72	2.22	2.22	2.08	1.57	1.06	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.22	2.92	2.53	2.23	1.93	1.62	1.23	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.51	5.02	4.59	4.09	3.66	3.16	2.73	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.50	5.04	4.57	4.11	3.65	3.18	2.72	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	7.88	7.19	6.49	5.80	5.10	4.41	3.71	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	7.88	7.18	6.49	5.79	5.10	4.40	3.71	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	7.88	7.18	6.49	5.79	5.10	4.40	3.71	0.93

Table 6.6 – Scenario 6 - Same as Scenario 1 but Excludes the 25% viability cushion

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (2)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.88	0.88	0.88	0.88	0.88	0.88	0.88	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	1.44	1.44	1.44	1.44	1.44	1.44	1.44	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.61	1.15	0.67	0.67	0.54	0.05	-0.44	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.73	0.29	-0.12	-0.59	-1.00	-1.47	-1.88	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.82	0.41	-0.01	-0.45	-0.89	-1.33	-1.77	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	4.36	2.18	0.27	-2.05	-4.09	-6.43	-8.47	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	4.39	2.35	0.31	-1.87	-4.05	-6.24	-8.43	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-11.16	-11.16	-11.16	-11.16	-11.16	-11.16	-11.16	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-10.51	-11.55	-12.59	-12.59	-12.88	-13.92	-14.95	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-10.00	-10.62	-11.42	-12.04	-12.66	-13.28	-14.08	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-7.75	-8.51	-9.18	-9.94	-10.61	-11.37	-12.04	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-7.56	-8.27	-8.99	-9.70	-10.41	-11.13	-11.84	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-8.09	-8.80	-9.52	-10.23	-10.95	-11.66	-12.37	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-3.31	-3.31	-3.31	-3.31	-3.31	-3.31	-3.31	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-2.67	-4.01	-5.35	-5.35	-5.73	-7.07	-8.41	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-2.15	-2.95	-3.99	-4.79	-5.60	-6.40	-7.43	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.63	-0.35	-1.21	-2.19	-3.06	-4.04	-4.90	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.80	-0.09	-1.01	-1.94	-2.86	-3.79	-4.71	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	0.29	-0.62	-1.55	-2.47	-3.39	-4.32	-5.24	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	8.84	8.84	8.84	8.84	8.84	8.84	8.84	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	9.37	7.66	5.96	5.96	5.48	3.77	2.02	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	9.79	8.77	7.45	6.43	5.41	4.39	3.07	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	13.16	11.90	10.81	9.56	8.46	7.21	6.11	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	13.32	12.14	10.97	9.79	8.62	7.44	6.27	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	12.81	11.63	10.46	9.29	8.11	6.94	5.76	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-3.05	-3.05	-3.05	-3.05	-3.05	-3.05	-3.05	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-3.05	-3.46	-3.87	-3.87	-3.99	-4.39	-4.80	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-3.05	-3.30	-3.61	-3.86	-4.10	-4.35	-4.66	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-3.09	-3.49	-3.84	-4.24	-4.59	-5.00	-5.35	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-3.09	-3.47	-3.84	-4.22	-4.59	-4.97	-5.35	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-5.13	-5.70	-6.26	-6.82	-7.39	-7.95	-8.52	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-5.13	-5.70	-6.26	-6.82	-7.39	-7.95	-8.52	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-5.13	-5.70	-6.26	-6.82	-7.39	-7.95	-8.52	-10.77
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	0.05	0.05	0.05	0.05	0.05	0.05	0.05	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	0.05	-0.48	-1.01	-1.01	-1.16	-1.69	-2.22	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	0.05	-0.27	-0.68	-1.00	-1.31	-1.63	-2.04	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	1.26	0.78	0.35	-0.17	-0.62	-1.14	-1.59	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	1.25	0.79	0.34	-0.13	-0.62	-1.11	-1.59	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	1.40	0.72	0.03	-0.70	-1.42	-2.15	-2.88	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	1.40	0.72	0.03	-0.70	-1.42	-2.15	-2.88	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	1.40	0.72	0.03	-0.70	-1.42	-2.15	-2.88	-5.80
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	4.75	4.75	4.75	4.75	4.75	4.75	4.75	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	4.72	4.05	3.38	3.38	3.19	2.51	1.84	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	4.70	4.29	3.78	3.37	2.97	2.57	2.05	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	7.85	7.19	6.61	5.95	5.37	4.72	4.14	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	7.83	7.22	6.60	5.98	5.36	4.74	4.13	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	11.28	10.35	9.43	8.50	7.57	6.65	5.72	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	11.28	10.35	9.42	8.50	7.57	6.64	5.71	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	11.28	10.35	9.42	8.50	7.57	6.64	5.71	2.01

Table 6.7 – Scenario 7 - Same as Scenario 3 but excludes the 25% viability cushion

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (2)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.83	0.83	0.83	0.83	0.83	0.83	0.83	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	1.40	1.40	1.40	1.40	1.40	1.40	1.40	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.56	1.10	0.63	0.63	0.49	0.00	-0.49	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.35	-0.11	-0.52	-0.99	-1.40	-1.87	-2.28	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.80	0.39	-0.04	-0.48	-0.92	-1.36	-1.80	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	4.30	2.12	0.21	-2.12	-4.16	-6.49	-8.53	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	4.33	2.29	0.25	-1.93	-4.12	-6.30	-8.49	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-11.33	-11.33	-11.33	-11.33	-11.33	-11.33	-11.33	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-10.68	-11.72	-12.75	-12.75	-13.05	-14.08	-15.12	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-10.16	-10.78	-11.58	-12.20	-12.83	-13.45	-14.25	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-7.92	-8.68	-9.35	-10.11	-10.78	-11.54	-12.20	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-7.73	-8.44	-9.15	-9.87	-10.58	-11.30	-12.01	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-8.26	-8.97	-9.69	-10.40	-11.12	-11.83	-12.54	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-3.48	-3.48	-3.48	-3.48	-3.48	-3.48	-3.48	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-2.83	-4.17	-5.51	-5.51	-5.89	-7.24	-8.58	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-2.32	-3.12	-4.15	-4.96	-5.76	-6.57	-7.60	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.47	-0.51	-1.37	-2.36	-3.22	-4.21	-5.07	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.64	-0.26	-1.18	-2.10	-3.03	-3.95	-4.88	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	0.13	-0.79	-1.72	-2.64	-3.56	-4.49	-5.41	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	8.69	8.69	8.69	8.69	8.69	8.69	8.69	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	9.21	7.51	5.80	5.80	5.32	3.62	1.86	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	9.63	8.61	7.30	6.28	5.25	4.23	2.92	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	13.00	11.75	10.65	9.40	8.31	7.05	5.96	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	13.16	11.99	10.81	9.64	8.46	7.29	6.11	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	12.65	11.48	10.30	9.13	7.95	6.78	5.60	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-3.12	-3.12	-3.12	-3.12	-3.12	-3.12	-3.12	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-3.12	-3.52	-3.93	-3.93	-4.05	-4.46	-4.87	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-3.12	-3.36	-3.68	-3.92	-4.17	-4.41	-4.73	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-3.18	-3.58	-3.93	-4.33	-4.68	-5.08	-5.43	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-3.18	-3.55	-3.93	-4.30	-4.68	-5.06	-5.43	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-5.26	-5.83	-6.39	-6.96	-7.52	-8.08	-8.65	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-5.26	-5.83	-6.39	-6.96	-7.52	-8.08	-8.65	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-5.26	-5.83	-6.39	-6.96	-7.52	-8.08	-8.65	-10.90
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-0.02	-0.55	-1.08	-1.08	-1.23	-1.76	-2.29	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-0.02	-0.34	-0.74	-1.06	-1.38	-1.70	-2.10	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	1.18	0.70	0.26	-0.25	-0.71	-1.22	-1.68	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	1.17	0.71	0.26	-0.22	-0.71	-1.19	-1.68	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	1.28	0.60	-0.10	-0.83	-1.56	-2.29	-3.02	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	1.27	0.59	-0.10	-0.83	-1.56	-2.29	-3.02	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	1.27	0.59	-0.10	-0.83	-1.56	-2.29	-3.02	-5.93
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	4.69	4.69	4.69	4.69	4.69	4.69	4.69	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	4.66	3.99	3.32	3.32	3.13	2.45	1.78	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	4.64	4.23	3.72	3.31	2.91	2.51	1.99	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	7.77	7.11	6.53	5.87	5.29	4.64	4.06	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	7.75	7.14	6.52	5.90	5.28	4.66	4.05	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	11.16	10.23	9.30	8.38	7.45	6.52	5.60	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	11.15	10.23	9.30	8.37	7.45	6.52	5.59	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	11.15	10.23	9.30	8.37	7.45	6.52	5.59	1.88

Table 6.8 – Scenario 8 – Impact of Lowering Affordable Housing Threshold

Location	Land Status	Description	No Dwgs	House Types	Site Area (ha)	Tenure	Baseline (0%)	AH 5%	AH 10%	AH 15%	AH 20%	AH 25%	AH 30%	AH 50%
City Centre	Brownfield	Small site/infill	5	Houses	0.1	Open Market	0.66	0.66	0.66	0.66	0.66	0.66	0.66	n/a
City Centre	Brownfield	Small site / Infill	10	Houses	0.3	Open Market	1.09	0.55	0.55	0.00	0.00	-0.26	-0.26	n/a
City Centre	Brownfield	Small site /Infill	15	Houses	0.4	Open Market	1.22	0.87	0.51	0.51	0.40	0.04	-0.55	n/a
City Centre	Brownfield	Low Rise	50	Apartments	0.7	Open Market	0.56	0.22	-0.15	-0.73	-1.25	-1.83	-2.35	n/a
City Centre	Brownfield	Medium Rise	100	Apartments	1.3	Open Market	0.62	0.31	-0.01	-0.56	-1.11	-1.66	-2.21	n/a
City Centre	Brownfield	Medium Rise	150	Apartments	1.0	Build to Rent	3.27	1.64	0.21	-2.57	-5.12	-8.03	-10.58	n/a
City Centre	Brownfield	High Rise	200	Apartments	1.3	Build to Rent	3.29	1.77	0.24	-2.33	-5.07	-7.80	-10.53	n/a
Low Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-13.95	-15.89	-15.89	-17.83	-17.83	-18.38	-18.38	n/a
Low Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-13.14	-14.44	-15.73	-15.73	-16.10	-17.39	-18.69	n/a
Low Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-12.50	-13.27	-14.27	-15.05	-15.82	-16.60	-17.60	n/a
Low Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	-9.69	-10.64	-11.48	-12.43	-13.26	-14.21	-15.05	n/a
Low Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	-9.45	-10.34	-11.23	-12.13	-13.02	-13.91	-14.80	n/a
Low Value	Brownfield	Large Site	200	Housing	5.0	Open Market	-10.11	-11.01	-11.90	-12.79	-13.68	-14.58	-15.47	n/a
Medium Value	Brownfield	Small Site	10	Housing	0.3	Open Market	-4.14	-6.65	-6.65	-9.17	-9.17	-9.88	-9.88	n/a
Medium Value	Brownfield	Small Site	15	Housing	0.4	Open Market	-3.33	-5.01	-6.68	-6.68	-7.16	-8.84	-10.51	n/a
Medium Value	Brownfield	Small Site	25	Housing	0.6	Open Market	-2.69	-3.69	-4.98	-5.99	-6.99	-8.00	-9.29	n/a
Medium Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	0.47	-0.43	-1.51	-2.74	-3.82	-5.05	-6.13	n/a
Medium Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	0.61	-0.11	-1.27	-2.42	-3.58	-4.73	-5.89	n/a
Medium Value	Brownfield	Large Site	200	Housing	5.0	Open Market	0.22	-0.78	-1.93	-3.09	-4.24	-5.40	-6.55	n/a
High Value	Brownfield	Small Site	10	Housing	0.3	Open Market	6.69	4.75	4.75	2.77	2.77	2.20	2.20	n/a
High Value	Brownfield	Small Site	15	Housing	0.4	Open Market	7.06	5.79	4.51	4.51	4.15	2.85	1.51	n/a
High Value	Brownfield	Small Site	25	Housing	0.6	Open Market	7.36	6.60	5.61	4.85	4.08	3.31	2.33	n/a
High Value	Brownfield	Medium Site	50	Housing	1.3	Open Market	9.88	8.94	8.12	7.18	6.36	5.42	4.60	n/a
High Value	Brownfield	Upper Medium / Large Site	100	Housing	2.5	Open Market	9.99	9.11	8.23	7.35	6.47	5.59	4.71	n/a
High Value	Brownfield	Large Site	200	Housing	5.0	Open Market	9.61	8.73	7.85	6.97	6.09	5.21	4.32	n/a
Low Value	Greenfield	Small Site	10	Housing	0.3	Open Market	-3.81	-4.58	-4.58	-5.35	-5.35	-5.56	-5.56	n/a
Low Value	Greenfield	Small Site	15	Housing	0.4	Open Market	-3.81	-4.33	-4.84	-4.84	-4.98	-5.49	-6.00	n/a
Low Value	Greenfield	Small Site	25	Housing	0.6	Open Market	-3.81	-4.12	-4.51	-4.82	-5.13	-5.43	-5.83	n/a
Low Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	-3.86	-4.37	-4.80	-5.30	-5.74	-6.24	-6.68	n/a
Low Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	-3.86	-4.33	-4.80	-5.27	-5.74	-6.21	-6.68	n/a
Low Value	Greenfield	Large Site	200	Housing	5.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	n/a
Low Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	n/a
Low Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	-6.42	-7.12	-7.83	-8.53	-9.23	-9.94	-10.64	-13.46
Medium Value	Greenfield	Small Site	10	Housing	0.3	Open Market	0.03	-0.93	-0.93	-1.93	-1.93	-2.21	-2.21	n/a
Medium Value	Greenfield	Small Site	15	Housing	0.4	Open Market	0.03	-0.60	-1.27	-1.27	-1.45	-2.11	-2.78	n/a
Medium Value	Greenfield	Small Site	25	Housing	0.6	Open Market	0.03	-0.34	-0.85	-1.25	-1.64	-2.04	-2.55	n/a
Medium Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	0.95	0.59	0.26	-0.21	-0.77	-1.42	-1.99	n/a
Medium Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	0.94	0.60	0.26	-0.17	-0.77	-1.38	-1.99	n/a
Medium Value	Greenfield	Large Site	200	Housing	5.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	n/a
Medium Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	n/a
Medium Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	1.05	0.54	0.02	-0.87	-1.78	-2.69	-3.60	-7.25
High Value	Greenfield	Small Site	10	Housing	0.3	Open Market	3.59	2.83	2.83	2.07	2.07	1.85	1.85	n/a
High Value	Greenfield	Small Site	15	Housing	0.4	Open Market	3.56	3.05	2.55	2.55	2.40	1.90	1.40	n/a
High Value	Greenfield	Small Site	25	Housing	0.6	Open Markets	3.53	3.23	2.84	2.54	2.24	1.93	1.54	n/a
High Value	Greenfield	Medium Site	50	Housing	1.3	Open Market	5.89	5.40	4.96	4.47	4.04	3.54	3.11	n/a
High Value	Greenfield	Upper Medium / Large site	100	Housing	2.5	Open Market	5.88	5.42	4.95	4.49	4.03	3.56	3.10	n/a
High Value	Greenfield	Large Site	200	Housing	5.0	Open Market	8.46	7.77	7.07	6.38	5.68	4.99	4.29	n/a
High Value	Greenfield	Strategic Site	400	Housing	10.0	Open Market	8.46	7.76	7.07	6.37	5.68	4.98	4.29	n/a
High Value	Greenfield	Strategic Green Belt Site	400	Housing	10.0	Open Market	8.46	7.76	7.07	6.37	5.68	4.98	4.29	1.51

6.3 A summary of the key observations relative to each value area⁴³ is set out below.

Viability Results in the City Centre

- Assuming no policy obligations, (i.e. baseline viability) medium and high rise BtR developments in the city centre are viable. Medium and low rise apartments, assuming open market tenure, are not viable but small infill housing sites are generally viable, with the exception of small sites/infill developments of 5 dwellings, which fall below the benchmark land value⁴⁴. However, when layering on policy compliant levels of affordable housing (i.e. a maximum 30%), all but one of the typologies in the City Centre become unviable. The only typology which remains viable is the small site/infill development of 10 dwellings, because this falls below the current affordable housing threshold (i.e. a total 15 dwellings). If the affordable threshold is lowered to 10 dwellings this typology becomes unviable with just 5% affordable housing. It should also be noted that whilst small / infill developments of 5 dwellings fall below the affordable housing threshold their viability remains unchanged from the baseline position, in that they remain unviable.
- The viability position remains largely unchanged after layering on the impact of Future Homes Building Standards (Option 2). However, the impact of Future Homes Building Standard (Option 1) renders all development typologies in the City Centre unviable, except medium and high rise BtR apartments.
- Medium and high rise typologies, assuming Build to Rent tenure, are viable with affordable housing up to a maximum of 7%, after layering on the impact of Future Homes Standards.
- Layering on accessibility standards on top of Future Homes Standards simply compounds the viability challenges on the majority of the city centre typologies. For medium to high rise BtR typologies the additional costs associated with the accessibility standards would cap affordable housing at c5%.
- If the viability cushion is removed low and medium rise apartments remain unviable. Small sites remain viable albeit the infill development of 5 dwellings still falls below the benchmark land value. Small sites /infill developments of c15 dwellings can viably support 5% affordable housing (even with the cost impact of Future Homes Standard Option 2), with the remaining typologies of 10 and 5 dwellings falling below the affordable housing threshold. Without the viability cushion medium and high rise BtR typologies are viable with affordable housing up to a maximum of 8%, assuming the cumulative cost impact associated with Option 2 of the Future Homes Standards. If the affordable threshold is lowered to 10 dwellings small infill development become unviable with affordable housing.

Viability Results in Low Value Areas

- Greenfield (including Greenbelt sites) and Brownfield developments are unviable in low value areas, even when all policy obligations are excluded. Future Homes Building Standards, affordable housing and other local plan policies (existing and emerging), simply compound the viability challenges in these areas.

⁴³ Refer to Figure 4.1.

⁴⁴ This is because within the modelling we have assumed a fixed cost of £81,785 per site /typology for site preparation. As a result this cost has a disproportionate impact on those sites/typologies with the lowest number of houses/dwellings as their associated development value is also limited.

Viability Results in Medium Value Areas

- Brownfield developments are unviable in medium value areas, even when all policy obligations are excluded. Once again, Future Homes Building Standards, affordable housing and other local plan policies (existing and emerging), simply compound the viability challenges in these areas.
- Only large and strategic (non-Greenbelt sites) are viable in medium value areas, assuming all policy obligations are excluded. However, the cumulative impact of layering on Future homes Standards (Options 1 and 2) makes these typologies unviable. Layering on the costs associated with accessibility standards, therefore, simply compounds the viability challenges. If the viability cushion is excluded medium, large and strategic sites (non-Greenbelt) become viable assuming the cumulative cost impact of Future Homes Standards (Option 2) but affordable housing wouldn't be viable. Greenbelt sites in the medium value area are not viable.

Viability Results in High Value Areas

- Greenfield and Brownfield development in high value areas is viable and land values are generated which exceed the benchmark land values under almost all of scenarios tested. Residential developments can viably support up to a maximum of 30% affordable housing, even after taking into account the cumulative cost impact of Future Homes and accessibility standards.
- Strategic Green Belt Sites are viable with affordable housing at 50%, in line with NPPF Golden Rules. However, the layering on of Future Homes Standards (Option 1), results in land values falling below the benchmark land value, meaning development becomes unviable. Future Homes Standards (assuming Option 2) and 50% affordable housing is, however, viable. Layering on M42 and M43 (adaptable) accessible standards on top of Future Homes Option 2 and 50% affordable housing brings the land value back down below the benchmark but only marginally so.

7. Conclusions

7.1 Through this assessment we have demonstrated that the Council's existing affordable policy, which seeks up to a maximum of 30% of the total number of dwellings to be affordable, on sites of more than 15 dwellings, isn't viable within most areas of the City. In particular, the assessment identifies that:

- The housing market in low and medium value areas is challenging from a viability perspective with limited scope to implement and deliver existing local plan policies relating to affordable housing or any emerging policy aspirations, including accessible home standards, green and blue infrastructure all of which will be compromised further through the introduction of national standards on 'future homes'. Within these areas, which comprise the majority of the City⁴⁵, there is an argument that the local housing market is unlikely to function /operate (private and affordable tenures) without public sector intervention.
- The only areas of the City which can support a maximum of 30% affordable housing, even after taking into account the cumulative cost impacts of Future Homes and accessibility standards, is within high value areas. Within these areas there would be additional headroom for other emerging policy aspirations. Strategic Green Belt Sites are also viable in these areas with affordable housing at 50%. However, these sites become unviable when taking into consideration the cumulative cost impact associated with Future Homes Standards (Option 1). Future Homes Standards (assuming Option 2) and 50% affordable housing is, however, viable on strategic green belt sites. However, there is no additional headroom for other emerging policy aspirations, including accessible housing standards.
- Medium and high rise BtR developments in the city centre are viable. However, after layering on the cumulative cost impact of Future Homes Standards and emerging policies relating to accessible housing standards, affordable housing would need to be capped at between c5% and 8% to maintain viability. Medium and low rise apartments, assuming open market tenure, are not viable even with no affordable housing, meaning there is no headroom for affordable housing and other emerging local plan policies for these typologies. Whilst small infill housing sites are generally viable, within the City Centre, affordable housing would need to be capped at no more than c5% to maintain viability on these small sites, based on the existing affordable housing threshold of 15 dwellings. If the affordable housing threshold is lowered to 10 dwellings then 5% affordable would be unviable for small infill housing sites in the City Centre.

⁴⁵ Refer to Figure 4.1 at Section 4.

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