Report for Yorkshire Dales National Park Authority

Economic Viability Assessment

Addendum Report

Three Dragons January 2025

Three Dragons

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Use of this report	This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and is based on authority level data supplied by YDNPA, consultant team inputs and quoted published data sources. The toolkit provides a review of the development economics of illustrative schemes and the results depend on the data inputs provided. This analysis should not be used for individual scheme appraisal. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.
Cover Image	New housing at West Witton – courtesy of YDNPA

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EXECUTIVE SUMMARY

1. The Yorkshire Dales National Park Authority (YDNPA) is reviewing its Local Plan. The new Local Plan will set out the opportunities for development across the National Park and the policies to support that development for the period until 2040. As part of the evidence base to inform the plan making process and to demonstrate whether the draft policies, including those for affordable housing, are deliverable, the Authority commissioned Three Dragons in 2020 to undertake an Economic Viability Assessment. The findings of this exercise were presented in the Economic Viability Assessment April 2022 and have informed the subsequent draft Local Plan published in December 2024 – which has been issued for final consultation prior to the publication of the Regulation 19 draft Local Plan 2025 – 2040, expected to be published at the end of February 2025.
2. Since the EVA 2022 was completed, YDNPA has consulted twice on the shortlist of sites for allocation, (March 2023 and September 2024)), which has resulted in an updated set of sites to be considered for allocation through the draft Local Plan. Market conditions have also changed since the initial assessment. As a consequence, in 2024 the Authority commissioned Three Dragons to carry out a further viability assessment, with a particular focus on the type of site that has been identified for potential allocation through the Regulation 19 draft Local Plan.

Testing Principles

3. The Viability Assessment has been prepared in consultation with the development industry and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework.
4. The testing undertaken uses a standard residual value approach. The residual value of development is the total value of the scheme less all development and policy costs, including planning obligations and costs associated with land purchase. If the end value is positive, the scheme is said to be viable.
5. For the testing we used the Three Dragons Toolkit for residential development.

Types of site tested

6. A set of typologies was selected in consultation with the Authority which range from a 5-unit scheme up to a 60-unit scheme. They are representative of the range of sites identified in the call for sites.
7. The typologies were tested in both the market value areas, as identified in the EVA 2022 and described below. They were also tested on greenfield and brownfield land. However it is noted that the majority of the sites for potential allocation are greenfield sites (19 out of 23).

Key assumptions used in the testing

8. The Economic Viability Assessment Addendum 2024 builds on the assumptions and findings of the EVA 2022, updating costs and values to current prices. Some changes have been made to the housing mix to incorporate the findings of the latest Strategic Housing Market Assessment 2024 (ARC4 July 2024) and recent changes to the NPPF (December 2024) regarding First Homes.
9. Two value areas within the National Park (South East and North West) were identified in the EVA 2022 and have been used for the current testing. House prices are higher in the South East than in the North West.
10. Values were uprated to current prices using Land Registry price paid data. There was a marked difference in the house price increase for the two value areas with values in the, lower value, North West going up by 27%, whilst in the South East, with traditionally higher values, the increase was 11%.
11. Development costs have been based on standard industry published sources such as BCIS, rebased to the local indexes. Build costs have increased faster than house prices, rising by 32% since the EVA 2022. Interest rates have increased by 1% since the previous study. There was no evidence to suggest that benchmark land values have increased.
12. The testing has taken account of the policies in the draft Local Plan published in December 2024 and expected to become the Regulation 19 Plan, including Policy C1 Housing in towns and large villages which sets out the affordable housing contribution, based on the EVA 2022 findings.
13. More detail on the key assumptions in relation to costs and revenues are set out in chapter 3 and appendix III.

Key findings of residential analysis

14. The modelling has demonstrated good general viability in both value areas for the YDNPA. In particular affordable housing at the percentages set out in the draft Local Plan is deliverable in most cases, along with other policy requirements.
15. Results for greenfield sites, where the majority of the potential allocations are, show that draft policies are deliverable in every case from a viability perspective. Some results on brownfield sites can be said to be marginal and may require some flexibility to policy of a site-by-site basis to achieve viability unless there is flexibility within the land value.
16. Results were also positive where the affordable housing percentage was increased to 55% in the South East value area and 35% or 40% in the North West. However some of these scenarios push viability to the margins and sites could become vulnerable when additional pressure is placed on values or costs, as demonstrated in the sensitivity testing – although this is not the case when affordable housing is increased to 35% in the North East Value area.

Conclusion

17. In summary, the typologies tested support the policies in the draft Local Plan. There is enough headroom to support Policy C1 which requires 50% affordable housing on sites of 10 or more dwellings in the South East value area. In the North West value area the required level of affordable housing could be increased from 30% to 35% on sites of 10 or more dwellings. For sites of fewer than 10 dwellings the percentages in the draft Local Plan remain appropriate. Other policies including those contained within draft Policies C1, CP7 and CP9 are viable.

Chapter 1 Introduction

Purpose of the Economic Viability Assessment

1.1 The Yorkshire Dales National Park Authority (YDNPA) is reviewing its Local Plan. The new Local Plan will set out the opportunities for development across the National Park and the policies to support that development for the period until 2040. As part of the evidence base to inform the plan making process and to demonstrate whether the draft policies, including those for affordable housing, are deliverable, the Authority commissioned Three Dragons in 2020 to undertake an Economic Viability Assessment. The findings of this exercise were presented in the Economic Viability Assessment April 2022 and have informed the subsequent draft Local Plan published in December 2024 – which has been issued for final consultation prior to the publication of the Regulation 19 draft Local Plan 2025 – 2040, expected to be published at the end of February 2025.

1.2 Since the EVA 2022 was completed, YDNPA has consulted twice on the shortlist of sites for allocation, (March 2023 and September 2024)), which has resulted in an updated set of sites to be considered for allocation through the draft Local Plan. Market conditions have also changed since the initial assessment. As a consequence, in 2024 the Authority commissioned Three Dragons to carry out a further viability assessment, with a particular focus on the type of site that has been identified for potential allocation through the Regulation 19 draft Local Plan.

1.3 The current Local Plan for the Yorkshire Dales National Park YDNP was adopted on 20 December 2016. However it does not cover the parts of what were, at the time, Eden District and South Lakeland District but are now Westmorland & Furness Council or Lancaster City Council that have been designated as part of the extended National Park from 1 August 2016.

1.4 Unlike other local planning authorities, those covering National Parks are not also the local housing authority. The Yorkshire Dales National Park falls into three local housing authorities: North Yorkshire Council (including former Craven and Richmondshire), Westmorland & Furness Council (including former South Lakeland and Eden) and Lancaster City Council. The Yorkshire Dales National Park Authority remains a separate Local Planning Authority.

1.5 Inevitably the Local Plan policies of the housing authority districts reflect the wider housing market conditions of their areas and so differ from those adopted for the Yorkshire Dales National Park which respond to its circumstances. However, efforts have been made to ensure that this economic viability assessment adopts similar parameters where this is relevant.

1.6 The Economic Viability Assessment Addendum 2024 builds on the assumptions and findings of the EVA 2022, updating costs and values to current prices. Some changes have been made to the housing mix to incorporate the findings of the latest Strategic Housing Market Assessment 2024 (ARC4 July 2024) and recent changes to the NPPF (December 2024) regarding First Homes.

1.7 The Economic Viability Assessment Addendum 2024 has been prepared in consultation with the development industry and other key stakeholders (including local developers, their agents, landowners, Registered Providers of affordable housing and Rural Housing Enablers) and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework.

Chapter 2 Policy Background

National policy

2.1 National policy and guidance on viability for plan making and Community Infrastructure Levy is set out in National Planning Policy Framework (NPPF) December 2024 and the Planning Practice Guidance (PPG). There is also useful guidance contained within 'Viability Testing Local Plans - Advice for planning practitioners' (Harman 2012) and 'Assessing Viability in Planning' (RICS 2021). The viability testing undertaken within this study complies with this national policy and guidance, the details of which are set out in Appendix I.

2.2 There are a number of other national policies recently introduced that have a bearing on development costs and which have been included in the viability testing undertaken. These include:

- More stringent requirements to improve building standards, including to reduce carbon emissions in new homes, particularly the update to Building Regulations Part L (conservation of fuel and power), Part F (ventilation) and Part O (overheating)
- Update to Part S - Infrastructure for Charging Electric Vehicles which requires new development to provide electric vehicle charging points where a parking space is provided or cabling elsewhere
- Provision for biodiversity net gain introduced through the Environment Act 2021, with 10% net gain a mandatory requirement for most development types from April 2024
- Through an updated NPPF (December 2024), the removal of the requirement, previously introduced through Written Ministerial Statement (24 May 2021), that a minimum of 25% of affordable housing units should be First Homes.

2.3 In December 2023 the previous government issued a consultation on the Future Homes and Buildings Standard which seeks to make further improvements to the level of carbon emissions in new homes and non-domestic buildings and is anticipated to come into force in 2025. The status of this document and which options may be pursued is unclear since the July 2024 change of government but we nonetheless comment on headroom for the additional related costs associated with the standard should it be introduced.

National policy context relevant to the National Park

2.4 The founding blocks of all policy designed and adopted by Yorkshire Dales National Park Authority are the two statutory Purposes placed on all National Parks as laid out in the Environment Act 1995:

1. to conserve and enhance the natural beauty, wildlife and cultural heritage (of the National Parks); and

2. to promote opportunities for the understanding and enjoyment of the special qualities (of the National Parks) by the public.

2.5 An expansion of these statutory requirements is provided by the 'English National Parks and the Broads: UK Government Vision and Circular 2010'. It requires that in furthering their statutory purposes the Parks give sufficient weight to socio-economic interests to fulfil their duty to sustain strong rural communities. This requires that they provide clear and consistent advice on what are acceptable forms of development. In relation to housing the Government recognises that the National Parks are not suitable locations for unrestricted housing development and does not therefore provide general housing targets for them. Instead the expectation is that the National Parks will maintain a focus on affordable housing and that their Local Plans will include policies that that pro-actively respond to local housing needs.

2.6 The NPPF reflects the statutory requirements placed on National Parks, stating that "the scale and extent of development within all these designated areas should be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas" (paragraph 189).

2.7 Recognising the importance of affordable housing to such areas the NPPF allows an exception to the requirement that "affordable housing should not be sought for residential developments that are not major developments" permitting authorities to "set out a lower threshold of 5 units or fewer" (paragraph 65).

Local policy context

2.8 The YDNPA's current Local Plan is now nearly nine years old and does not cover the parts of what were, at the time, Eden District and South Lakeland District but are now Westmorland & Furness Council or Lancaster City Council that have been designated as part of the extended National Park from 1 August 2016. The new Local Plan 2025 – 2040 will cover the wider area and we refer in this Addendum Report to the draft text published in December 2024, noting that a final version is expected to be published in February / March 2025.

2.9 Policy CP3 - Spatial Strategy and Housing Target sets out that "the housing supply will be expanded by an average annual target of 50 new dwellings per year (750 dwellings between 2025 and 2040). The majority of this target will be met through the development of allocated sites on the edge of Local Service Centres and large villages … and through the completion of sites with existing planning permission." The allocated sites have been updated since the 2022 EVA and are listed in Appendix I.

2.10 Of particular relevance to this report is Policy C1 - Housing in Towns and large Villages which describes the affordable housing percentages required by value area and number of dwellings.

Table 2.1 Affordable housing requirement as set out in draft policy C1

Site size Number of dwellings proposed	South East value area Percentage of affordable housing required	North and West value area Percentage of affordable housing required
1 dwelling	Local occupancy only	Local occupancy only
2-5 dwellings	40% affordable	20% affordable
6- 9 dwellings	50% affordable	25% affordable
10 or more dwellings	50% affordable	30% affordable

2.11 Policy C1 also states that

- All new housing in the National Park will be of high quality design in conformity with policy CP6 (Design) (which in turn states that "the Authority will permit development proposals that deliver high quality design incorporating good visual appearance, low carbon emissions, resilient construction, accessibility for all and have regard to surrounding amenity" referencing the Design Guide)
- For proposals of more than one dwelling, new housing will be restricted to principal residency in perpetuity
- The size, type and tenure of new housing must conform with the recommendations of the Strategic Housing Market Assessment or other more recent evidence of overall dwelling need
- All sites of more than 5 units must constitute at least 45% one or two bedroom dwellings, to meet the needs of elderly and other smaller households
- New homes will need to comply with the Nationally Described Space Standards
- All new build dwellings must be constructed to M4(2) accessible and adaptability standards.

2.12 Other relevant policies include

- CP7 – Energy requirements: describes how the authority will support renewable and low carbon energy proposals, noting that supporting text states that "the Local Plan does not contain a policy that prescribes a set level of energy efficiency in new buildings, or that requires consequential improvements to existing buildings… this is because the national Building Regulations stipulate energy efficiency and are expected to provide staged improvements towards net zero standard for many new buildings" Para 1.198)
- CP9 – Biodiversity Net Gain: development proposals will be required to contribute towards nature recovery by enhancing Biodiversity by at least 10% compared to the pre-development situation – this is commensurate with national policy.

Chapter 3 Typologies and Assumptions

Principles and approach

3.1 As is standard practice[1], we have adopted a residual value approach to our analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less scheme costs. The remainder is the gross residual value and is available to pay for the land. The value of the scheme includes both the value of the market housing and affordable housing. Scheme costs include the costs of building the development, plus professional fees, scheme finance and a return to the developer as well as any planning obligations or other policy costs and the costs associated with land purchase, as described in PPG

> "Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return."[2]

3.2 This is illustrated in the figure below

Figure 3.1: Residual Value Approach

Total development value (market and affordable)
Minus
Development costs (including build & site costs, developer / contractor return, CIL, planning obligations, fees etc)
=
Gross residual value (available to pay for land)
Minus
Cost and fees associated with buying the land
=
Net residual value

3.3 If net residual value is positive then development can be said to be viable.

[1] See page 25 of Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012 – "*We recommend that the residual land value approach is taken when assessing the viability of plan-level policies and further advice is provided below on the considerations that should be given to the assumptions and inputs to a model of this type.*"

[2] Paragraph: 010 Reference ID: 10-010-20180724

Typologies

3.4 A set of typologies was selected which are representative of the range of sites identified in the call for sites and allocated through the draft Local Plan, as per the approach set out in PPG stating that

"A typology approach is a process plan makers can follow 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". (Paragraph 004 Reference ID: 10-004-20190509)

3.5 The typologies build upon the testing undertaken in the 2022 study and take into account the policies in the Regulation19 draft Local Plan, including Policy C1 – Housing in towns and large villages, which covers the requirements for affordable housing. They are set out in the table below.

Table 3.1 Typologies used in the viability testing

Typologies	Densities	Gross area - ha	Net area - ha
5 units	35 dph	0.143	0.143
10 units	35 dph	0.286	0.286
20 units	35 dph	0.571	0.571
30 units	35 dph	0.857	0.857
60 units	35 dph	2.142	1.714

3.6 Some of the typologies are similar to those tested in the EVA 2022 with case studies of 5, 10, 20 and 30 dwellings tested previously albeit with some difference to the housing mix and policies allowed for. The 60-unit typology is a completely new case study to take account of the larger sites being considered for allocation by the Authority.

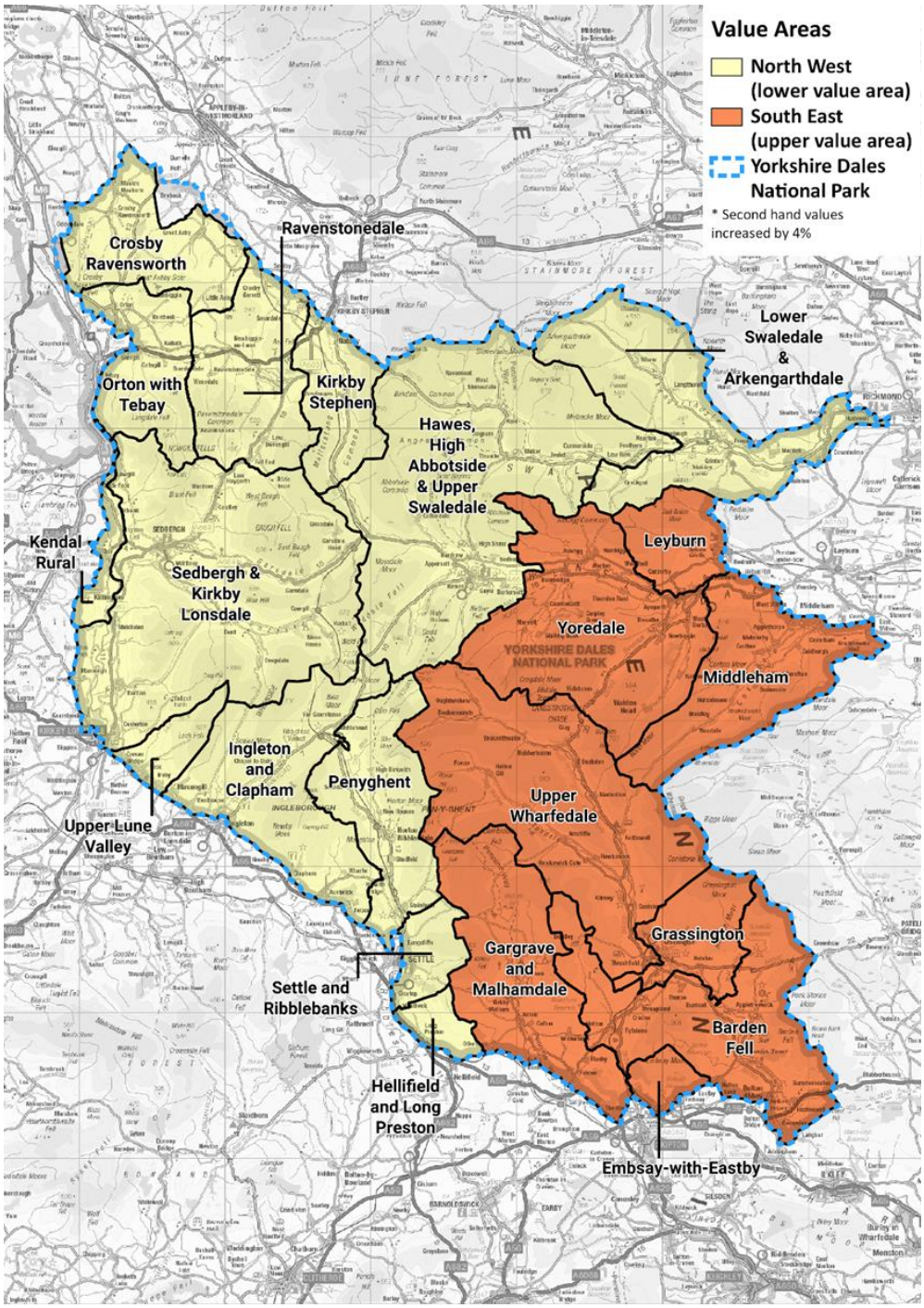
3.7 The typologies were tested in both market value areas, as described below, and on greenfield and brownfield land. However it is noted that the majority of the sites for potential allocation are greenfield sites (19 out of 23).

Market values

3.8 Two value areas within the National Park were identified in the EVA 2022 and have been used for the testing. House prices and land values are higher in the South East than in the North

West. These are illustrated in the map below. The blue line shows the boundary of the National Park and the coloured areas show the demarcation between South East and North West value areas.

Figure 3.2 Map of value areas in YDNPA – reproduced from EVA 2022



3.9 Values were uprated to current prices using Land Registry price paid data (that is from q1 2021 to q3 2024). There was a marked difference in the house price increase for the two value areas with values in the, lower value, North West going up by 27%, whilst in the South East, with traditionally higher values, the increase was 11%. Unlike for the EVA 2022 there was not sufficient new build data to assume any further uplift for new homes.

Benchmark Land Value

3.10 The EVA 2022 arrived at realistic benchmark values for Yorkshire Dales National Park through review of a number of data sources, sense checked locally. These include:

- Review of previous viability studies at plan level that have been through examination (England – see Appendix III in the EVA 2022)
- Review of plan level viability studies from neighbouring authorities (Craven, Eden, Richmondshire);
- Local site-specific appraisals provided by YDNPA for review;
- Review of MHCLG published land values (Land Values for Policy appraisal MHCLG 2019 published 2020)
- Consultation with developers, land-owners and agents at a stakeholder workshop and subsequent follow-up discussion (see Appendix II of the EVA 2022)
- Review of published sources – Savills, Knight Frank, Farming UK
- Review of land for sale on Rightmove.

3.11 There is no evidence to suggest that these values should be amended and we have therefore continued with the same assumptions for land.

Table 3.2 Land values per gross hectare

	Previous / existing use	Greenfield / edge of settlement
Main benchmark (with uplift from existing use)	£720,000	£400,000
Sensitivity range	£480,000 – £1,000,000	£300,000 - £500,000

3.12 The viability modelling in this report has been undertaken at the main benchmark land value with some sensitivity testing within the 'sensitivity range'. For a full discussion of how the land values were derived, please refer to the EVA 2022 (Chapter 3 and Appendix III).

Local plan policies

3.13 Based on the findings of the EVA 2022, the draft Local Plan sets out the requirements for affordable housing as follows in Policy C1.

Table 3.3 Affordable housing requirements as set out in Policy C1 of the draft Local Plan

Site size Number of dwellings proposed	South east value area Percentage of affordable housing required	North and west value area Percentage of affordable housing required
1 dwelling	Local occupancy only	Local occupancy only
2-5 dwellings	40% affordable	20% affordable
6- 9 dwellings	50% affordable	25% affordable
10 or more dwellings	50% affordable	30% affordable

3.14 We have used the same percentages of affordable housing for the testing in this addendum report. We have also run a number of sensitivity tests at a higher percentage to test whether market changes might allow for a higher percentage of affordable homes.

3.15 As discussed in chapter 2, as well as affordable housing we have taken account of relevant local policies which impact on viability. The impact on development costs is described below (note that some of these are the same as national policy requirements but we include these below as well for continuity).

- Policies on low carbon emissions, C1 and CP7 in particular, we have included an additional 3.9% on build costs to cover the 2021 changes to parts L, O & F of the Building Regulations, as recommended by BCIS in their newsletter September 2023
- Policy C1 also requires new housing on sites over 1 unit to be for principal residence only; some studies from elsewhere have indicated that prices reduce by c5% where properties are sold for 'principal residence' Exmoor National Park viability assessment (2016) and Northumberland NP viability assessment (2019) for example. However other studies have not found such a link, Purbeck Local Plan Second Homes Evidence Paper (2018) and St Ives, Cornwall neighbourhood plan for example, nor did local consultation: potentially prices will not be affected if all new build units have the same condition attached, some anecdotal evidence has suggested that the impact is for house prices to rise: we have therefore tested homes at full market value, with a sensitivity test at 95%.
- All homes comply with Nationally Described Space Standards (NDSS) as per Policy C1.
- We have allowed an additional £1,400 per dwelling to account for the requirement in Policy C1 that all new dwellings should be built to Building Regulations Part M4(2) accessibility standard

- AC5 – Vehicle movements requires that development proposals that will generate vehicle movements will be required to "make provision for appropriate access, parking and electric vehicle charging in conformity with the local highway authority standards" – as EV charging is now a national requirement under part S of the Building Regulations we have allowed £865 per dwelling
- We have allowed for Biodiversity Net Gain of 10% as per policy CP9 of £1,212 per dwelling for greenfield sites and £234 per dwelling for brownfield sites derived from the 2019 government Impact Assessment (central scenario); as recommended in the Impact Assessment (p42) we have not allowed for inflation assuming further cost will be absorbed within the land value.

Housing mix

3.16 To account for the updated SHMA (ARC4 July 2024) we have made some changes to both the market and the affordable housing mixes since the 2022 study. There has been an increase in the number of affordable 4 bed homes and a decrease in the number of market 4 beds. There has also been an increase in the number of affordable 1 bed homes, although we have not included 1 bed market homes as developers reported that this was not a product likely to be developed and sold in the NP. We have also introduced 2 bed bungalows for affordable rent and shared ownership to help meet the need from older downsizers. The mix complies with the requirement in Policy C1 that "all sites of more than 5 units must constitute at least 45% one or two bedroom dwellings, to meet the needs of elderly and other smaller households". Housing mix is shown in the two tables below, with the market housing mix shown in the first table and the affordable housing mix in the second.

Table 3.4 Housing mix for open market dwellings

Type	Sqm	% of open market mix
2 bed terrace	70	30%
2 bed bungalow	70	5%
3 bed terrace	84	10%
3 bed semi	93	10%
3 bed detached	100	25%
4 bed detached	120	20%

Table 3.5 Housing mix for affordable dwellings

Type	Sqm	Affordable rent (65% of the affordable mix)	Affordable home ownership (35% of the affordable mix)
1 bed flat/maisonette	50	15%	
2 bed house	70	40%	50%
2 bed bungalow	61	10%	10%
3 bed house	84	25%	40%
4 bed house / larger 3 bed	97	10%	

Build costs

3.17 As per the previous study and in accordance with PPG paragraph 14 (Paragraph: 014 Reference ID: 10-012-20240214) we have used the Building Cost Information Service (BCIS) as our primary source for build costs. Noting that there is no set build cost available through BCIS relating directly to the YDNPA, we have rebased to take an average of the mean indexes for the authorities that together cover the National Park (excluding Lancaster which covers little of the National Park and has a lower rate than for the other authorities). The mean point is applied to sites of 6-9 dwellings but as in the previous study a further 5% has been added to sites of 2-5 dwellings to account for anticipated higher costs at smaller scale. For sites of 10 or more dwellings we have used 95% of the mean and for sites of 50 plus dwellings we have used 92%, as identified as more typical of larger sites.

3.18 Build costs have increased by 32% since the previous study (q1 2021 to q2 2024), which is above the increase in sales values. (Sales values have increased by 27% in the North West of the National Park and by 11% in the South East.)

3.19 In addition to build costs we have added a further 15% for external works. This equates to around £23,000 for a typical 100sqm dwelling on a major site. We have also allowed additional build costs for dwellings to achieve the policy requirements set out in paragraph 3.15 above.

Other costs

3.20 Developer return is at the mid-point of the range 15-20% set out in PPG, 17.5% of gross development value (GDV). For affordable housing PPG highlights that the return will be lower, and we have used 6% of GDV as is industry standard.

3.21 We have increased interest rates by 1% since the 2022 study – we have used 7%, reflective of the rise and fall in lending rates.

3.22 As per the EVA 2022, for professional fees we have used 10%, except for the largest typology of 60 dwellings where we have used 8%. This is in addition to marketing fees of 3%, agents & legal fees of 1.75% (plus £500 per affordable unit) and land charges at the current rates.

The Future Homes Standard

3.23 At the time of writing full details of how the Future Homes Standard will be implemented have not been published. The Impact Assessment published in December 2023 gives two costed options: Option 1 with a weighted average of £4,360 per unit and Option 2 with a weighted average of £640 per unit (table 5). We have taken the higher of the options and adjusted the unit sizes and types so that they are comparable with YDNPA. This then gives a weighted average of £6,100 per unit. This is then applied in a sensitivity analysis to the typologies.

Affordable housing assumptions

3.24 Affordable housing provision was tested at 50% of residential development in the South East value area and 30% in the North East, except for the 5 unit typology which was tested at 40% and 20% respectively to accord with the draft policy. We have also carried out some sensitivity testing at a higher rate.

3.25 To meet housing need 65% of the affordable homes are for rent and 35% for intermediate tenure (shared ownership in this case – we have not modelled First Homes as they are no longer a requirement and are not the preferred tenure of the Authority or local RPs).

3.26 Full details of the affordable housing assumptions, including the housing mix and rent levels are shown in Appendix III, along with the shares and discounts for affordable home ownership.

3.27 For testing purposes, we have applied an equivalence model in relation to commuted sums which assumes that the developer is no better or worse off for providing affordable units in site. Thus the same impact on residual values applies whether affordable housing is delivered on-site or as a commuted sum.

3.28 It has been assumed that no grant is available to subsidise the affordable housing on all sites tested. In practice, some grant may be available especially where 'additionality' is achieved but it is not possible to say how much and in what circumstances. Testing with nil grant is therefore prudent but does mean we are reporting a 'worse case' picture.

Scheme densities

3.29 Densities and net to gross ratios tested reflect past patterns of delivery. In most cases 35dph is used which accords with policy C1 of the draft Local Plan.

3.30 A full list of the assumptions used in the testing can be found at Appendix III.

Chapter 4 Results of modelling

4.1 Using the assumptions discussed in the previous chapters, the results for the viability modelling are presented below. The results take account of all costs and values including the payment for land, therefore if the result is positive then the typology can be said to be viable. Where practical to do so, the results are shown for the typology and also on a per unit basis to aid comparison between results for different sized typologies.

4.2 Notwithstanding that the majority of site allocations are for greenfield sites, we have shown the results for both greenfield and brownfield sites. The results have been arrived at using the main benchmark land values of £0.4m hectare for greenfield land and £0.72m hectare for brownfield land along with associated land charges, unless otherwise specified. The full range of benchmark land values is described in table 3.2 above with background data available in Appendix III to the EVA 2022.

4.3 Where results are within £5,000 per unit either way then we would consider that the typology is 'marginal'. This is an arbitrary definition but is useful because we would expect that viability could be improved by a relatively simple adjustment, by a fall in interest rates, changes to the tenure mix for example or employing flexibility within the land value.

4.4 In noting the range of viability outcomes we refer to PPG which states that "assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable". (PPG Paragraph: 003 Reference ID: 10-003-20180724)

General typologies in both value areas

4.5 The results are presented in the tables below, with the results for the South East value area shown first, then those for the North West value area. The number of units in the typology is shown in the first column and the affordable housing percentage is shown in the second column. Negative results are in red font.

4.6 Full detailed results are presented in Appendix IV and V.

Table 4.1 Results of the viability modelling – residual value per typology and per unit for South East value area

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit	Brownfield - RV per typology	Brownfield - RV per unit
5 units	40%	£23,800	£4,800	-£20,100	-£4,000
10 units	50%	£99,000	£9,900	£11,200	£1,100
20 units	50%	£202,400	£10,100	£13,200	£700
30 units	50%	£305,000	£10,200	£17,400	£600
60 units	50%	£881,200	£14,700	£114,400	£1,900

Table 4.2 Results of the viability modelling – residual value per typology and per unit for North West value area

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit	Brownfield- RV per typology	Brownfield - RV per unit
5 units	20%	£36,300	£7,300	-£7,600	-£1,500
10 units	30%	£150,900	£15,100	£63,100	£6,300
20 units	30%	£309,300	£15,500	£120,100	£6,000
30 units	30%	£466,400	£15,500	£181,500	£6,000
60 units	30%	£1,225,400	£20,400	£493,700	£8,200

4.7 Tables 4.1 and 4.2 set the base case and demonstrate viable policy compliant schemes in every instance with the exception of 5-units on brownfield sites, reflective of the additional costs associated with developing smaller schemes.

4.8 In the South East, results are more marginal on brownfield typologies. On greenfield sites in the South East however results range from £4,800 per unit of the 5-unit typology up to £14,700 per unit on the 60-unit typology (£881,200 scheme total for the 60-unit typology).

4.9 Results are strongest in the North West Value area where on greenfield sites results range from £7,300 per unit of the 5-unit typology up to £20,400 per unit on the 60-unit typology (£1,225,400 scheme total for the 60-unit typology).

Sensitivity testing with additional affordable housing

4.10 To take account of the fact that many results show a high positive residual value with a policy compliant level of affordable housing, we ran a set of sensitivity tests to look at the impact of increasing the level of affordable housing to 55% (from 50%) on typologies over 6 units in the South East value area and to 35% or 40% (from 30%) in the North West value area. A 20-unit

typology on greenfield land was chosen for this exercise, as a good proxy for all the typologies of 10 or more units. The results are shown in tables 4.3 and 4.4 below.

Table 4.3 Results of the viability modelling – residual value per greenfield typology and per unit for South East value area – with additional affordable housing

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit
20 units – base	50%	£202,400	£10,100
20 units – additional AH	55%	£81,200	£4,100

Table 4.4 Results of the viability modelling – residual value per greenfield typology and per unit for North West value area – with additional affordable housing

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit
20 units - base	30%	£309,300	£15,500
20 units - additional AH	35%	£206,700	£10,300
20 units - additional AH	40%	£104,000	£5,200

4.11 The following table, 4.5, takes the 35% affordable housing scenario in the North West value area, and looks at the impact on other typologies.

Table 4.5 Results of the viability modelling – residual value per typology and per unit for North West value area – with additional affordable housing (35%)

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit	Brownfield - RV per typology	Brownfield - RV per unit
10 units	35%	£100,400	£10,000	£12,600	£1,300
20 units	35%	£206,700	£10,300	£17,500	£900
30 units	35%	£312,700	£10,400	£25,200	£800
60 units	35%	£914,300	£15,200	£158,900	£2,600

4.12 The results in tables 4.3 to 4.5 show that typologies remain viable with higher levels of affordable housing, 55% in the South East value area and 35% and 40% in the North West value area – for greenfield typologies of 10 units or more.

Sensitivity testing with variation to open market values

4.13 The draft Local Plan Policy C1 requires all units on sites above 1 dwelling to be for principal residence only. The market impact of this policy is discussed in chapter 3 and the main testing has been carried out with full market values. Nonetheless, to cover all eventualities, we have tested a 5% price reduction on a sample typology of 20 units, using both the current draft policy position for affordable housing and the higher levels shown in tables 4.4 and 4.5 above. Additionally, to show how a resultant price reduction, were it to occur, could be accounted for within land value, some results are also shown with a benchmark land value at the lower end of the land value range.

Table 4.6 Results of the viability modelling – residual value for a 20 unit scheme where house prices are reduced by 5% - both value areas

	Affordable housing %	Greenfield - RV per typology	Greenfield - RV per unit
20 units SE	50%	£61,200	£3,100
20 units SE	55%	-£45,800	-£2,300
20 units SE – lower land value	55%	£16,300	£800
20 units NW	30%	£128,800	£6,400
20 units NW	35%	£39,000	£2,000
20 units NW - lower land value	35%	£101,200	£5,100
20 units NW	40%	-£50,700	-£2,500
20 units NW - lower land value	40%	£11,500	£600

4.14 Where house prices were reduced by 5% on a 20-unit typology for both value areas, as shown in table 4.6, results remained viable on greenfield sites with draft policy compliant affordable housing and applying the main benchmark land value. This was also the case with an increase to 35% affordable housing in the North West value area. When affordable housing was increased to 55% in the South East and 40% in the North West results were marginally unviable but became marginally viable where land value was reduced.

Future Homes Standard

4.15 As discussed earlier in the report, the Future Homes Standard in expected to be introduced during 2025 but, at the time of writing, the latest technical consultation has not yet been published. Based on the previous government consultation we have arrived at a figure of £6,100 per unit for the YDNPA. Looking at the results for the 20-unit typologies the table below comments on headroom to accommodate this policy at current costs and values.

Table 4.7 Applying the Future Homes Standard to the 20-unit typology

	Affordable housing %	Result per unit	Headroom for £6,100 per unit for Future Homes Standard
20 units SE Greenfield	50%	£10,100	Yes
20 units SE Greenfield	55%	£4,100	No
20 units SE Brownfield	50%	£700	No
20 units NW Greenfield	30%	£15,500	Yes
20 units NW Greenfield	35%	£10,300	Yes
20 units NW Greenfield	40%	£5,200	No
20 units NW Brownfield	30%	£6,000	Yes
20 units NW Brownfield	35%	£900	No

4.16 The table shows there is headroom for additional costs at the policy position level of affordable housing (excepting the brownfield typology in the South East Value area) as well as for 35% affordable housing in the North West value area on a greenfield site. It is however important to note that this is necessarily carried out as a sensitivity test: costs and standards related to this measure are unknown; also house prices and build costs will have changed by the time the measure is implemented.

Conclusions from the modelling

4.17 The modelling has demonstrated good general viability in both value areas for the YDNPA. In particular affordable housing at the percentages set out in the draft Local Plan is deliverable in most cases, along with other policy requirements.

4.18 Results for greenfield sites, where the majority of the potential allocations are, show that draft policies are deliverable in every case from a viability perspective. Some results on brownfield sites can be said to be marginal and may require some flexibility to policy of a site-by-site basis to achieve viability unless there is flexibility within the land value.

4.19 Results were also positive where the affordable housing percentage was increased to 55% in the South East value area and 35% or 40% in the North West. However some of these scenarios push viability to the margins and sites become vulnerable when additional pressure is placed on values or costs, as demonstrated in the sensitivity testing – although this is not the case when affordable housing is increased to 35% in the North East Value area.

Chapter 5 Summary and conclusions

5.1 Since the EVA 2022 was undertaken, house prices have risen by 11% in the South East value area and 27% in the North West. Build costs have increased by 32% in all areas and interest rates by 1%. Land values have not changed. As a result viability has improved in the North West but not in the South East.

5.2 **This viability assessment has however demonstrated good general viability on the typologies modelled. In particular affordable housing at the percentages set out in the draft Local Plan is deliverable in most cases, along with other policy requirements**.

5.3 Results for greenfield sites, where the majority of the potential allocations are, show that draft policies are deliverable in every case from a viability perspective. Some results on brownfield sites can be said to be marginal and may require some minor flexibility to policy on a site-by-site basis, although the price paid for land should reflect policy and small adjustments in land value should ensure that the sites are nonetheless deliverable.

5.4 **The improved viability outcomes in the North West value area suggest that affordable housing could be increased from 30% to 35% on sites of 10 units or more**. Increases elsewhere may be possible but this could push to the margins of viability.

5.5 In summary, the typologies tested support the policies in the draft Local Plan. There is enough headroom to support Policy C1 which requires 50% affordable housing on sites of 10 or more dwellings in the South East value area. In the North West value area the required level of affordable housing could be increased from 30% to 35% on sites of 10 or more dwellings. For sites of fewer than 10 dwellings the percentages in the draft Local Plan remain appropriate. Other policies including those contained within draft Policies C1, CP7 and CP9 are viable.

Appendix I Allocated Sites

Reference	Site address (see Local Plan inset Maps)	Indicative capacity (dwellings)
AIR1	Land at Hallgarth, Airton	5
BOL1	Land west of Mitford Cottages, Bolton Abbey	6
CPY1	Land at East End Farm, Carperby	6
GRA5	Land south east of Aynham Close, Grassington	25
GRA7	Land north of Moody Sty Lane, Grassington	21
HAW1	Land south and west of Woodburn, Burtersett Road, Hawes	6
HAW2	Land south of Northgate House, Burtersett Road, Hawes	16
HAW3	Land east of Northgate House, Burtersett Road, Hawes	6
HAW4	Land at Kirkbrides Way, Hawes	10
HOR6	Land west of B6479 opposite Rowe Garth, Horton-in-Ribblesadle	11
LON5	Land rear of Moorfields & Guy's Cottages, Long Preston	12
LON8	Land between Nos 36 and 38 Main Street, Long Preston	10
NAT2	Land opposite Fell View Garage, Nateby	7
NLU1	Land west of Ash Dene, Newbiggin-on-Lune	9
NLU2	Land at The Warehouse, Newbiggin-on-Lune	7
ORT1	Land east of Ashfield Court, Orton	8
SED2	Land south of Station Road and east of Busk Lane, Sedbergh	25
SED9	Land at Kings Yard, Bainbridge Road, Sedbergh	7
SED15	Land west of Guldrey Fold, Sedbergh	25
SED16	Land north of Medical Centre, Sedbergh	12
THR4	Land north of Upper Wharfedale School, Threshfield	60
THR5	Land north of the B6265, opposite Woodlands View, Threshfield	15
THR8	Land east of the B6160, Threshfield	60
Total		**369**

Appendix II National policy on viability

National policy context

i. **The National Planning Policy Framework (NPPF**) (December 2024) recognises the importance of positive and aspirational planning but states that this should be done 'in a way that is aspirational but deliverable'. (Para 16)

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

'Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.'(Para 35)

iii. The government has signalled its desire to simplify the planning process, including development contributions. The NPPF advises that:

'All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.' (Para 59)

iv. In terms of affordable homes the government has reiterated previous policy on affordable homes thresholds and places an emphasis on social rent:

'Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.' (Para 65)

v. *'Where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures.' (Para 66)*

vi. With regard to non-residential development, the NPPF states that local planning authorities should:

'Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth...local policies for economic development and regeneration ...set criteria, or and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period. Appropriate sites for commercial development which meet the needs of a modern economy should be identified, including suitable locations for uses such as laboratories, gigafactories, data centres, digital

infrastructure, freight and logistics. Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment...be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.' (Para 86)

vii. *Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for: 'a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections); . . . b) storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.' Para 87)*

viii. However, the NPPF does not state that all sites must be viable now in order to appear in the plan. Instead, the NPPF is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs and that overall, Local Plan policies should not undermine the deliverability of the plan (Para 35 . It is important to recognise that economic viability will be subject to economic and market variations over the local plan timescale. In a free market, where development is largely undertaken by the private sector, the local planning authority can seek to provide suitable sites to meet the needs of sustainable development. It is not within the local planning authority's control to ensure delivery actually takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So, in considering whether a site is deliverable now or developable in the future, we have taken account of the local context to help shape our viability assumptions.

ix. **Written Ministerial Statement - Local Energy Efficiency Standards Update** (13 December 2023) recognises that for a number of years, the plans of some local authorities have sought to go further than national standards for energy efficiency. The WMS states that the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations unless they have a well-reasoned and robustly costed rationale that ensures development remains viable and that any additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate calculated using a specified version of the Standard Assessment Procedure.

x. **Planning Practice Guidance** - Planning Practice Guidance (PPG) provides further detail about how the NPPF should be applied. PPG contains general principles for understanding viability (also relevant to CIL viability testing). The approach taken reflects the latest version of PPG. In order to understand viability, a realistic understanding of the costs and the value of development is required and direct engagement with development sector may be helpful (Paragraph: 010 Reference ID: 10-010-20180724). Evidence should be proportionate to

ensure plans are underpinned by a broad understanding of viability, with further detail for strategic sites that provide a significant proportion of planned supply (Paragraph: 005 Reference ID: 10-004-20180724).

xi. All development costs should be taken into account, including within setting of benchmark land values, in particular para 014 within the PPG Viability section states that:

'Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service
- abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value
- site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value
- the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, biodiversity net gain (as required by Schedule 7A of the Town and Country Planning Act), and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value
- general finance costs including those incurred through loans
- professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value
- explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.'

xii. Land values should be defined using a benchmark land value that is established on the basis of Existing Use Value plus a premium for the landowner. The premium should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The benchmark should reflect the implications of abnormal costs, site specific infrastructure and fees. It can be informed by market evidence including current costs and values but that this should be based on development that is compliant with policies, where evidence is not available adjustments should be made to reflect policy compliance. (Paragraph: 013 Reference ID: 10-013-20190509 and 014 Reference ID: 10-014-20190509)

xiii. PPG states that developer return should be 15 - 20% of gross development value and that a lower figure may be more appropriate for affordable homes delivery (Paragraph: 018 Reference ID: 10-018-20190509)

xiv. **Other guidance on viability testing for development** - Guidance has been published to assist practitioners in undertaking viability studies for policy making purposes - "*Viability Testing Local Plans - Advice for planning practitioners*" . (The guide was published in June 2012 and is the work of the Local Housing Delivery Group, chaired by Sir John Harman, which is a cross-industry group, supported by the Local Government Association and the Home Builders Federation.) The foreword to the Advice for planning practitioners includes support from DHCLG, the LGA, the HBF, PINS and POS. Within the guidance, PINS and the POS state that:

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

xv. The approach to viability testing adopted for this study follows the principles set out in the Advice. The Advice re-iterates that:

'*The approach to assessing plan viability should recognise that it can only provide high level assurance*'

xvi. The Advice also comments on how viability testing should deal with potential future changes in market conditions and other costs and values and states that:

'*The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values'. (page 26)*

But that:

'*The one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented.....' (page 26)*

Principles of viability testing

xvii. The Advice for planning practitioners summarises viability as follows:

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.' (page 14)

xviii. Reflecting this definition of viability, and as specifically recommended by the Advice for planning practitioners, we have adopted a residual value approach to our analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less the costs of undertaking the development. The residual value is then available to pay for the land. The value of the scheme includes both the value of the market homes and affordable homes (and other non-residential values). Scheme costs include the costs of building the development, plus professional fees, scheme finance and a return to the developer. Scheme costs also include planning obligations (including affordable homes,

direct s106 costs) and the greater the planning obligations, the less will be the residual value.

xix. The residual value of a scheme is then compared with a benchmark land value. If the residual value is less than the benchmark value, then the scheme is less likely to be brought forward for development and is considered unviable for testing purposes. If the residual value exceeds the benchmark, then it can be considered viable in terms of policy testing.

xx. PPG paragraph 012 – 017 (09/05/19) sets out that benchmark land values should be based on the current use value of a site plus an appropriate site premium in most cases. The principle of this approach is that a landowner should receive at least the value of the land in its *'pre-permission'* use, which would normally be lost when bringing forward land for development. The benchmark land values used in this study are based on the principle of *'Existing Use Value Plus'* which is considered further in other parts of this report.

xxi. Note the approach to Local Plan level viability (or CIL) assessment does not require all sites in the plan to be viable. The Harman Report says that a site typologies approach (i.e. assessing a range of example development sites likely to come forward) to understanding plan viability is sensible, a view echoed in CIL guidance.

"A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge. The authority will need to be able to show why they consider that the proposed levy rate or rates set an appropriate balance between the need to fund infrastructure and the potential implications for the viability of development across their area" (Paragraph: 020 Reference ID: 25-020-20190901)

xxii. PPG viability guidance takes the same pragmatic approach. "Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." (Paragraph: 003 Reference ID: 10-003-20180724)

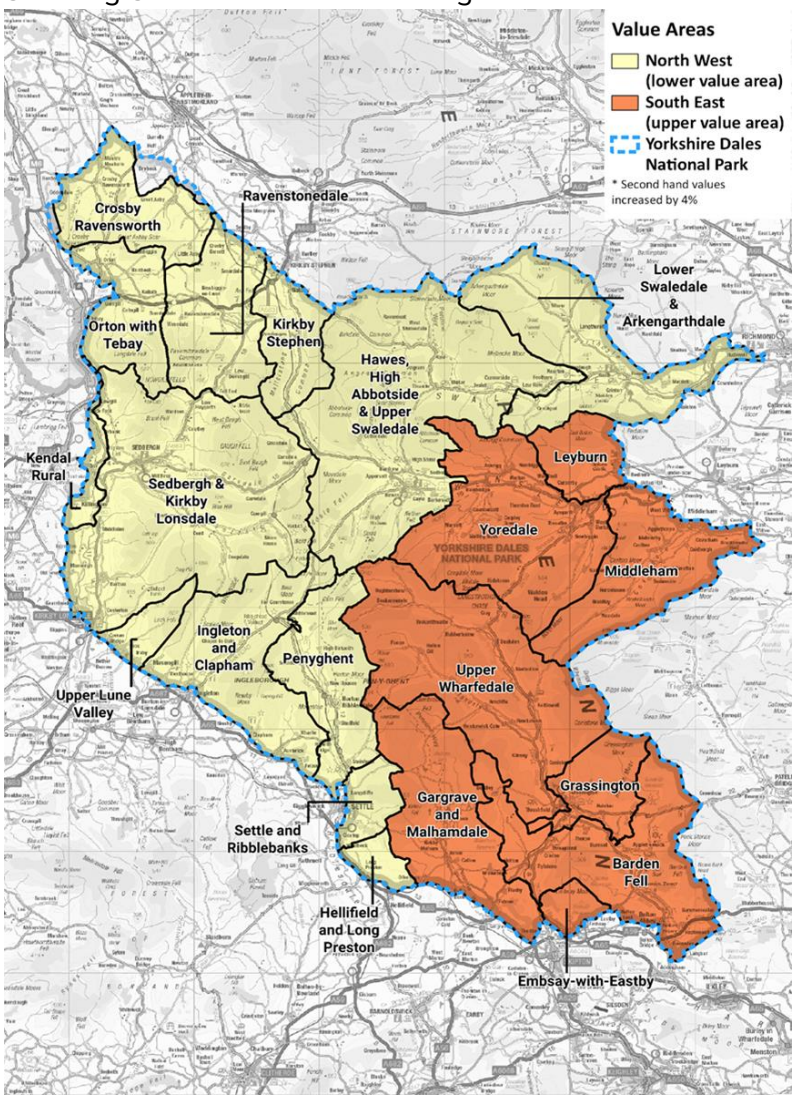
Appendix III Assumptions used in the modelling

1. Typologies

Typologies	Densities	Developed area	Gross area	net area
5 units	35 dph	100%	0.143	0.143
10 units	35 dph	100%	0.286	0.286
20 units	35 dph	100%	0.571	0.571
30 units	35 dph	100%	0.857	0.857
60 units	35 dph	80%	2.142	1.714

2. Market value areas

Showing South East coloured orange and North West coloured yellow



3. Market values 2024

3.1 £ per sqm

£sqm	Houses	Flats	Bungalow
SE	£3,822	£2,825	£4,586
NW	£3,491	£2,825	£4,189

3.2 Market values per unit

Type	Sqm	% of mix	Price SE	Price NW
2 bed terrace	70	30%	£267,540	£244,370
2 bed bungalow	70	5%	£321,048	£293,244
3 bed terrace	84	10%	£321,048	£293,244
3 bed semi	93	10%	£355,446	£324,663
3 bed detached	100	25%	£382,200	£349,100
4 bed detached	120	20%	£458,640	£418,920

4. Affordable housing mix

	sqm	Affordable Rent	Affordable home ownership
% of mix		**65%**	**35%**
1 bed flat/ maisonette	50	15%	
2 bed house	70	40%	50%
3 bed house	84	25%	40%
4 bed or larger 3 bed house	97	10%	
2 bed bungalow	61	10%	10%

5. Affordable rents - Bradford & South Dales BRMA (April 2024)

Full LHA rates	per week
1 bed	£103.56
2 bed	£120.82
3 bed	£146.14
4 bed	£172.60

6. Affordable assumptions for arriving at net rent

Item	Cost	
Management & maintenance	£1,250	Per annum
Voids/bad debts	2.5%	Per annum
Repairs reserve	£600	Per annum
Capitalisation	5.0%	Per annum
Share size	35%	Of market value
Rental share	2.50%	Per annum – on unsold portion
Service charges	£5	Per week
Repairs SO	£4,000	Over 10 years

7. Build costs – all dwelling types

Type	**Build Cost per sqm Q2 2024**	**Comment**
Flats (1-2 storeys)	£1,779	BCIS mean index (5-years)
Houses – 50+ units	£1,461	92% of BCIS mean index (5-years)
Houses – 10-50 units	£1,509	95% of BCIS mean index (5-years)
Houses - 6-9 units	£1,588	BCIS mean index (5-years)
Houses - 2-5 units	£1,667	105% of BCIS mean index (5-years)
Bungalows	£1,813	BCIS mean index (5-years)
Sheltered / extra care flats	£1,966	BCIS mean index (5-years) supported housing
External works and site infrastructure	15%	Of build costs
Garages	£8,100	18 sqm - Detached and semis
Accessibility	£1,400	Part M4(2)
Building Regs 2021 – part L F O	3.90%	Part L 2.8% of build costs Part F 0.4% of build costs Part O 0.7% of build costs BCIS Sept 2023 newsletter
Future homes Option 1	£6,100	Per dwelling – see tables 5 and 6 in Impact Assessment December 2023 (costs used to allow comment on headroom for this standard)

8. Other costs

Type	Cost – All Market Areas	Comment
Professional fees	8%-10%	50 units or less – 10% 50+ units - 8%
Finance	7.00%	of development costs
Marketing fees	3%	of market GDV – all market units except sheltered / extra care for which a figure of 6% is used.
Developer return	17.50%	of market GDV – market homes
Contractor return	6%	of affordable GDV
s106/278	£600	For legal fees per s106 - Other fees not normally collected
Agents and legal	1.75%	
Legal & valuation costs	£500	Per affordable unit
Electric Vehicle Charging	£865	Per unit
BNG	£1,212 - GF £231 - BF	Per unit - Central scenario from Govt impact assessment Dec 2023

9. Benchmark land values

£ per gross hectare	Previous / existing use	Greenfield / edge of settlement
Main benchmark (with uplift from existing use)	£720,000	£400,000
Sensitivity range	£480,000 – £1,000,000	£300,000 - £500,000

Appendix IV Detailed results from the modelling

Value Area	Greenfield/ Brownfield	Dwgs	Build Period (months)	Total AH %	OM units	AH units	Gross Ha	Net Ha	Density (dwgs per net ha)	GDV (£s)	BMLV	Scheme residual value (£s)	Headroom per unit (£s)
South East	Greenfield	5	4 Quarters	40%	3.00	2.00	0.143	0.143	34.97	1,310,792	400,000	**23,797**	**4,759**
South East	Greenfield	10	4 Quarters	50%	5.00	5.00	0.286	0.286	34.97	2,398,875	400,000	**99,021**	**9,902**
South East	Greenfield	20	5 Quarters	50%	10.00	10.00	0.571	0.571	35.03	4,797,751	400,000	**202,415**	**10,121**
South East	Greenfield	30	6 Quarters	50%	15.00	15.00	0.857	0.857	35.01	7,196,626	400,000	**304,953**	**10,165**
South East	Greenfield	60	3 Years	50%	30.00	30.00	2.142	1.714	35.01	14,393,252	400,000	**881,211**	**14,687**

South East	Brownfield	5	4 Quarters	40%	3.00	2.00	0.143	0.143	34.97	1,310,792	720,000	**-20,114**	**-4,023**
South East	Brownfield	10	4 Quarters	50%	5.00	5.00	0.286	0.286	34.97	2,398,875	720,000	**11,199**	**1,120**
South East	Brownfield	20	5 Quarters	50%	10.00	10.00	0.571	0.571	35.03	4,797,751	720,000	**13,226**	**661**
South East	Brownfield	30	6 Quarters	50%	15.00	15.00	0.857	0.857	35.01	7,196,626	720,000	**17,435**	**581**
South East	Brownfield	60	3 Years	50%	30.00	30.00	2.142	1.714	35.01	14,393,252	720,000	**114,393**	**1,907**

Value Area	Greenfield/ Brownfield	Dwgs	Total AH %	OM units	AH units	Gross Ha	Net Ha	Density (dwgs per net ha)	GDV (£s)	BMLV	Scheme residual value (£s)	Headroom per unit (£s)
North West	Greenfield	5	20%	4.00	1.00	0.143	0.143	34.97	1,405,602	400,000	**36,323**	**7,265**
North West	Greenfield	10	30%	7.00	3.00	0.286	0.286	34.97	2,612,692	400,000	**150,885**	**15,089**
North West	Greenfield	20	30%	14.00	6.00	0.571	0.571	35.03	5,225,384	400,000	**309,319**	**15,466**
North West	Greenfield	30	30%	21.00	9.00	0.857	0.857	35.01	7,838,076	400,000	**466,447**	**15,548**
North West	Greenfield	60	30%	42.00	18.00	2.142	1.714	35.01	15,676,152	400,000	**1,225,446**	**20,424**

North West	Brownfield	5	20%	4.00	1.00	0.143	0.143	34.97	1,405,602	720,000	**-7,588**	**-1,518**
North West	Brownfield	10	30%	7.00	3.00	0.286	0.286	34.97	2,612,692	720,000	**63,064**	**6,306**
North West	Brownfield	20	30%	14.00	6.00	0.571	0.571	35.03	5,225,384	720,000	**120,130**	**6,006**
North West	Brownfield	30	30%	21.00	9.00	0.857	0.857	35.01	7,838,076	720,000	**181,461**	**6,049**
North West	Brownfield	60	30%	42.00	18.00	2.142	1.714	35.01	15,676,152	720,000	**493,714**	**8,229**

Value Area	Greenfield/ Brownfield	Dwgs	Total AH %	OM units	AH units	Gross Ha	Net Ha	Density (dwgs per net ha)	GDV (£s)	BMLV	Scheme residual value (£s)	Headroom per unit (£s)
North West	Greenfield	5	20%	4.00	1.00	0.143	0.143	34.97	1,405,602	400,000	**36,323**	**7,265**
North West	Greenfield	10	35%	6.50	3.50	0.286	0.286	34.97	2,513,444	400,000	**100,411**	**10,041**
North West	Greenfield	20	35%	13.00	7.00	0.571	0.571	35.03	5,026,871	400,000	**206,677**	**10,334**
North West	Greenfield	30	35%	19.50	10.50	0.857	0.857	35.01	7,540,316	400,000	**312,705**	**10,424**
North West	Greenfield	60	35%	39.00	21.00	2.142	1.714	35.01	15,080,614	400,000	**914,336**	**15,239**
North West	Brownfield	5	20%	4.00	1.00	0.143	0.143	34.97	1,405,602	720,000	**-7,588**	**-1,518**
North West	Brownfield	10	35%	6.50	3.50	0.286	0.286	34.97	2,513,444	720,000	**12,589**	**1,259**
North West	Brownfield	20	35%	13.00	7.00	0.571	0.571	35.03	5,026,871	720,000	**17,488**	**874**
North West	Brownfield	30	35%	19.50	10.50	0.857	0.857	35.01	7,540,316	720,000	**25,188**	**840**
North West	Brownfield	60	35%	39.00	21.00	2.142	1.714	35.01	15,080,614	720,000	**158,935**	**2,649**
North West	Greenfield	20	40%	12.00	8.00	0.571	0.571	35.03	4,828,359	400,000	**104,035**	**5,202**

Value Area	Notes	Greenfield/ Brownfield	Dwgs	Total AH %	Gross Ha	Net Ha	Density (dwgs per net ha)	GDV (£s)	BMLV	Scheme residual value (£s)	Headroom per unit (£s)
South East	95% of Sales Value	Greenfield	20	50%	0.571	0.571	35.03	4,622,130	400,000	**61,236**	**3,062**
North West	95% of Sales Value	Greenfield	20	30%	0.571	0.571	35.03	5,000,808	400,000	**128,786**	**6,439**
North West	95% of Sales Value	Greenfield	20	35%	0.571	0.571	35.03	4,818,337	400,000	**39,039**	**1,952**
North West	95% of Sales Value	Greenfield	20	35%	0.571	0.571	35.03	4,818,337	300,000	**101,205**	**5,060**

South East	95% of Sales Value	Brownfield	20	50%	0.571	0.571	35.03	4,622,130	720,000	**-127,953**	**-6,398**
North West	95% of Sales Value	Brownfield	20	30%	0.571	0.571	35.03	5,000,808	720,000	**-60,404**	**-3,020**
North West	95% of Sales Value	Brownfield	20	35%	0.571	0.571	35.03	4,818,337	720,000	**-150,150**	**-7,508**

Value Area	Notes	Greenfield/ Brownfield	Dwgs	Total AH %	Density (dwgs per net ha)	GDV (£s)	BMLV	Scheme residual value (£s)	Headroom per unit (£s)
North West	at 40% AH	Greenfield	20	40%	35.03	4,828,359	400,000	**104,035**	**5,202**
North West	as above, less 5% SV	Greenfield	20	40%	35.03	4,635,865	400,000	**-50,708**	**-2,535**
North West	Res3a(i) with a lower land value (£300,000)	Greenfield	20	40%	35.03	4,828,359	300,000	**166,201**	**8,310**
North West	Res3a(ii) with 5% less SV and with a lower land value (£300,000)	Greenfield	20	40%	35.03	4,635,865	300,000	**11,458**	**573**
South East	at 55% AH	Greenfield	20	55%	35.03	4,575,042	400,000	**81,234**	**4,062**
South East	as above, less 5% SV	Greenfield	20	55%	35.03	4,416,983	400,000	**-45,828**	**-2,291**
South East	Res3a(i) with a lower land value (£300,000)	Greenfield	20	55%	35.03	4,575,042	300,000	**143,399**	**7,170**
South East	Res3a(ii) with 5% less SV and with a lower land value (£300,000)	Greenfield	20	55%	35.03	4,416,983	300,000	**16,338**	**817**