



Viability Statement

October 2017

Vale of White Horse Local Plan 2031 Part 2

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HDH Planning and Development Limited assessed the viability of the Preferred Options Local Plan 2031 Part 2 and have subsequently considered the changes to the Plan, as presented in the Publication Version of the Local Plan 2031 Part 2. HDH have concluded that whilst there are some changes in the Plan since the viability work was done a full update of viability is not needed at this stage. NPPF states, at paragraph 174, *‘evidence supporting the assessment should be proportionate, using only appropriate available evidence’*. The most recent viability study is less than 9 months old, published in February 2017 and whilst there are a few new policy requirements in the Part 2 Plan that have not been specifically tested, they do not warrant a further update.

This Statement should be read alongside the Local Plan Viability Assessment, building on the CIL – Pre-Hearing Viability Update (December 2016) and the Preferred Options Viability Update (February 2017).

Viability Update – Preferred Options Local Plan Part 2

The Viability Update for the Preferred Options Part 2 plan follows the methodology used in the earlier work, as set out in detail in Chapters 2 and 3 of the Local Plan Viability Study (October 2014). The earlier work has been thoroughly examined through the Local Plan Part 1 plan making process and therefore makes an appropriate starting point for this process.

The Viability Update for the Preferred Options Part 2 Plan considered the viability aspects of deliverability of new sites that have not previously been considered. The initial list of 30 (larger) sites was the starting point. Following the site selection process and informal consultation, 9 sites were proposed in the Preferred Options plan. All of these sites were found to be viable.

The main income and costs assumptions were updated through the CIL – Pre-Hearing Viability Update (December 2016) so those changed assumptions were carried into this note (and not repeated here). The updated analysis of the residential market is summarised in Chapter 2, the update of development costs is set out in Chapter 3 of the December 2016 update.

Large Site Infrastructure Costs

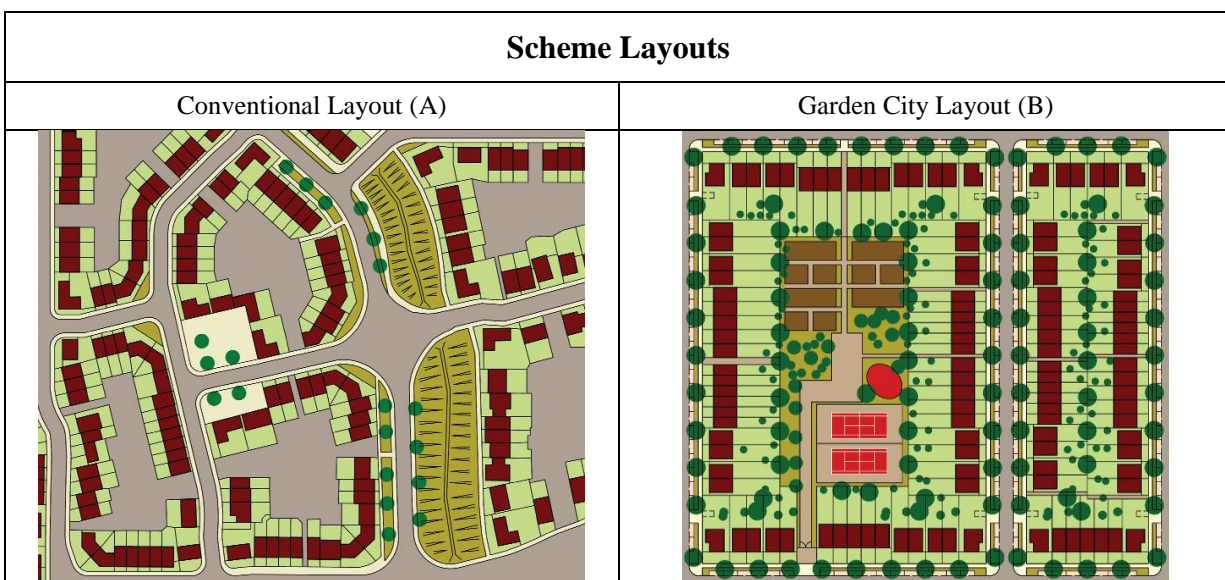
The February 2017 Viability Update considered the delivery of the large sites (those over 400 units) individually. This was consistent with approach taken for Part 1. The details in terms of numbers of units on the sites has changed and two sites have been removed from the Publication Version, but that does not alter the underlying findings.

In Table 4.5 we considered the ability of the sites to bear developer contributions. This analysis is for total developer contributions (so CIL which would be applicable at the prevailing rates, plus s106). It shows that these sites are able to bear very substantial contributions in addition to affordable housing.

Garden City Principles

These are mentioned in the context of development at Didcot and in relation to Dalton Barracks. It is well established that Garden City principles improve viability.

To follow the Garden City principles one needs about 15% more land than conventional ‘estate’ layouts, this is an extra cost, however one that is more than compensated for by saving in hard infrastructure (roads etc). It is useful to refer back to the 1912 publication *Nothing Gained by Overcrowding!* by Raymond Unwin and the TCPA’s 2012 update (also called *Nothing Gained by Overcrowding!*), where the principles are clearly set out. These documents set how the land budget works. It is estimated that on a garden city principle scheme, on a £/unit basis, the site costs are about 65% of those on a conventional scheme (more than outweighing the additional costs of land). The following layouts illustrate this:



Source: *Nothing gained by overcrowding!* TCPA 2012

There are other viability benefits of Garden City principles, including higher values. This is well illustrated by looking at the neighbouring towns of Stevenage and Letchworth Garden City. The average price, according to Zoopla in Stevenage for a semi-detached house is £347,632

(£341/sqft) and in Letchworth is £397,887 (£368/sqft). The two towns are of a similar age, Stevenage is a little closer to London – but Stevenage is a straight forward new town designed on standard principles whilst Letchworth follows Garden City principles. We would expect to see a similar premium on these sites if the Garden City principles are followed.

Space Standards

The viability testing in the February update is based on Nationally Described Space Standards so this does not need further consideration.

Whilst we have tested to NSDD the specific requirements included from Part M of Building Regulations, has not been tested. The Council are now seeking that a proportion of new homes (15% market and all affordable) meet Category 2 accessible and adaptable standards under Part M of Building Regulations. The Council are also seeking some (5% affordable, 2% market – which is about 3% overall) to meet Category 3.

The additional costs of the increased standards (as set out in the draft Approved Document M amendments included at Appendix B4) are set out in the table below. The key features of the 3 level standard (as summarised in the DCLG publication Housing Standards Review – Cost Impacts (EC Harris, September 2014)), reflect accessibility as follows:

- Category 1 – Dwellings which provide reasonable accessibility
- Category 2 – Dwellings which provide enhanced accessibility and adaptability
- Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair.

Table 45 – Access costs summary

	1B Apartment	2B Apartment	2B Terrace	3B Semi-detached	4B Detached
Cost all dwellings (extra over current industry practice)					
Category 1	-	-	-	-	-
Category 2	£940	£907	£523	£521	£520
Category 3 Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
Category 3 Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Table 45a – Access related space cost summary

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Cost increase for additional m2										
Category 2	+ 1 sq.m	£722	+ 1 sq.m	£722	+ 2 sq.m	£1,444	+ 3 sq.m	£2,166	+ 3 sq.m	£2,166
Category 3	+ 8 sq.m	£5,776	+ 14 sq.m	£10,108	+ 21 sq.m	£15,162	+ 24 sq.m	£17,328	+ 24 sq.m	£17,328

Table 45b – Access related space cost after Space cost recovery

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Category 2	+ 1 sq.m	£289	+ 1 sq.m	£289	+ 2 sq.m	£578	+ 3 sq.m	£866	+ 3 sq.m	£866
Category 3	+ 8 sq.m	£2,310	+ 14 sq.m	£4,043	+ 21 sq.m	£6,065	+ 24 sq.m	£6,931	+ 24 sq.m	£6,931

Source: Table 45, Page 38, DCLG publication Housing Standards Review – Cost Impacts (EC Harris, September 2014)

The additional costs of Category 2 is a little over £500/unit. In our report we have uplifted the build costs over BCIS so this is covered within the work we have done.

Category 3 is more expensive. To achieve Category 3, you need to build a larger unit (a 3 bed semi will be 25% bigger – NDSS would be 84m², with Cat 3 it is 109m²) and this does not necessarily lead to a higher value. However, the Council are only looking to apply this to 3% of units on a scheme – so if the extra costs is say £7,000 per unit (from table above) over a whole scheme it is less than £250/unit (on a 100 unit scheme there would be 3 such units, the additional costs to the scheme is therefore 3 x £7000 = £21,000. There are 100 units so £21,000/100 = £210/unit). This is a very small cost and is within the margin of error included in the assessment.

Self Build

There is a new self build policy that seeks to facilitate self and custom build. It does not seek to impose a requirement of a set proportion of units on sites over a threshold to be self or custom build. Therefore it does not impact on the delivery of the sites in the plan.

Affordable Housing Target for Oxford's Unmet Need

The viability work undertaken to support the Part 1 Plan, tested a target of 40%. Whilst we found this was viable, we also found that at this level there was little scope to seek developer contributions. As developer contributions are needed to fund strategic infrastructure and mitigation, a affordable target of 35% was taken forward. Evidence on the ground has shown this target is deliverable, on the whole, as the Council are achieving 35% and are securing the necessary developer contributions (through CIL and s106) to enable development to be approved

Watercourses

Development Management Policy 30: Watercourses includes a provision for a 10m buffer adjacent to watercourses. If this were to limit the numbers of units that sites can deliver to levels below those anticipated then there is likely to be an adverse impact on viability on the sites that are adjacent to a watercourse.

We understand from the Council that the assumptions as to unit numbers (based on densities and net developable areas) will not be adversely impacted by this requirement (although there may be a necessity to 'tweak' the layouts on sites) so this policy will not adversely impact on viability.

Conclusion

This Statement demonstrates the additional or amended policy requirements in the Publication Versions of the Part 2 do not present adverse viability implications for the Plan.

HDH Planning and Development Ltd
6th October 2017



Planning Evidence – Planning and CIL Viability, Housing Needs and Requirements, Strategic Land Promotion, Affordable Housing

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