

**For: North Hertfordshire District
Council**

**Local Plan Viability Assessment -
Update**

Final Report

August 2016
DSP15385

Final Report

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Notes and Limitations

1. This has been a desk-top exercise based on information provided by North Hertfordshire District Council (NHDC) supplemented with information gathered by and assumptions made by DSP appropriate to the current stage of review and to inform the Council's on-going work with regard to updating viability work previously carried out to inform the policies of the Local Plan.
2. This review has been carried out using well recognised residual valuation techniques by consultants highly experienced in the preparation of strategic viability assessments for local authority policy development as well as providing site-specific viability reviews and advice. In order to carry out this type of assessment a large number of assumptions are required alongside the consideration of a range of a large quantity of information which rarely fits all eventualities.
3. Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated – the indicative surpluses (or other outcomes) generated by the development appraisals for this review will not necessarily reflect site specific circumstances. Therefore this assessment (as with similar studies of its type) is not intended to prescribe land values or other assumptions or otherwise substitute for the usual considerations and discussions that will continue to be needed as particular developments with varying characteristics come forward. This is also true in respect of the long timescales in Local Plan development and implementation over which the economy and development climate (national and more local influences and impacts) are very likely to vary. Nevertheless, the assumptions used within this study reflect the policy requirements and strategy direction of the Council as known at the time of carrying out this review and therefore take into account the cumulative cost effects of policies where those are relevant.
4. It should be noted that every scheme is different and no review of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our schemes are unlikely to be appropriate for all developments and a degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing the Council's policy development.

5. This report sets out and updates parameters and options set out for the Council in previous reporting¹ to inform policy development from a viability perspective whilst taking into account national policies that may impact on development viability.
6. It must be recognised that a planning-led basis for securing planning obligations relies on market-led processes. As a general point and so not just referring NHDC's progression of proposals here, we have to place an emphasis on the need for a practical approach to be taken by Council, having due regard to development viability where justified. By this we mean that where justified, the Council needing to be adaptable also to market housing scheme needs, being prepared to negotiate and consider varying solutions, and being responsive to varying scheme types and circumstances. The various components of a scheme will need to be considered in terms of the level of need for market and affordable homes, their successful integration and tenure mixes. This will involve considering, as an example, local needs, scheme location, type, design, management, affordability, dwelling mix, tenure, funding and numbers rounding in formulating the detail taken from the targets basis. The Council may need to consider the interrelation of those effects and how those impact on and benefit schemes as part of the collective development requirements. The Council may, where justified and appropriate, need to consider how to optimise provision in the given circumstances.
7. In carrying out this assessment from the necessary strategic viewpoint, it is assumed that there will be a variety of market conditions during the life of the Local Plan, including periods in which we will see more and less stable and confident economic and property market conditions.
8. The review of development viability is not an exact science. There can be no definite viability cut off point owing to variation in site specific circumstances. These include the land ownership situation. The National Planning Policy Framework (NPPF) states that *"To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable"*. It is not appropriate to assume that because a development appears to produce some land value (or in some cases even value equivalent to an existing / alternative use), the land will change hands and the

¹DSP – North Hertfordshire District Council – Viability Assessment – Community Infrastructure Levy and Affordable Housing (October 2012)
DSP –Whole Plan Viability Assessment - North Hertfordshire District Council Local Plan Emerging Preferred Options Draft – (November 2014)

development proceed. This principle will in some cases extend to land owners expecting or requiring the land price to reach a higher level, perhaps even significantly above that related to an existing or alternative land use. This might be referred to as a premium. In some specific cases, whilst weighing up overall planning objectives to be achieved, therefore, the proposals may need to be viewed alongside the owner's enjoyment / use of the land, and a potential premium relative to existing use value or perhaps to an alternative use that the site may be put to. In practice, whether and to what extent an active market exists for an existing or alternative use will be a key part of determining whether or how site discussions develop. Overall, land value expectations will need to be realistic and reflective of the opportunities offered by, and constraints associated with, particular sites and schemes in the given circumstances and at the relevant delivery timing; with planning policies being reflected amongst these factors. The planning requirements will be necessarily reflected in the land values that are ultimately supportable.

9. The high level viability testing is intended to review previous work undertaken² and update it in light of changes to local and National policies.
10. This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership Ltd; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.
11. To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.
12. In no way does this study provide formal valuation advice; it provides an overview not intended for other purposes nor to over-ride particular site considerations as the Council's policies continue to be applied practically from case to case.

² DSP – North Hertfordshire District Council – Viability Assessment – Community Infrastructure Levy and Affordable Housing (October 2012)
DSP – Whole Plan Viability Assessment - North Hertfordshire District Council Local Plan Emerging Preferred Options Draft – (November 2014)

Executive Summary

- (i) North Hertfordshire District Council (NHDC) has appointed the Dixon Searle Partnership (DSP) to review and provide an update following DSP's previous viability assessment work completed in November 2014 based on and informing the Emerging Preferred Options Draft new Local Plan version at that stage. The Council's viability work also further builds on the picture from the 2012 (Community Infrastructure Levy (CIL) and Affordable Housing Viability Assessment of 2012, also undertaken by DSP.
- (ii) This update report considers changes to key assumptions and inputs used in the previous assessments³ – necessary due to changes in development costs, revenue assumptions and also owing to national policy changes that warrant revisiting the previous assessment and findings.
- (iii) This viability update has been produced in the context of and with regard to the National Planning Policy Framework (NPPF), CIL Regulations, CIL Guidance and other Guidance applicable to studies of this nature. This study has also had regard to the national Planning Practice Guidance ('PPG') as updated to June 2016.
- (iv) The NPPF (para 173-174) provides specific guidance helping to ensure the viability and deliverability of Local Plans. This update assesses the (financial) capacity of development schemes in District to deliver proposed local and national policies. The NPPF states that the *'cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle'*. This update also includes consideration of the impact of changes in local and national policy, market conditions and development costs - based on the latest available information and evidence at this point.
- (v) This viability update applies the same principles, methodology and many of the same assumptions as used for the Council's earlier viability work. It uses the residual land valuation principles. In basic terms this means subtracting the costs of achieving a development from the revenue generated by the completed scheme with the resultant land value compared to a benchmark on the basis that all other

³DSP – North Hertfordshire District Council – Viability Assessment – Community Infrastructure Levy and Affordable Housing (October 2012)
DSP – Whole Plan Viability Assessment - North Hertfordshire District Council Local Plan Emerging Preferred Options Draft – (November 2014)

assumptions (including developer's profit) are fixed for the purposes of this exercise. Sensitivity testing is then carried out on key assumptions as part of this process to give a suite of results from which the aims of the study are addressed.

- (vi) The assessment results enable the consideration of likely viability impacts from a range of potential affordable housing scenarios (thresholds and proportions) at 20% to 40%. Additionally the results sets provide current stage indications on the comparative impact of a "top-slice" of 20% Starter Homes from the overall dwelling mix, before and in addition to the other traditional forms of affordable housing (affordable rent and shared ownership) being factored-in. The Housing and Planning Act 2016 introduces a requirement for Local Planning Authorities in England to promote the supply of Starter Homes although it should be noted that at this stage the detail is yet to be provided through Regulation and / or associated Guidance.
- (vii) Overall, this assessment identifies that the previous consultation targets for affordable housing could be continued from a viability point of view; including the sliding-scale principles. If pursued in this way, this would leave an affordable housing (AH) policy headline at 40%, but potentially with 20 to 30% AH sought on smaller sites.
- (viii) Within the results there are limited scenarios that may also suggest the potential consideration of reduced AH targets, for example looking at where previously developed land (PDL) sites coincide with lower to mid-range values for the district (and particularly for apartments development). On balance however, the Council may wish to also consider the likely positive viability influence from the inclusion of Starter Homes – relative to the impact of the traditional forms of affordable housing. In that sense, it may be considered that this is not an appropriate point at which to lower overall AH targets; with this to be kept under review.
- (ix) DSP has again found the values in the district to typically support a good level of development viability, accepting that there will always be some more challenging scenarios in any area. This means that in our view we consider the Local Plan policies capable of meeting the requirements of NPPF paragraphs 173 / 174, the cumulative impact of which are unlikely to undermine viability.
- (x) Based on current stage information, the assessment findings also extend to the proposed strategic site delivery. Viewed overall, the potential strategic scale development locations again point to deliverable scenarios at a base level, with the

extent and nature of achievable planning obligations (s.106) packages including affordable housing varying with particular characteristics. The overall level of affordable housing will need to reflect the overall collective level of infrastructure and other s106 requirements on each site. An affordable housing policy for up to 40% is likely to be deliverable on a majority of strategic sites although the results from potential East of Luton and North of Stevenage strategic sites suggest consideration of the collective impact and priorities between affordable housing and other s106 may be required. We do not consider that there is anything unusual in these findings, which reflect our wider experience.

- (xi) On other aspects of planning policy detail that could have a financial viability impact, we have reviewed and provided information that suggests that the Nationally Described Space Standards and other elements of locally optional policy (from the revised national policy set related to the Government's recent review housing and technical standards) could be adopted in North Hertfordshire – dependent also on local needs and priorities. These include potential policies on access to and use of buildings, where in our view the Council could look at a proportion of compliant dwellings on larger schemes.
- (xii) The same applies in respect of any small element of provision for custom/self-build homes on larger developments – again, the overall viability picture is considered to be capable of supporting such an appropriate if considered relevant in the local circumstances.
- (xiii) DSP will be happy to advise NHDC further on any of these or related aspects - as the Council continues its work on the development of the new Local Plan.

1. Introduction

1.1 Background to the Viability Update

1.1.1 North Hertfordshire District Council (NHDC) is currently preparing a Proposed Submission version Local Plan. The document will contain policies and land allocations for the District which will guide development to 2031.

1.1.2 The Local Plan must be prepared in accordance with the requirements set out in National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG). Viability testing is an important part of the plan-making process. The NPPF introduced a clear requirement to assess viability of the delivery of Local Plans and the impact on development of policies contained within them. In addition, further guidance on this requirement is covered by the national Planning Practice Guidance and other publications. In order to meet the requirements of the NPPF, Dixon Searle Partnership (DSP) has been carrying out viability assessment work for the District Council, undertaken to inform and support the development of the Local Plan across the District. Previous work undertaken by DSP includes a Community Infrastructure Levy and Affordable Housing Assessment (2012) and a Whole Plan Viability Assessment (2014) in relation to the Local Plan Emerging Preferred Options Draft at that time.

1.1.3 This study alongside previous work undertaken by DSP on behalf of the Council (and work undertaken by others where applicable) form a suite of documents providing the viability evidence to support the emerging Development Plan of the Council.

1.1.4 The Council is conscious that, since the publication of the studies, there have been considerable changes to key inputs. These include market conditions and national policy changes that warrant revisiting the previous findings so as to keep the information as up to date and topical as is practically possible in any event.

1.1.5 It is in the interests of the Council, local communities, developers and all other stakeholders to ensure that the proposed policies, sites and the scale of development identified in the plan are viable - to ensure a sound Plan through the examination process. In light of the above, the Council has therefore commissioned this viability assessment update which will assess policies in the Local Plan that have cost

implications; provide a viability appraisal of the sites included in the Proposed Submission Local Plan and provide a report detailing the outcome of the appraisal modelling to ensure that the proposed sites and the scale of development identified in the plan would not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.

- 1.1.6 This update assessment will form part of the background papers to be made available with the Proposed Submission Local Plan for public consultation.

1.2 Policy & Guidance (including changes to policy)

- 1.2.1 This viability update has been produced in the context of and with regard to the NPPF, CIL Regulations, CIL Guidance and other Guidance applicable to studies of this nature. This study has also had regard to the national Planning Practice Guidance.

- 1.2.2 The NPPF was published in 2012 superseding previous Planning Policy Statements (PPSs). The NPPF sets out the overall approach to the preparation of Local Plans. It states that planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, with net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options that reduce or eliminate such impacts should be pursued. The NPPF also states that Local Plans should be aspirational but realistic - that is, to balance aspirational objectives with realistic and deliverable policies.

- 1.2.3 The NPPF provides specific guidance on ensuring Local Plan viability and deliverability, in particular, paragraphs 173-174 state:

'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.'

Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle’.

- 1.2.4 Having regard to this guidance the Council needs to ensure that the Local Plan, in delivering its overall policy requirements, can address the requirements of the NPPF. Specific changes to the NPPF are currently under consultation. This report cannot pre-judge the outcome of the consultation and any changes that may be made to the NPPF.
- 1.2.5 Further guidance is set out in the Planning Practice Guidance (PPG) which re-iterates these messages where it says *‘Plan makers should consider the range of costs on development. This can include costs imposed through national and local standards, local policies and the Community Infrastructure Levy, as well as a realistic understanding of the likely cost of Section 106 planning obligations and Section 278 agreements for highways works. Their cumulative cost should not cause development types or strategic sites to be unviable. Emerging policy requirements may need to be adjusted to ensure that the plan is able to deliver sustainable development’.*
- 1.2.6 In addition, relevant information is contained in the publication ‘Viability Testing Local Plans – Advice for planning practitioners’ published in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman (known as the ‘Harman’ report). That sets out a stepped approach as to how best to build viability and deliverability into the plan preparation process and offers guidance on how to assess the cumulative impact of policies within the Local Plan, requirements of SPDs and national policy. It provides useful practical advice on viability in plan-making and its contents should be taken into account in the Plan making process.
- 1.2.7 Following consultation on the Housing Standards Review (August 2013), on 27th March 2015 in a written Ministerial Statement the Government formally announced a new approach to the setting of technical housing standards in England. This has

been accompanied by a new set of streamlined standards. The DCLG statement said: *'From the date the Deregulation Bill 2015 is given Royal Assent, local planning authorities and qualifying bodies preparing neighbourhood plans should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. This includes any policy requiring any level of the Code for Sustainable Homes to be achieved by new development; the government has now withdrawn the code... For the specific issue of energy performance, local planning authorities will continue to be able to set and apply policies in their Local Plans which require compliance with energy performance standards that exceed the energy requirements of Building Regulations until commencement of amendments to the Planning and Energy Act 2008 in the Deregulation Bill 2015. This is expected to happen alongside the introduction of zero carbon homes policy in late 2016. The government has stated that, from then, the energy performance requirements in Building Regulations will be set at a level equivalent to the (outgoing) Code for Sustainable Homes Level 4. Until the amendment is commenced, we would expect local planning authorities to take this statement of the government's intention into account in applying existing policies and not set conditions with requirements above a Code level 4 equivalent'.*

- 1.2.8 The new approach introduces optional Building Regulations requirements for access (volumes 1 and 2) and water efficiency which provide a higher standard than the minimum national building regulations. A nationally described space standard has also been introduced which can be implemented through the planning system.
- 1.2.9 In addition, a new security standard has now been included in the Building Regulations (Part Q).
- 1.2.10 The review also clarified statutory Building Regulations guidance on waste storage - to ensure that it is properly considered in new housing development.
- 1.2.11 The effectively optional regulations and space standards may only be applied where there is a local plan policy, based on evidenced local need for them; and where the viability of development is not unduly compromised as a result of their application.
- 1.2.12 At the point of carrying out the earlier viability studies for the Council, the technical housing standards had not been introduced. As such those were not tested as part of

that suite of documents and are now required to be tested as part of this viability update where expected to be introduced (or being considered for potential introduction locally).

1.2.13 As further background, in November 2014, following a Ministerial Statement, the Government revised national policy on s.106 thresholds as follows:

- *'contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm (gross internal area).*
- *In designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty.*
- *Affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home.*
- *Additionally, local planning authorities should not seek section 106 affordable housing contributions, including any tariff-based contributions to general infrastructure plots, from developments of Starter Homes. Local planning authorities will still be able to seek other section 106 contributions to mitigate the impact of development to make it acceptable in planning terms, including addressing any necessary infrastructure'.*

1.2.14 The national policy changes also included a 'vacant building credit'. This intended to incentivise the use of brownfield (previously developed) land, by reducing the affordable housing through a credit based on the floor area of any existing vacant buildings.

1.2.15 The introduction of these policies via the Written Ministerial Statement and subsequent changes to the PPG were subject to a legal challenge by West Berkshire Council and Reading Borough Council. The legal challenge was successful and those policies quashed as of August 2015. This led to the re-introduction of lower affordable housing thresholds (where viable to do so) or allowed Councils to continue to adopt lower thresholds through the Local Plan process.

1.2.16 In May 2016, however, the Court of Appeal overturned that decision so that the s106 and affordable housing threshold based on a national minimum development size were re-introduced. In carrying out this viability update we have therefore assumed that, in accordance with this, affordable housing will not be sought from schemes of 10 or fewer dwellings (subject also to maximum gross floor space requirements – at 1,000 sq. m new development).

1.2.17 The NPPF at paragraph 50 also states on affordable housing (in respect of local authorities' approaches):

'where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.'

1.2.18 Within the Glossary of the NPPF, the Government defines affordable housing as follows:

'Affordable housing: *Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.’

1.2.19 The evolving area of housing mix is wide-ranging. Previously and through the introduction of the Housing and Planning Act 2016 (which became law in May 2016), Government announcements have indicated that the last paragraph above may be changed in the near future so that low cost market homes may be treated as affordable homes for the purposes of planning. Indeed, Section 159 of the new Housing and Planning Act 2016 states:

“(1) Regulations made by the Secretary of State may impose restrictions or conditions on the enforceability of planning obligations entered into with regard to the provision of—

1. (a) affordable housing, or
2. (b) prescribed descriptions of affordable housing.

(2) Regulations under this section—

3. *(a) may make consequential, supplementary, incidental, transitional or saving provision;*
4. *(b) may impose different restrictions or conditions (or none) depending on the size, scale or nature of the site or the proposed development to which any planning obligations would relate.*

(3) This section does not apply in relation to a planning obligation if—

(a) planning permission for the development was granted wholly or partly on the basis of a policy for the provision of housing on rural exception sites, or

(b) the obligation relates to development in a National Park or in an area designated under section 82 of the Countryside and Rights of Way Act 2000 as an area of outstanding natural beauty.

(4) In this section “affordable housing” means new dwellings in England that—

(a) are to be made available for people whose needs are not adequately served by the commercial housing market, or

(b) are starter homes within the meaning of Chapter 1 of Part 1 of the Housing and Planning Act 2016 (see section 2 of that Act)”⁴.

1.2.20 As further detail develops, through regulations, other national policy moves to encourage or secure the provision of various forms of housing may need to be considered. The Starter Homes initiative (for example) together with specialist housing (e.g. for the elderly and regarding accessibility) and custom-build will be other aspects of overall housing provision to consider as proposals develop.

1.2.21 In addition to the above, the Chancellor announced in his Budget speech in 2015 that affordable housing providers will now have to cut social housing rents by 1 per cent each year for four years from April 2016; a reversal of the rental formula which previously allowed RPs to raise rents in line with the consumer prices index (CPI) plus 1 per cent. As part of this viability update, we have also reviewed the impact of reduced rents on affordable housing values (i.e. the assumed value of the affordable homes using unit to a developer). However we have not, at this stage, taken into account any changes to the definition of affordable housing, other than the introduction of Starter Homes (by way of initial indicative sensitivity testing) given

⁴ Housing & Planning Act 2016

that there is still no detail or Regulation on which to base any viability modelling at this stage.

1.3 Aims & Outputs

- 1.3.1 DSP has been commissioned to provide further robust, fully evidenced viability overview information that will provide an independent assessment of the viability of the North Hertfordshire District Council Local Plan. It will help to ensure that the Plan's vision and policies are realistic and provide high level assurance that the plan is viable – i.e. deliverable in development viability terms, when viewed overall.
- 1.3.2 In addition to the viability update on the policies contained within the Proposed Submission Local Plan, there are a number of strategic scale sites identified in the Plan that will be brought forward partly or wholly within the lifetime of the new plan. It has been requested by the Council that high level viability testing (as appropriate at this stage of the process) be carried out aligned to these locations and scales of development in order to provide the Council with information on the potential deliverability of residential development at those sites (in a viability sense) and the potential level of affordable housing and other s106 that could be secured in each location. The potential locations and scales of development (scenarios) to be tested are set out in Appendix I and described in more detail within this report.
- 1.3.3 This update assesses the (financial) capacity of residential development schemes in the District to deliver proposed local and national policies without viability being unduly affected. This report is part of a series of reports commissioned by the Council to investigate the viability of emerging Local Plan policies⁵. This further review uses the same principles as set out in the previous viability work for the Council and as such this report does not repeat the detail set out in those earlier reports. This report should therefore be read in the context of all those studies referenced.
- 1.3.4 It is important that the Council's policies do not deter development through unduly reducing the supply of land brought forward for residential development more widely. Any policy must balance delivery of affordable housing, planning obligations and other planning policies with maintaining sufficient incentive (reasonable land

⁵ DSP – North Hertfordshire District Council – Viability Assessment – Community Infrastructure Levy and Affordable Housing (October 2012)
DSP – Whole Plan Viability Assessment - North Hertfordshire District Council Local Plan Emerging Preferred Options Draft – (November 2014)

value levels) for landowners to release land – allowing developers to promote and bring forward schemes. These are key drivers behind the Council’s viability study work.

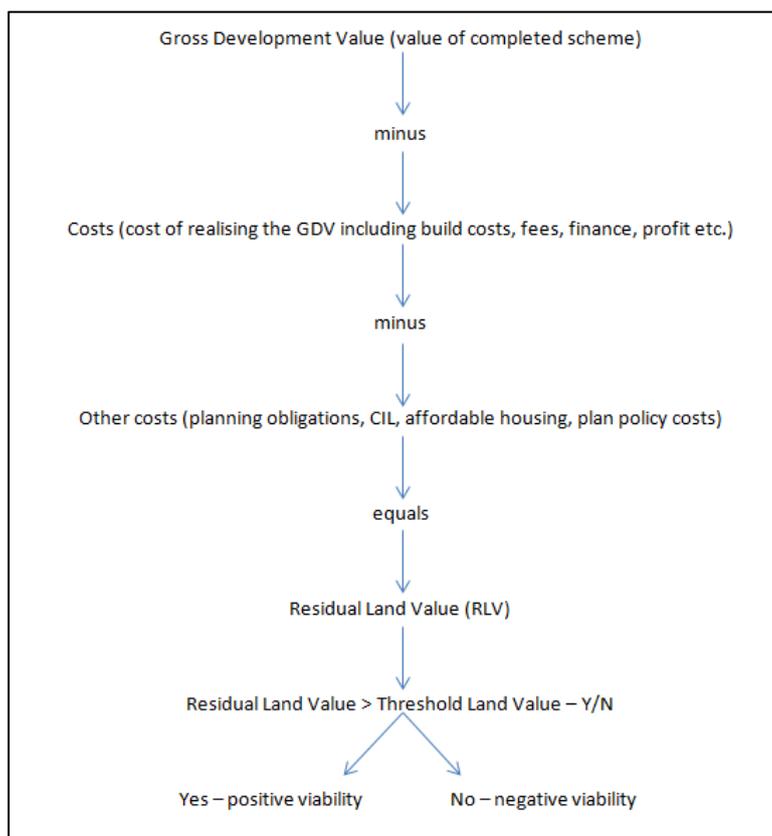
- 1.3.5 This viability update reviews the relative impact of changes in local and national policy, market conditions and development costs between the date of the original studies and today and in particular from the 2014 Whole Plan Viability study point to the timing of this current update. This is carried out by running a series of development appraisals on a variety of development scenarios or site typologies that reflect the nature of development coming forward across District. These scenarios reflect those tested within the earlier viability reports for the Council, with added sensitivities where necessary. This enables us to test the impact of changes in policy whilst also looking in more detail at the specific strategic scale sites.
- 1.3.6 This further work uses the same methodology and development assumptions as used for the previous viability work except where updated (more detail is provided in Chapter 2 below and at Appendix I).

2 Methodology

2.1 Approach

- 2.1.1 This viability update applies the same principles, methodology and many of the same assumptions as used for the Council's earlier viability work. This further report therefore does not repeat the methodology and assumptions again here in full and this viability update should be read alongside and in the context of the previous evidence base as listed above.
- 2.1.2 Put simply, the residual land value (RLV) produced by the potential development under review is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme (again, the GDV). The application of these principles is consistent with the approach that underpins the wider viability assessment work and with the established approach used in most similar viability studies as well as for more detailed site-specific assessments; an area of work that DSP is also engaged in on a daily basis.
- 2.1.3 The diagram below (Figure 1: Residual land Value) illustrates the principal by showing the basic relationship between the main appraisal areas (the strength of the relationship between development values and costs that is being explored in all such viability work):

Figure 1: Residual Land Value



2.1.4 A viable development can be defined as *'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'*⁶. Under normal circumstances, if the residual land value (RLV) created by a scheme proposal exceeds the existing or alternative use value (sometimes with an element of uplift required to incentivise the sale of the land) then we usually have a positive viability scenario – i.e. the scheme is much more likely to proceed.

2.1.5 Having determined the RLV results for each development scheme typology and each sensitivity testing layer through running a range of these appraisal calculations, we then need to compare those results with a range of land value levels that could relate to potential existing / alternative site uses. This comparison can vary significantly. The level of land value sufficient to encourage the release of a site for development is, in practice, a site specific and highly subjective matter. It often relates to a range of factors including the actual site characteristics and/or the specific requirements or circumstances of the landowner. For the purposes of this report we have taken a very

⁶ Financial Viability in planning – RICS Guidance note (August 2012)

high level view on the potential threshold land values (land value comparison levels) based on the original studies and updated where necessary.

- 2.1.6 The basis for this viability review is to test the impact of any changes to market conditions, development costs and policy (local and national) cost impacts.
- 2.1.7 The ability of a scheme to produce a residual land value in excess of some form of comparative land value (existing or alternative use value, potentially plus a premium to incentivise release of land for development depending on the circumstances) is a key factor in determining development viability. If insufficient value is created by a development proposal then land will not come forward for development, ultimately putting at risk the Council's housing targets (for both open market and affordable) if this becomes too regular an occurrence. The appraisals are formulated such that the results can be compared against benchmark land values (BLV). Where the result of an appraisal reaches a higher value than the BLV then we have a positive viability scenario. If all planning obligations and policy costs are already included within the appraisal then the surplus acts as an additional buffer. Where we are carrying out sensitivity testing on policy costs or CIL testing, the surplus indicates the maximum amount potentially available to meet those requirements.
- 2.1.8 The following sections briefly set out the key Local Plan policies that are considered to be impacted by changes at a national level. This will help the Council consider the policies, informed by awareness of likely viability impacts. This is then followed by our approach to sensitivity testing using as a basis a selection of appraisals from the previous studies by reviewing changes in the property market, development costs and the removal or introduction of costs in respect of local and national policies. A separate section on strategic sites viability is also provided. Appendix I summarises the assumptions used in the previous studies and identifies the key changes made at this point.
- 2.1.9 The above outlines how the residual valuation principles have been used in looking at the viability of smaller site scenarios again. Later on we outline how these principles have been applied in a different way in the high-level review of the strategic scale scenarios.

2.2 North Hertfordshire District Council – Impact of Changes to National Policy

Energy & Water

- 2.2.1 As a result of the Housing Standards Review, NHDC will need to alter policy (where applicable) to remove any reference to achievement of the Code for Sustainable Homes, and ensure that any specific policy in regard of water consumption is set at no more than 110 litres/person/day. The previous assessment included an allowance for attainment of Code for Sustainable Homes (CfSH) Level 4 based on the Cost of Building to the Code for Sustainable Homes - Updated Cost Review (August 2011) cost data assuming Building Regulations 2010 baseline. All appraisals assumed a cost uplift of £1,932/unit to achieve CfSH L4. For development sensitivity analysis using the same Updated Cost Review document, an allowance was applied to meet increased levels of compliance over time.
- 2.2.2 This study assumes that the Sustainable Design / Construction Standards costs have reduced from those assumed for the existing evidence base due to the Government's withdrawal of the Code for Sustainable Homes (as discussed above). Appendix I provides the detail but data taken from the DCLG Housing Standards Review Impact Assessment (average £ per unit E/O cost) for meeting the energy requirements for Code for Sustainable Homes Level 4 has been used as a proxy for building regulations compliance.
- 2.2.3 No allowance was made within the original assessment to cover any local policy on water consumption other than that included within the Code for Sustainable Homes and additional sensitivity testing for zero carbon carried out at that point. For this review we have assumed that the Council would introduce the minimum level of compliance (i.e. 110 litres per person per day (lpppd)) and for that no additional cost allowance is required in our opinion⁷. No other sensitivity testing has been carried out in relation to higher levels of the CfSH or zero carbon as a result of the Government announcement to delay the introduction of national zero carbon policy and the scrapping of the allowable solutions element of national policy.

Affordable Housing

- 2.2.4 The Government's November 2014 introduced national affordable housing threshold was quashed by the High Court after a legal challenge by Reading and West Berkshire

⁷ N.b. extra over costs of attaining water efficiency standards of 110lpppd are in the region of £6-£9 per dwelling according to the DCLG Housing Standards Review Cost Impacts Study (September 2014). This would have such a marginal impact on scheme viability that it has not been included in this update.

Councils in July 2015. The previous Viability Assessment tested affordable housing on sites of 10 or more dwellings and indeed the Preferred Options Consultation Document included affordable housing policies starting with a threshold of 10 units. Given the re-introduction, via the Court of Appeal, of a national minimum affordable housing threshold of 10 or fewer units, the Council will need to adjust their policy wording to require affordable housing from sites of 11 (rather than 10) units or more (as a minimum; a higher threshold level could of course be selected).

- 2.2.5 Affordable housing has been included in this viability update based on previously tested levels with the addition of a sensitivity test at a threshold of 11 units. More detail is provided below and at Appendix I.

Nationally Described Space Standards

- 2.2.6 The Government's Technical Housing Standards have introduced national space standards for C3 housing which can be used in a Local Plan policy if there is sufficient evidence of need and viability.
- 2.2.7 The national space standards have been included in the modeling for this viability update as a standard assumption – previously a range of unit sizes were used based on typical typologies but not related to a nationally described standard. See Appendix I for detail.

Access to and use of Buildings

- 2.2.8 The Government's Housing Standards Review has also resulted in changes being made with reference to Lifetime Homes and the Wheelchair Housing Design Standard. Accessibility is now incorporated into Part M of Building Regulations, applied by Local Planning Authorities as conditions and checked for implementation through the Building Control process.
- 2.2.9 Again, as with residential space standards, there needs to be evidence for both need and viability. Within the Council's Preferred Options Consultation Local Plan, Lifetime homes was not a policy requirement but rather included in supporting text to Policy D1 to 'encourage' design to have regard to Lifetime Home criteria. Consequently, the existing evidence base, made no allowance within the viability appraisals to account for any requirement to meet Lifetime Homes standards. At this stage the Council have requested that sensitivity testing be carried out to look at the likely viability impact of including policies on the access to and use of buildings. We set out below

the likely additional costs for including policies that meet the optional Category 2 and 3 requirements of Part M of the Building Regulations and those have been used in our sensitivity testing.

- 2.2.10 As part of the Government's Housing Standards Review consultation, cost analysis was produced by EC Harris (and subsequently updated) relating to areas that included Access. Within the 2014 update to that review document, approximate costs of complying with the optional Category 2 requirements of Part M were included. This indicates various costs for different types of dwelling and on different forms of development. For the purposes of this report, the average extra over access cost per dwelling is approximately total of £2,447 for houses and £1,646 for flats for meeting Part M4 (2) standards. This is based on an average extra over access cost per dwelling (£682/dwelling) alongside the average access related space cost per dwelling but without allowing for cost recovery (£1,444/ dwelling).
- 2.2.11 For Part M4 (3) the same report indicates average extra over (E/O) costs to be £15,691 for flats and £26,816 for houses.
- 2.2.12 Within this viability update, sensitivity tests have been carried out on the assumption that 10% - 100% of new dwellings meet Part M4(2) standards and 5% - 20% meet Part M4(3) standards (although this is assumed to be relevant to larger sites only). This has been carried on a scheme of 100 units noting that Part M4(2) and Part M4(3) would not be required on the same individual unit.

Starter Homes & Custom Build

- 2.2.13 Although the detail is yet to be provided through Regulation and / or Guidance, the Housing and Planning Act 2016 introduces a requirement for Local Planning Authorities in England to promote the supply of Starter Homes. The exact proportion is not set out in the Act but previous consultation suggests that it will be in the region of 20% of new homes on all new developments (with certain exceptions). Starter homes exception sites are also still referred to within the PPG as a form of Starter Homes supply but it is not clear what relationship this has with the requirement for all sites to provide a proportion of Starter Homes. Related to the type of PDL sites on which the Starter Homes initiative is envisaged to be focused, DSP's view is that land values should be reflective of the site characteristics, development type and mix - as in all other cases. Developments specifically aimed at this model would not be providing an affordable housing quota, s.106 or CIL funded infrastructure and in our

view based on 80% market sale values is, at the very least, likely to be no less viable on such a site than a combination of full market and regular affordable housing in the sense that has been required to date.

2.2.14 Looking at Starter Homes as set out loosely in the Act (i.e. not exception site Starter Homes but Starter Homes as a proportion of normal residential development) further information is needed from the Government before the full impact on viability can be fully tested. For this viability update sensitivity testing has been carried out assuming that the first 20% of affordable new dwellings are to be Starter Homes, with the remainder as traditional affordable housing.

2.2.15 From DSP's experience of considering custom/self-build to date (albeit limited to early stages exploratory work on viability) we consider that the provision of plots for custom-build has the potential to be a sufficiently profitable activity so as not to prove a significant drag on overall site viability. Broadly, from review work undertaken so far we would expect it to be at least neutral in viability terms, with the exact outcomes dependent on site-specific details – as with other aspects of the development process.

2.3 Other Updated Assumptions

2.3.1 In addition to the above, DSP have also considered changes to property values, build costs, any other development costs and affordable housing revenue. Appendix III provides the detail of the property market reporting for the Authority and will not be repeated here. In all cases we have assumed a fixed level of other planning obligations equivalent to £100/m² – representative of the level of CIL that is likely to be viable broadly across the District based on previous evidence should the Council pursue that route. Alternatively, the planning obligations assumption provides an allowance to cover site-specific s106 mitigation requirements where applicable.

2.3.2 In carrying out this update we have taken a selection of scheme types from the existing studies. These are shown in Appendix I and reflect the types of sites that could come forward for residential development across the District. For each site a notional mix but representative mix of residential dwellings was used. All of the assumptions used in formulating the notional schemes on each of the site types are as per the Council's previous studies. Appendix I should be referred to for the detail of each scheme type including scheme size, unit mix, density, affordable housing

proportion, tenure, values assumptions, affordable housing transfer value assumptions etc. More detailed explanations are provided here where it was felt necessary to expand on the details provided in Appendix I.

Affordable Housing

- 2.3.3 In each case affordable housing has been assumed at a level in full compliance with the Council's emerging policy positions (with a tenure mix reflecting the positions tested previously – 65% affordable rent / 35% intermediate tenure). The value of the affordable rented and shared ownership element of each scheme has again been based on the same principles and calculations as in the previous assessment but for this update we have deducted 10% from the calculated figures to take account of changes to the rent structure from 2016 – 2020 as referred to above. This is based on work undertaken by DSP into the potential impact of rent reductions on affordable rented transfer values (reflecting payments for the affordable homes to a developer from a Registered Provider).
- 2.3.4 Effectively the value of the affordable housing is based on the capitalised value of the net rental stream (affordable rent) or capitalised net rental stream and capital value of retained equity (in the case of low cost/affordable home ownership – i.e. typically shared ownership). Up to 80% of market rent has been assumed, using the Local Housing Allowance (LHA) from the Stevenage & North Herts Broad Rental Market Area (BRMA) as a proxy. It was (and has been again) assumed that the intermediate tenure would be in the form of shared ownership based on a conservative assumption of 60% of market value. This is all as per the existing evidence base.

Values - Land & Property – Property Market Reporting & Build Costs

- 2.3.5 Comprehensive property data reporting and analysis are contained within Appendix III to this document and so will not be repeated in detail here. In running this viability update study we have reviewed a number of sources of information that in summary indicate (as a conservative estimate) that property prices have increased by approximately 20% across North Hertfordshire over the period between the research for the 2014 viability study (August 2014) and the latest research for this viability update (June 2016). For the purposes of this review we have applied this uplift to each value level (VL) associated with the previous viability assessment work – VLs 1 to 8. Appendix I shows the values assumed both for the previous study and this update and the relationship between values and geographical areas of the District.

- 2.3.6 Land value benchmarks have been used that are consistent with the previous assessment work basis, but this time with 20% added to each of the earlier levels ('viability tests'). These are assumptions which are in practice one element of a set of figures that will inevitably vary through different circumstances.
- 2.3.7 Over the same period, build costs have also increased across the area. Again Appendices I and III provide the detail but in summary the RICS Building Cost Information Service data (BCIS) indicates that build costs have increased by approximately 15% on average. We have used the latest BCIS figures available (May 2016) at the point of carrying out this viability update.
- 2.3.8 In addition to an inflationary rise in build costs over the period between the studies, BCIS (on behalf of the Federation of Small Businesses - FSB) has subsequently published a report on the typical additional cost of construction for small sites⁸. This suggests that the costs of construction for houses on sites providing fewer than 10 dwellings is greater than for those of more than 10 dwellings, with the actual cost increases varying by project size and type of unit (and with flatted development on small schemes typically having a lower cost than larger schemes). Although the detail of the report is yet to be considered in depth and a number of commentators have pointed out that there are a number of factors that benefit smaller developments (in terms of development viability), to reflect the variable nature of the findings of the report and to ensure a conservative approach has been taken, we have allowed an additional 10% on the build costs of our site scenarios of fewer than 10 dwellings.

2.4 Strategic Sites

- 2.4.1 As part of this viability update, DSP were asked to also consider the viability, at a high level, of strategic sites coming forward across and beyond the life of the emerging Local Plan as part of informing the Council's thinking on infrastructure provision.
- 2.4.2 To test the potential viability of sites of a strategic scale and characteristics, appraisals were carried out on development scenarios ranging in size from between an indicative 500 and 2,800 dwellings; representative of potential development of sites across the District including East of Luton, North of Stevenage, North of Baldock, North of Letchworth, Highover Farm (Hitchin) and north-east of Great Ashby. At this

⁸ BCIS (for Federation of Small Business) – Housing Development: the economics of small sites – the effect of project size on the cost of housing construction (August 2015)

stage, and as agreed with the Council, the specific inputs for each scenario appraisal are based primarily on high-level assumptions reflecting published information and our experience of viability work on similar sites in a range of other locations – both for strategic level assessment and site-specific viability review / s.106 negotiation purposes.

2.4.3 Essentially any residual appraisal requires certain elements of the inputs (assumptions) to be fixed so that the result (residual) becomes the output, and changes to that can be reviewed as adjustments to a key variable are made. In this case we have run the strategic site appraisals on basis of fixing the land value (at £370,000 per gross hectare) and the site enabling costs / infrastructure at £23,000 per unit, with the latter based on the upper end of the range £17,000 and £23,000 indicated as typical per plot strategic infrastructure costs within the Harman Report⁹ which states “*Cost indices rarely provide data on the costs associated with providing serviced housing parcels, i.e. strategic infrastructure costs which are typically in the order of £17,000 - £23,000 per plot for larger scale schemes*”. For the purposes of this study we have assumed site infrastructure to include site costs necessary to provide ‘*serviced plots for building construction from unoccupied, secured, and uncontaminated site*’¹⁰. Effectively the costs are related to all other physical works that are needed to ready a site for development so that in combination with the assumptions on BCIS based housebuilding costs (i.e. covering works within the serviced parcels) sufficient overall cost has been allowed to build the housing development. The s.106 (indicative scope for which we are viewing through the potential surplus) then covers the site-specific mitigation in terms of impact on community infrastructure “caused by” the development (the usual tests apply). With the enabling cost and s.106 viewed together, all site-specific ingredients should be achieved so far as viability permits – to support its physical development and directly related infrastructure needs.

2.4.4 Following the above, the result of the appraisal is then in real terms a planning obligations residual with a fixed level of land and profit – i.e. the land is a fixed cost within the appraisal and profit is calculated as a fixed percentage of the gross development value of the scheme (20% on market housing and Starter Homes (where applicable) / 6% on affordable housing). The residual value above the fixed land cost is then the amount available for s106 site mitigation / planning obligations.

⁹ Local Housing Delivery Group – “Viability Testing Local Plans” (June 2012)

¹⁰ Homes & Communities Agency – Development Appraisal Tool (v4)

As a further step, we then needed to run the appraisal with the 'surplus' included so that finance is taken into account. This is a manual and iterative process with result as close to the target land value levels as possible, the results of which are shown in the attached tables. Within the detail of the appraisals, it should be noted that the profit is only shown at a single level (approximately 16% - 19%). This is the blended profit (i.e. based on a blend of 20% on market housing / 6% on affordable applied as appropriate dependent on the particular appraisal unit mix). So this varies depending on the quantum of affordable housing and the values assumed – for example, the blended profit for 40% affordable housing at £3,000/m² on a 2,100-unit scheme is approximately 17.2% of GDV.

- 2.4.5 For each development scenario we have looked at value levels of between £3,000/m² and £3,600/m² based on a combination of our own research and that provided by the Council (see Appendix III for detail and as discussed above in this report). At the current time it is our opinion that sales values would achieve between £3,000 - £3,300/m² for East of Luton and North of Stevenage and between £3,300 - £3,600/m² for North of Baldock and North of Letchworth. Should CIL be implemented, based on the previous CIL viability work undertaken for the Council and experience elsewhere, all strategic sites are assumed to include CIL at £0/m² owing to the likely scale of s.106 costs in combination with the site enabling/infrastructure costs as noted at 2.4.3 above.
- 2.4.6 We have assumed delivery rates based on our experience of dealing with large scale strategic developments on a site specific basis across the country. In very general terms a faster rate of delivery is likely to have a positive impact on viability as the overall finance costs should reduce with reduced development period. However, with a delivery rate that is too high there is a risk that the delivery starts to impact on sales values as units flood the market.
- 2.4.7 We have also run the appraisals assuming a reduction in affordable housing requirement to 20% as a further sensitivity test at each value level tested. DSP has not run appraisals at an interim 30% affordable housing on the basis that at this level of testing and high level assumptions necessarily needing to be made, the result of 30% affordable housing can be interpolated (i.e. half-way between the results of the 20% affordable housing and 40% affordable housing appraisals).

- 2.4.8 Some of the policies of the Council are not yet fixed (e.g. Building Regulations Part M4 (2) and (3), sustainability, costs etc.) and as such we have not included additional costs in the viability testing for the strategic sites on this basis. We are of the opinion however that the scale of development is such that build costs will be lower than those allowed-for due to economies of scale. As our results are based on median BCIS rates, there is probably sufficient allowance to cover additional costs of complying with those policies if required as long as they are not set beyond the scope set out in our sensitivity testing.
- 2.4.9 For both the enabling infrastructure and the s106 costs we have assumed for the purposes of this study that those will be required with 50% of the cost at the beginning of development; 50% spread across the first half of the development period. Details of when costs occur and payments are required can only really be known once a scheme is developed in detail so this reflects a logical approach in our opinion. The land payments are assumed to be made at the beginning of each phase in the development appraisals (equal payments). Again in reality, payment profiles will vary and be subject to individual delivery details – phasing and negotiation between interested parties.

3 Results & Conclusions

3.1 Introduction

- 3.1.1 The results (residual land values – RLVs) are all shown within the appendices and will not be discussed in detail here. For each site type appraisals have been undertaken as reflected in the results shown in Appendix II (Residential Results Summary – in respect of the general residential sites and sensitivity testing). The appraisals have been carried out on the basis described in Chapter 2 above.
- 3.1.2 Within Appendix II, Tables 1a to 1m set out the results of the appraisal updates covering, in ascending size, scenarios of 5 to 200 dwellings of various types and mixes (as per the Appendix I detail). Those tables also show where relevant, moving from top to bottom, increasing affordable housing content tested and, within each affordable housing test set, the various value level (VL) tests (lowest at VL1 to highest at VL8 indicating increasing sales value (GDV) assumptions so that we can see their influence across the range too). The strategic sites results are summarised in the body of this report with appraisal summaries provided at Appendix IV.
- 3.1.3 Affordable housing (AH) is considered at 0% in the Table 1a scenario of 5 dwellings (now taken to be beneath the national minimum threshold effective at fewer than 11 dwellings / 1,000 sq. m development. It is added at 30% at 11 dwellings (Table 1b), enabling that viability switch to be seen. At 15 and more dwellings (Tables 1c to 1m), the scenarios are tested at 20%, 30% and 40%.
- 3.1.4 The results of the appraisals indicate a RLV (being the sum remaining once all development costs are subtracted from the GDV, including finance and profit). The RLV is then also indicated as a per hectare figure (£/ha) for comparison with benchmark land values (range of indicative ‘viability tests’ shown in the coloured key beneath each table). The coloured cells then provide an indication of the result (in £/ha) as it compares to each of those viability tests. This follows the same principles as used in the earlier assessment work and, again, this report and its appendices should to be read in conjunction with and in the context of those reports.
- 3.1.5 It is important to note that the colour-coding used in the Appendix II Tables seeks to help provide only a rough guide to the trends – it aims to highlight the general results trends. Based on the accepted nature of such an exercise, i.e. this not being an exact

science, this must not be over-interpreted as representing any strict cut-offs as regards viability / non-viability. In practice, switch-points between viability and non-viability will be variable and this process explores the likelihood of various realistically assumed values and costs proving to be workable. We can see the results trends as indicative outcomes vary with increasing sales values (GDVs – as expressed through increasing VLs 1 to 8); changing scheme type and changing affordable housing content with that (residential scenarios).

3.1.6 Taking into account the above comments, the colours therefore indicate general trends as follows in accordance with a general grading that indicates increased confidence levels in the viability outcomes ranging from red (representing poor outcomes – negative RLVs – i.e. clear non-viability) to the boldest green-coloured results (indicating the greatest level confidence in viability outcomes across a wider range of land value comparisons representing different host site types). The footnotes to the Appendix II describe these as a series of viability tests, referring to the various land value comparison levels considered – noted there as Viability tests 1 to 5 increasing across the range shown:

Residential (tables 1a to 1m):

- Boldest green colouring - Considered to be good viability prospects - RLVs exceeding £2.4m/ha (PDL upper level – residential) – Viability test 5;
- Paler green colouring (graduated) – Considered prospects with reducing confidence in scheme viability i.e. where the RLVs exceed the lower land value comparison levels and so could be viable in a reduced range of circumstances – representing lower grade residential or former industrial / commercial PDL sites - RLVs between £1.8m/ha and £2.4m/ha (viability test 4); £900,000 to £1.8m/ha (viability test 3); £500,000 to £900,000/ha (viability test 2) and £370,000 to £500,000 (representing the assumed greenfield enhancement values range – viability test 1);
- White colouring – poor or at best marginal viability outcomes anticipated in low land value circumstances only – although some with RLVs just beneath viability test 1 may be marginally viable in certain circumstances, these are RLVs at beneath viability test 1 (i.e. RLVs of less than £370,000/ha so falling short of assumed greenfield enhancement value levels and well short of the range of

likely PDL values). There are few instances of this level of poor to at best marginal viability seen – restricted it appears to the larger flatted scheme (80 units) at lower value levels and with up to 40% AH content assumed.

- 3.1.7 Land owners' situations and requirements will vary. While, as stated, those will need to be realistic (and, as part of that, assessments will need to be made as to whether there is an attainable prospect of securing significant value from existing or alternative uses in the prevailing market), they could be outside the ranges that we have explored in making our overviews; including at higher levels.
- 3.1.8 The strategic sites indications below are taken from the Appendix IV appraisal summaries. Those appraisal results show the potential residual surpluses available to support s.106 planning obligations packages based on 40% AH base scenarios and 20% AH sensitivity tests (in both cases with £20,000/dwelling assumed enabling/infrastructure cost and with the influence of varying potential GDV also considered).

3.2 Findings

Generally

- 3.2.1 In North Hertfordshire's case, we see a relatively strong development viability picture and this runs across the scenarios in terms of base viability available to support scheme and therefore overall Plan delivery. Whilst build costs have risen significantly, here we have observed a positive relationship remaining between that trend and the sales values.

Affordable housing and smaller sites

- 3.2.2 Looking at the 5 unit scenario (Appendix II, Table 1 a) we can see the effect of the small scheme BCIS FSB report based increased build costs. Whilst the RLVs are marginally stronger looking than those at 11 dwellings (table 1b) with 30% AH assumed, they are significantly lower than £/Ha level produced by the 11 units with 0% AH. Whilst not an issue for the current Local Plan relevant considerations, this suggests that if looking at CIL further down the line, any scope to increase charging rates for the smallest schemes beneath the AH threshold may need to be considered carefully based on further testing.

3.2.3 The 11-unit scenario outcomes suggest however that, in viability terms, affordable housing could continue to be sought at that threshold point (in place of a 10-unit threshold) if considered appropriate by the Council. It appears also that there would continue to be some merit in NHDC looking at an element of sliding scale principles (more graduated introduction of AH requirements). Whilst arguably not essential, and the targets are likely to be viable in most cases, a 20-30% target at between 11 and 15 dwellings would have a helpful influence on scheme viability bearing in mind the collective costs of development (including other s.106 where needed, and potentially including CIL charges in due course). Given that over 60% of non-strategic sites are likely to be greenfield in nature and assuming low levels of site infrastructure on those, the upper end of the range is likely to be viable on a majority of those sites.

Affordable housing as scheme size increases

3.2.4 Building on this, beyond 15 dwellings the results for the range of general sites suggest that 30-40% AH based on the applied tenure mix assumptions would not be an unreasonable target to maintain in our opinion. As above, maintaining the sliding-scale type approach beneath the previously consulted on 25 dwellings threshold would again have a helpful effect in viability terms, particularly as many of the smaller sites in the 11 to 25 dwellings bracket will continue to come forward on PDL.

3.2.5 As indicated above, there are some individual results indications that point to potential consideration of a different or more flexible approach to AH target %. An example of this apparent here is the flatted development types, and particularly the 80 units scenario which in practice we could expect to see at higher density and with higher build costs. Assumed likely also to be based on PDL as a probable town centre / edge of town centre scenario, we could also expect this scenario to need to reach viability tests 3 to 4 or above – representing a significant existing or alternative use value. This might also coincide with redevelopment or regeneration type abnormal costs (e.g. site clearance and remediation, etc.).

3.2.6 This is not an unusual finding in our experience. If this type of development is considered likely to occur with any regularity and therefore be relevant to overall Plan delivery, then NHDC could give consideration to a differential AH policy approach, not necessarily needing to follow only the viability findings, but informed

by those alongside other evidence available to the Council – including on delivery experiences to date.

- 3.2.7 This need not detract from the continuation of a 40% AH policy headline as previously proposed at 25+ dwellings in our opinion, on review of the updated results. The potential influence of the inclusion of Starter Homes will also need to be reviewed as more becomes known about the new national policy on this.
- 3.2.8 Having raised this point for the Council’s consideration, it is probably worth reviewing the potential implication of an element (say 20%) Starter Homes in place of 20% AH in its established form. We can see for example the significantly improved RLVs reported in Appendix II Table 1i (100 dwellings sensitivity with 20% Starter Homes) compared with compared with Table 1h (same scheme, with well-established AH tenure forms included).
- 3.2.9 This means that, with the inclusion of Starter Homes having the potential to boost viability at least to some degree, and added pressure on the needs for rented affordable homes as a priority, Councils may wish to look at this as not a good time to reduce AH targets that inform planning applicants’ expectations and support site-by-site negotiations. It appears that any reduction in the overall AH% target for a site would reduce the “headroom” available to support affordable rent or other more affordable forms of tenure.

Access to and use of buildings

- 3.2.10 With regard to Approved Document Part M4 - Accessibility, as above, we have sensitivity tested the potential impact of Part M4 (2) requirements (originally assuming 10% compliance with policy as agreed with the Council) and also considered the much costlier Part M4(3) implications. We can confirm that a modest content of dwellings (assumed for the time being at 10% on major sites complying with M4 (2)) would not lead to a previously viable scheme becoming unviable. Table 1j at Appendix II shows the sensitivity test results for the inclusion of 10% dwellings to M4(2). Further testing was undertaken by request of the Council to attempt to quantify the maximum proportion of units asked to meet the requirements of Part M4(2). Having run the additional testing at 10%, 20%, 30%, 40%, 50%, 70% and 100% we see that with 10% of dwellings required to meet the standard, the impact on cost is approximately £215 per dwelling. At 100% this cost rises to approximately £2,150

per dwelling on the schemes tested. On a 100-unit scheme this leads to a reduction in output residual land value of between 0.4% and 4% compared to the 'without' Part M4(2) allowance. Given the Council's position that a majority of new development is likely to come forward on greenfield sites, we are of the opinion at this stage, that a policy encouraging 20% of new dwellings to meet Part M (2) would not make an otherwise viable site unviable.

3.2.11 Testing of an optional local policy for M4(3) compliance has also been reviewed (Appendix II Table 1k), as has the combined potential effect of M4(2) dwellings plus M4(3). These additional sensitivity test outcomes provide the Council with wider information, so that it can consider varying policy combinations that appear likely to support broadly similar RLV (and therefore viability) outcomes; or how such potential policy positions could impact and compare with each other.

3.2.12 Table 1l provides the results but in looking at the cumulative impact of requesting compliance with both optional standards, we see the additional cost of a requirement for 5% PartM4(3) tested alongside 10% - 50% Part M4(2) leads to a reduction in RLV of between approximately 2.5% and 4.5%. This is broadly equivalent to requesting 100% of dwellings to meet the requirements of Part M4(2) alone. As the Part M4(3) 'requirement' increases (again testing alongside a range of Part M4(2) 'requirements') the impact on RLV increases to between 5% and 7% (10% Part M4(3)) and 10% - 12% (20% Part M4(3)). In our opinion, the results suggest that a combination of no more than 10% - 20% Part M4(2) and 5% - 10% Part M4(3) is likely to be the potential range within which policy can be set taking into account the likely source of a majority of the Council's housing supply.

3.2.13 With both Part M4(2) and Part M4 (3) requirements, the Council needs to bear in mind the cumulative or collective impact of policy on development viability, as with any other policy requirement, and also take into account whether the need for that type of policy is supported by local evidence. It also needs to consider the potential future impact on adoption of CIL (any additional cost at this stage is likely to reduce the scope for CIL rate setting further at a later stage).

Nationally described space standards

3.2.14 In re-running appraisals for this update, DSP has assumed all dwelling sizes to have the potential to meet these recently introduced national standards. This means

allowing for floor areas that are at or above the minimum levels. Again, Appendix I provides details of the assumptions. In some instances, variant sizes between affordable and market homes are used, owing to experience and the different criteria of the market and affordable housing providers' typical requirements (latter also in accordance with HCA expectations).

3.2.15 Local implementation of the standards is optional, so that NHDC need not include them within policy but has the scope to do so in viability terms. The standards tend to increase the unit sizes compared with those used within the previous assumptions set, particularly for the smaller property types within the market mix. Although there is a minor impact on viability, this is marginal and we are of the opinion that the sensitivity of the results to the change in costs is not one that can be easily differentiated.

3.2.16 On that basis it is unlikely that this would lead to a previously viable scheme becoming unviable. We find that at the lower-end of the values range in some areas the inclusion of these standards usually has a small negative effect on viability, where the relationship between development values and costs may be marginal. However, in the case of North Hertfordshire generally, with the strength of values available to support viability we are of the view that there would be only a negligible viability impact that could readily be absorbed for planned development. In the event of including the standards within policy, the Council would also need to have justification for the need in place.

3.3 Elderly & Specialist Housing

3.3.1 The Council's SHMA indicates a need for 2,060 specialist older person housing units across the Plan period. In terms of viability, DSP's consistent assessment findings, are that housing-led development (including sheltered / retirement housing for independent living) should not be differentiated for in comparison with the approach to C3 in general. This forms part of the wide spectrum of market housing provision, within which there is inevitably great variety. These may or may not include an element of accommodation available for or supporting "assisted living" or similar, but in our view should be no less viable than market housing where they are commercial developments offering apartments or similar for market sale as the primary driver. In those cases the apartments would very often command premium level values as new-builds and they form part of the wide-ranging provision within the spectrum of

market housing. Our previous work in this regard has been updated in this review and the results of the sheltered housing appraisals are shown in Appendix II.

3.3.2 The viability picture on this is however quite different to that relating to accommodation for care provision – typically C2 use where typically the viability picture is more marginal. The particular nature of a specialist housing scheme would be considered when considering any planning application. Any policy / requirement for wheelchair adaptable / accessible housing will need to bear in mind the significant cost of achieving those goals (as set out in the section above). The Council also needs to bear in mind that the PPG makes it clear that Local Plan policies for wheelchair accessible housing should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling. The Council will therefore need to have reasonable regard to the findings of the SHMA when setting their older persons accommodation strategy / policies.

3.4 Strategic Sites

3.4.1 The current stage testing results for the strategic site scenario appraisals are shown within the summary at the beginning of Appendix IV.

3.4.2 As per the review process outlined above, the results show potential to support a package of s106 measures in addition to affordable housing. The appraisals test each site with 40% affordable housing and a 65% / 35% tenure with sensitivity testing carried out for changes in values. The surplus generated by each appraisal and assumed then to be available to support s106 requirements and or other currently unidentified abnormal costs depends on the level of GDV (sales values assumed, as determined principally by location but also with values variation sensitivity tested). It is also directly affected by the affordable housing quantum – tested at 40% with sensitivity testing carried out at 20%.

3.4.3 The results of the appraisals vary by location (and therefore the value we have assumed within the appraisals) and the affordable housing proportion. If we consider that in general, large scale strategic development may typically come with a package of planning obligations in the order £15,000 - £25,000 we can see that the base results for the 2,800-unit North of Baldock scenario generates a surplus significantly in excess of that range (£21 - £36,000). The North of Letchworth scenarios produce

residual s106 amounts of between £21,000 and £35,000 depending on value level tested.

- 3.4.4 In respect of the East of Luton potential strategic scale development scenario we see that with 40% affordable housing applied, the residual s106 is between £19,000 and £5,500 per unit depending on value sensitivity test. The same may be the case at North of Stevenage; in each case compared with the larger potential surpluses indicated to be supportable from the higher North of Baldock and North of Letchworth values assumptions.
- 3.4.5 At this stage (and it must be stressed that this is a high level review of the strategic site typologies), we would expect that the strategic sites could support a reasonable level of affordable housing alongside other s106 requirements. The range of results indicates that the Council is planning development that is very likely to be viable, albeit (and as is always necessarily the case) with the achievable planning obligations packages needing detailed resolution in due course.
- 3.4.6 It follows that the indications provided here should at this stage be considered as approximate maximums based on the values and other assumption used. Changes in assumptions, even if apparently small, e.g. owing to unidentified abnormal costs / potentially negative viability outcomes from other forms of development or any necessary land value flex – can have an impact on the overall results.
- 3.4.7 It is possible that where robust justification is provided by a developer, the Council may need to review viability in specific circumstances. This may involve working with the development industry to ensure optimum delivery in areas such as affordable housing and its tenure mix, the degree to which additional sustainability measures (e.g. beyond building regulations requirements prevailing at any point) and / or other matters, etc., might be accommodated given detailed review at appropriate points.

3.5 Commercial / Non-Residential

- 3.5.1 At the national level, prior to the Brexit decision the commercial sector remained generally positive but the lead up to the Brexit vote had led to some uncertainty in the market. Whilst the future direction of the commercial market following the Brexit vote is uncertain, the Quarter 2 2016 RICS UK Commercial Property Market Survey shows *“a significant deterioration in market sentiment following the Brexit vote. The*

heightened sense of caution is visible across both investment and occupier sides of the market, with uncertainty pushing rental and capital value projections into negative territory. Whether or not the adverse hit to sentiment is a knee-jerk reaction that will unwind as the result is digested, or the start of a more prolonged downturn, remains to be seen”.¹¹

- 3.5.2 Whilst commercial property market conditions were showing signs of picking up in the intervening period, the result of the Brexit vote suggests a further period of uncertainty to follow.
- 3.5.3 In looking at commercial development in North Hertfordshire DSP previously reported¹² that in terms of the Local Plan considerations for non-residential property development aligned to the key Economy and Town Centre (‘ETC’) policies, our assessment indicated the probable short-term challenge around delivery of significant new development to support these objectives. That was primarily as a result of the wider economic backdrop at the time.
- 3.5.4 We also noted previously that the Council’s themes of promoting and encouraging development focussed on the main towns whilst acknowledging the role of the villages too. The generally poor viability results from the scenarios¹³ other than those representing large format retail (supermarkets, superstores, retail warehousing and to a lesser extent smaller format retail), and especially those for the B (business/employment) use class types, are not unusual in DSP’s wide experience of undertaking viability assessment and review work. They do not necessarily mean that development will not be delivered but rather, the outcomes being based on necessarily cautious assumptions and approach necessary for the assessment at that time.
- 3.5.5 Overall therefore we are of the opinion that previous recommendations and commentary set out in the 2012 and 2014 studies remain valid currently. We stated that in respect of commercial / employment development creation, some challenges must be acknowledged in most local authority areas but that broadly large format retail and to a lesser extent; smaller format retail should continue to be viable forms

¹¹ RICS Commercial Property Survey – Q2 2016

¹² DSP – North Hertfordshire District Council – Viability Assessment – Community Infrastructure Levy and Affordable Housing (October 2012)

DSP – Whole Plan Viability Assessment - North Hertfordshire District Council Local Plan Emerging Preferred Options Draft – (November 2014)

¹³ Including office, industrial, hotel, C2, institutional and a range of sui generis uses – see previous studies for more detail.

of development across the district. In addition to seeking to ensure that the approach to planning obligations (including any future CIL) does not add further uncertainty to potential investment, the Council could consider the following types of areas and initiatives (outside the formal scope of the brief for this assessment, but put forward purely as practical indications):

- Consideration of market cycles – plan delivery is usually about longer term growth as well as short term promotion and management of growth opportunities that will contribute to the bigger picture;
- Work with the market – be responsive etc. as suitable opportunities are identified;
- Regenerate / improve and protect key existing employment areas;
- Provide land where assessed to be most needed;
- A choice of sites and opportunities – working with the development industry to facilitate appropriate development and employment / economic improvement generating activity when the timing and market conditions are right;
- Consideration of how location is likely to influence market attractiveness and therefore the values available to support development viability. Alignment of growth planning with existing transport links and infrastructure, together with planned improvements to those. Considering higher value locations for particular development use types;
- Specific sites / locations and opportunities – for example in relation to the plan proposals and what each are most suitable for. Focus on the most accessible, best and most valuable locations for particular uses;
- Mixed-use development with potential for cross-subsidy for example from residential / retail to help support the viability of employment (business) or other development – balance the element in deficit or with reduced viability;
- Scenarios for particular / specialist uses – e.g. the local knowledge based employment economy; or that may be non-viable as developments but are business-plan / economic activity led;

- Explore any local specialisms or particular industries / sectors from which economic advantage and stimulation of other activity can be made;
- As with residential, consideration of the planning obligations packages again including their timing (triggers) as well as their extent.
- A likely acceptance that business development overall is unlikely to be a significant regular contributor to general community infrastructure provision in the short-term at least.
- Seek other investment and consider incentive schemes.

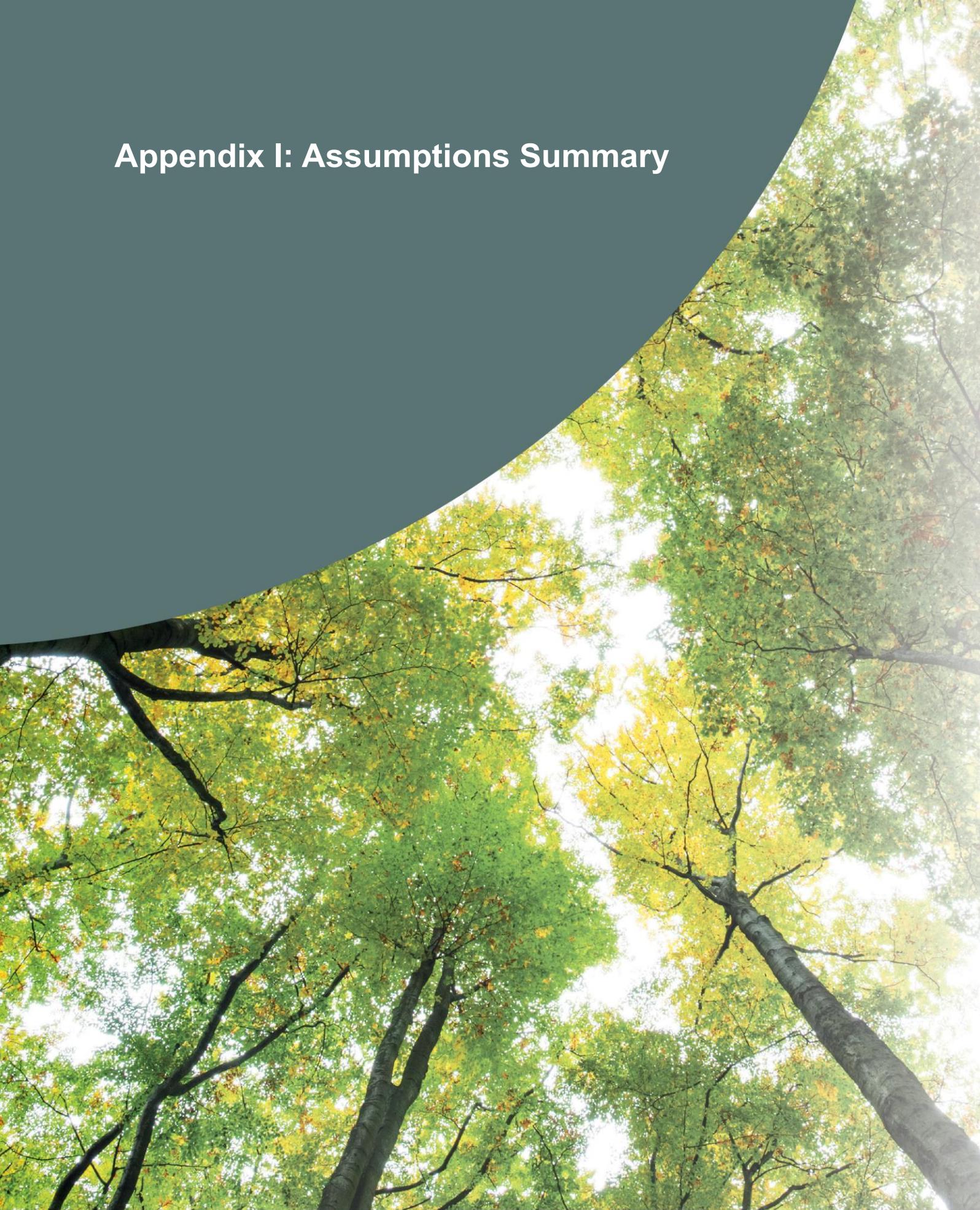
3.6 Additional Commentary

- 3.6.1 We consider that the above identifies scope to find the appropriate balance between affordable housing needs, other planning policy objectives and scheme viability, in accordance with our wide experience of successful Local Plan and Affordable Housing DPD evidence and EiP outcomes, as well as the detail of affordable housing and other planning policies and viability factors in operation in practice. In our view, at a “Whole Plan” level, we consider the range of development scenarios likely to be supporting the Plan to be capable of meeting the requirements of NPPF 173 / 174, the cumulative impact of which are unlikely to undermine viability.
- 3.6.2 Wherever pitched, the policies will need to be accompanied and explained by appropriate wording and guidance that sets out the strategic context and nature of the targets but also recognises the role of viability in implementation. Where robustly justified by a developer, a practical approach may need to be acknowledged - which can be responsive to particular circumstances - those will continue to be highly variable with site specifics. The need for this type of approach is likely to be particularly important in the event of ongoing economic and market uncertainty such as we still have at the current time.
- 3.6.3 This viability evidence will need to be considered in conjunction with wider evidence on housing needs and the shape of site supply (type, location and size of sites coming forward).

3.6.4 It will be also be essential to monitor, review and keep up to date evidence associated with the policies as part of creating a sound overall approach.

**Final Report ends
August 2016**

Appendix I: Assumptions Summary



North Hertfordshire District Council - Appendix I - Local Plan Viability Assessment - Residential Assumptions Overview Sheet

Scenario type Appraised	Site type	Dwelling Mix (BF = Bed Flat; BH = Bed House)	Dwelling Mix % split Larger / Smaller units	Approximate Person Count	Aug-2014 Green Space Requirement (ha) based on Policy HC2	Jun-2016 Green Space Requirement (ha) based on Policy HC2	Density	Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix		Build Period (Months)	
								0% Affordable Housing*	20% Affordable Housing*	30% Affordable Housing*	35% Affordable Housing*	40% Affordable Housing*					
5 Houses	PDL / Existing Residential	5 x 3BH	100% Larger	25	0.028	0.039	27.49	5 x 3BH	N/A	N/A	N/A	N/A	N/A	N/A	6		
11 Houses	Greenfield / PDL	4 x 2BH; 4 x 3BH, 3 x 4BH	36% Smaller / 64% Larger	54	0.061	0.084	27.03	4 x 2BH; 4 x 3BH, 3 x 4BH	2 x 2BH; 4 x 3BH, 3 x 4BH	1 x 2BH AR; 1 x 2BH SO	2 x 2BH; 3 x 3BH, 3 x 4BH	1 x 2BH, 1 x 3BH AR; 1 x 2BH SO	N/A	N/A	9		
15 Houses	Greenfield / PDL	6 x 2BH, 7 x 3BH, 2 x 4BH	40% Smaller / 60% Larger	71	0.080	0.111	27.81	N/A	4 x 2BH, 6 x 3BH, 2 x 4BH	1 x 2BH, 1 x 3BH AR; 1 x 2BH SO	3 x 2BH, 5 x 3BH, 2 x 4BH	1 x 2BH, 2 x 3BH AR; 2 x 2BH SO	4 x 2BH, 5 x 3BH, 1 x 4BH	N/A	12		
15 Flats	Greenfield / PDL	5 x 1BF, 10 x 2BF	100% Smaller	40	0.045	0.062	57.16	N/A	3 x 1BF, 9 x 2BF	1 x 1BF, 1 x 2BF AR; 1 x 1BF SO	3 x 1BF, 7 x 2BF	1 x 1BF, 2 x 2BF AR; 1 x 1BF, 1 x 2BF SO	3 x 1BF, 7 x 2BF	N/A	12		
25 Mixed	Greenfield / PDL	4 x 1BF, 3 x 2BF, 3 x 2BH, 11 x 3BH, 4 x 4BH	40% Smaller / 60% Larger	100	0.133	0.156	40.9 25.3	N/A	3 x 1BF, 1 x 2BF, 2 x 2BH, 10 x 3BH, 4 x 4BH	1 x 2BF, 1 x 2BH, 1 x 3BH, AR; 1 x 1BF, 1 x 2BF SO	3 x 1BF, 1 x 2BF, 1 x 2BH, 9 x 3BH, 3 x 4BH	1 x 2BF, 1 x 2BH, 2 x 3BH, 1 x 4BH AR; 1 x 1BF, 1 x 2BF, 1 x 2BH SO	N/A	N/A	2 x 1BF, 1 x 2BF, 1 x 2BH, 9 x 3BH, 2 x 4BH	1 x 1BF, 1 x 2BF, 1 x 2BH, 2 x 3BH, 2 x 4BH AR; 1 x 1BF, 1 x 2BF, 1 x 2BH SO	12
30 Flats (Sheltered)	PDL	22 x 1BF, 8 x 2BF	100% Smaller	68	0.090	0.106	86.69	N/A	18 x 1BF, 6 x 2BF	3 x 1BF, 1 x 2BF AR; 1 x 1BF, 1 x 2BF SO	16 x 1BF, 5 x 2BF	4 x 1BF, 2 x 2BF AR; 2 x 1BF, 1 x 2BF SO	N/A	N/A	13 x 1BF, 5 x 2BF	6 x 1BF, 2 x 2BF AR; 3 x 1BF, 1 x 2BF SO	18
80 Flats	PDL	28 x 1BF, 52 x 2BF	100% Smaller	212	0.282	0.331	57.25	N/A	22 x 1BF, 42 x 2BF	4 x 1BF, 6 x 2BF AR; 2 x 1BF, 4 x 2BF SO	19 x 1BF, 37 x 2BF	6 x 1BF, 10 x 2BF AR; 3 x 1BF, 5 x 2BF SO	N/A	N/A	17 x 1BF, 31 x 2BF	7 x 1BF, 14 x 2BF AR; 4 x 1BF, 7 x 2BF SO	18
100 Mixed	Greenfield / PDL	17 x 1BF, 11 x 2BF, 12 x 2BH, 45 x 3BH, 15 x 4BH	40% Smaller / 60% Larger	406	0.540	0.633	40.8 25.2	N/A	13 x 1BF, 8 x 2BF, 7 x 2BH, 40 x 3BH, 12 x 4BH	2 x 1BF, 1 x 2BF, 2 x 2BH, 5 x 3BH, 3 x 4BH AR; 2 x 1BF, 2 x 2BF, 3 x 2BH SO	11 x 1BF, 6 x 2BF, 4 x 2BH, 39 x 3BH, 10 x 4BH	3 x 1BF, 2 x 2BF, 4 x 2BH, 1 x 4BH AR; 3 x 1BF, 3 x 2BF, 4 x 2BH SO	N/A	N/A	10 x 1BF, 10 x 2BF, 10 x 2BH, 24 x 3BH, 6 x 4BH	2 x 1BF, 2 x 2BF, 2 x 2BH, 16 x 3BH, 4 x 4BH AR; 8 x 1BF, 2 x 2BF, 4 x 2BH, SO	24
100 Mixed (20% Starter Homes)	Greenfield / PDL	17 x 1BF, 11 x 2BF, 12 x 2BH, 45 x 3BH, 15 x 4BH	40% Smaller / 60% Larger	406	0.540	0.633	40.8 25.2	N/A	7 x 1BF, 1 x 2BF, 12 x 2BH, 45 x 3BH, 15 x 4BH	10 x 1BF, 10 x 2BF SH	6 x 1BF, 1 x 2BF, 7 x 2BH, 42 x 3BH, 14 x 4BH	10 x 1BF, 10 x 2BF SH 3 x 2BH, 3 x 3BH, 1 x 4BH AR; 1 x 1BF, 2 x 2BH SO	N/A	N/A	2 x 1BF, 6 x 2BH, 39 x 3BH, 13 x 4BH	10 x 1BF, 10 x 2BF SH 2 x 1BF, 3 x 2BH, 6 x 3BH, 2 x 4BH AR; 3 x 1BF, 1 x 2BF, 3 x 2BH SO	24
200 Mixed	Greenfield / PDL	33 x 1BF, 22 x 2BF, 25 x 2BH, 90 x 3BH, 30 x 4BH	40% Smaller / 60% Larger	862	1.345	1.345	63.2 42.8	N/A	25 x 1BF, 16 x 2BF, 15 x 2BH, 80 x 3BH, 24 x 4BH	4 x 1BF, 2 x 2BF, 4 x 2BH, 10 x 3BH, 6 x 4BH AR; 4 x 1BF, 4 x 2BF, 6 x 2BF, 8 x 2BH SO	21 x 1BF, 12 x 2BF, 9 x 2BH, 77 x 3BH, 21 x 4BH	6 x 1BF, 4 x 2BF, 7 x 2BH, 13 x 3BH, 9 x 4BH AR; 6 x 1BF, 6 x 2BF, 9 x 2BH SO	N/A	N/A	20 x 1BF, 20 x 2BF, 20 x 2BH, 48 x 3BH, 12 x 4BH	4 x 1BF, 4 x 2BF, 4 x 2BH, 32 x 3BH, 8 x 4BH AR; 16 x 1BF, 4 x 2BF, 8 x 2BH, SO	24

Strategic Sites																	
500	Greenfield (14.3ha net)	83 x 1BF, 55 x 2BF, 62 x 2BH, 225 x 3BH, 75 x 4BH	40% Smaller / 60% Larger	2154	3.360	3.360	35 (net developable area)	N/A	63 x 1BF, 40 x 2BF, 37 x 2BH, 200 x 3BH, 60 x 4BH	10 x 1BF, 5 x 2BF, 10 x 2BH, 25 x 3BH, 15 x 4BH AR; 10 x 1BF, 10 x 2BF, 15 x 2BH SO	53 x 1BF, 30 x 2BF, 22 x 2BH, 193 x 3BH, 52 x 4BH	15 x 1BF, 10 x 2BF, 18 x 2BH, 32 x 3BH, 23 x 4BH AR; 15 x 1BF, 15 x 2BF, 22 x 2BH SO	N/A	N/A	50 x 1BF, 50 x 2BF, 50 x 2BH, 120 x 3BH, 30 x 4BH	10 x 1BF, 10 x 2BF, 10 x 2BH, 80 x 3BH, 20 x 4BH AR; 40 x 1BF, 10 x 2BF, 20 x 2BH, SO	78***
700	Greenfield (20ha net)	116 x 1BF, 77 x 2BF, 87 x 2BH, 315 x 3BH, 105 x 4BH	40% Smaller / 60% Larger	3016	12.335	12.335	35 (net developable area)	N/A	88 x 1BF, 56 x 2BF, 52 x 2BH, 280 x 3BH, 84 x 4BH	14 x 1BF, 7 x 2BF, 14 x 2BH, 35 x 3BH, 21 x 4BH AR; 14 x 1BF, 14 x 2BF, 21 x 2BH SO	74 x 1BF, 42 x 2BF, 31 x 2BH, 270 x 3BH, 73 x 4BH	21 x 1BF, 14 x 2BF, 25 x 2BH, 45 x 3BH, 32 x 4BH AR; 21 x 1BF, 21 x 2BF, 31 x 2BH SO	N/A	N/A	70 x 1BF, 70 x 2BF, 70 x 2BH, 168 x 3BH, 42 x 4BH	14 x 1BF, 14 x 2BF, 14 x 2BH, 112 x 3BH, 28 x 4BH AR; 56 x 1BF, 14 x 2BF, 28 x 2BH, SO	78***
900 Unit Scheme representative of strategic urban extensions (N of Letchworth - LG1 & N of Stevenage - NS1)	Greenfield (25.7ha net)	149 x 1BF, 99 x 2BF, 112 x 2BH, 405 x 3BH, 135 x 4BH	40% Smaller / 60% Larger	3877	15.857	15.857	35 (net developable area)	N/A	113 x 1BF, 72 x 2BF, 67 x 2BH, 360 x 3BH, 108 x 4BH	18 x 1BF, 9 x 2BF, 18 x 2BH, 45 x 3BH, 27 x 4BH AR; 18 x 1BF, 18 x 2BF, 27 x 2BH SO	95 x 1BF, 54 x 2BF, 40 x 2BH, 347 x 3BH, 94 x 4BH	27 x 1BF, 18 x 2BF, 32 x 2BH, 58 x 3BH, 41 x 4BH AR; 27 x 1BF, 27 x 2BF, 40 x 2BH SO	N/A	N/A	90 x 1BF, 90 x 2BF, 90 x 2BH, 216 x 3BH, 54 x 4BH	18 x 1BF, 18 x 2BF, 18 x 2BH, 144 x 3BH, 36 x 4BH AR; 72 x 1BF, 18 x 2BF, 36 x 2BH SO	78***
2100 - East of Luton	Greenfield (60ha net)	348 x 1BF, 231 x 2BF, 261 x 2BH, 945 x 3BH, 315 x 4BH	40% Smaller / 60% Larger	9048	37.006	37.006	35 (net developable area)	N/A	264 x 1BF, 168 x 2BF, 156 x 2BH, 840 x 3BH, 252 x 4BH	42 x 1BF, 21 x 2BF, 42 x 2BH, 105 x 3BH, 63 x 4BH AR; 42 x 1BF, 42 x 2BF, 63 x 2BH SO	222 x 1BF, 126 x 2BF, 93 x 2BH, 810 x 3BH, 219 x 4BH	63 x 1BF, 42 x 2BF, 75 x 2BH, 135 x 3BH, 96 x 4BH AR; 63 x 1BF, 63 x 2BF, 93 x 2BH SO	N/A	N/A	210 x 1BF, 210 x 2BF, 210 x 2BH, 504 x 3BH, 126 x 4BH	42 x 1BF, 42 x 2BF, 42 x 2BH, 336 x 3BH, 84 x 4BH AR; 168 x 1BF, 42 x 2BF, 84 x 2BH SO	84***
2,800 Unit Scheme N of Baldock (BA1)	Greenfield (80ha net)	464 x 1BF, 308 x 2BF, 348 x 2BH, 1260 x 3BH, 420 x 4BH	40% Smaller / 60% Larger	12064	49.342	49.34	35 (net developable area)	N/A	352 x 1BF, 224 x 2BF, 208 x 2BH, 1120 x 3BH, 336 x 4BH	56 x 1BF, 28 x 2BF, 56 x 2BH, 140 x 3BH, 84 x 4BH AR; 56 x 1BF, 56 x 2BF, 84 x 2BH SO	296 x 1BF, 168 x 2BF, 124 x 2BH, 1080 x 3BH, 292 x 4BH	84 x 1BF, 56 x 2BF, 100 x 2BH, 180 x 3BH, 128 x 4BH AR; 84 x 1BF, 84 x 2BF, 124 x 2BH SO	N/A	N/A	280 x 1BF, 280 x 2BF, 280 x 2BH, 672 x 3BH, 168 x 4BH	56 x 1BF, 56 x 2BF, 56 x 2BH, 448 x 3BH, 112 x 4BH AR; 224 x 1BF, 56 x 2BF, 112 x 2BH, SO	120***

*Fully applied policy position. Actual percentage will vary due to policy requirement.

*** Assumes multiple developers

August 2014 Assumptions		
Unit Sizes (sq. m)*	Affordable	Private (market)
1-bed flat	50	45
2-bed flat	67	60
2-bed house	75	75
3-bed house	85	95
4-bed house	110	150

June 2016 Assumptions (Nationally Described Space Standards)		
Unit Sizes (sq. m)*	Affordable	Private (market)
1-bed flat	50	50
2-bed flat	70	70
2-bed house	79	79
3-bed house	93	100
4-bed house	112	130

August 2014 Study Value Assumptions								
Open Market Value	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8
Location (Range)	E of Luton							
	Main towns - Baldock, Letchworth, Royston							
	N of Baldock		N of Letchworth					
Hitchin & rural areas (smaller settlements)								
1 Bed Flat	£112,500	£123,750	£135,000	£146,250	£157,500	£168,750	£180,000	£191,250
2 Bed Flat	£150,000	£165,000	£180,000	£195,000	£210,000	£225,000	£240,000	£255,000
2 Bed House	£187,500	£206,250	£225,000	£243,750	£262,500	£281,250	£300,000	£318,750
3 Bed House	£237,500	£261,250	£285,000	£308,750	£332,500	£356,250	£380,000	£403,750
4 Bed House	£375,000	£412,500	£450,000	£487,500	£525,000	£562,500	£600,000	£637,500
Value House (£/m2) Aug-14	£2,500	£2,750	£3,000	£3,250	£3,500	£3,750	£4,000	£4,250

June 2016 Study Value Assumptions

Open Market Value	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8
Location (Range)	E of Luton		Main towns - Baldock, Letchworth, Royston					
	N of Stevenage		N of Baldock	Hitchin & rural areas (smaller settlements)				
			N of Letchworth					
1 Bed Flat	£150,000	£165,000	£180,000	£195,000	£210,000	£225,000	£240,000	£255,000
2 Bed Flat	£210,000	£231,000	£252,000	£273,000	£294,000	£315,000	£336,000	£357,000
2 Bed House	£237,000	£260,700	£284,400	£308,100	£331,800	£355,500	£379,200	£402,900
3 Bed House	£300,000	£330,000	£360,000	£390,000	£420,000	£450,000	£480,000	£510,000
4 Bed House	£390,000	£429,000	£468,000	£507,000	£546,000	£585,000	£624,000	£663,000
Value House (£/m ²) Jun-16	£3,000	£3,300	£3,600	£3,900	£4,200	£4,500	£4,800	£5,100

June 2016 Affordable Housing Revenue Assumptions (Stevenage & North Herts LHA)

Unit	LHA (Average) Cap
1BF	£122.36
2BF	£155.37
2BH	£155.37
3BH	£186.46
4BH	£238.80

Unit	Market Size	Average AH Transfer Price (LHA Cap)	AH Transfer Price less 10%	Average Transfer Value (% of MV)							
				VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8
1BF	50	£89,120	£81,018	49%	45%	45%	42%	39%	36%	34%	32%
2BF	70	£113,162	£102,875	49%	45%	41%	38%	35%	33%	31%	29%
2BH	85	£113,162	£102,875	43%	39%	36%	33%	31%	29%	27%	26%
3BH	100	£135,804	£123,458	41%	37%	34%	32%	29%	27%	26%	24%
4BH	130	£173,929	£158,117	41%	37%	34%	31%	29%	27%	25%	24%
Overall Average:				37%							

Development / Policy Costs	NHDC 2014	NHDC 2016	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS			
Build Costs Mixed Developments - generally (£/sq. m) ¹	£1,118	£1,190	
Build Costs Estate Housing - generally (£/sq. m)	£1,082	£1,154	
Build Costs Flats - generally (£/sq. m)	£1,280	£1,355	
Build Costs (Sheltered Housing - 3-storey) (£/sq.m) ¹	£1,320	£1,414	
Build Costs Houses (One-off housing detached - <=3 units) (£/sq. m) ¹	£1,583	£1,697	
Additional allowances for small sites following FSB report ²			
Site Prep & Survey Costs (£ / unit)	£4,500	£4,500	£17,000 - £23,000 per unit
Contingencies (% of build cost)	5%	5%	
Professional & Other Fees (% of build cost)	10.0%	10.0%	
Sustainable Design / Construction Standards (% of build cost) ³	£1,932	2.00%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations
Per unit			
Sustainable Design / Construction Standards - zero carbon compliance (£/m ²) ²	£60/m ²	Not Tested	No longer relevant
s.106 costs - small scale PDL / Greenfield sites	Variable	£3,000	CIL / Equivalent Tested at equivalent of £100m ² (private dwelling)
On strategic sites - carried out on surplus basis unless detailed infrastructure costs and timings known	N/A		
Building Regs M4 (2) Compliance (10% of dwellings) ⁴	N/A	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only) - tested at Sensitivity Test only 10% - 100%
Building Regs M4 (3) Compliance (5% of dwellings) ⁴	N/A	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only) - 5% of Sensitivity Test only units
Technical Housing Standards - nationally described space standard	See table above		
Marketing & Sales Costs (%of GDV)	3%	3%	
Legal Fees on sale (£ per unit)	£750	£750	
DEVELOPER'S RETURN FOR RISK AND PROFIT			
Open Market Housing Profit (% of GDV)	20.0%	20.0%	
Affordable Housing Profit (% of GDV)	6.0%	6.0%	
FINANCE & ACQUISITION COSTS			
Arrangement Fees - (% of loan)	2.0%	2.0%	
Agents Fees (% of site value)	1.50%	1.50%	
Legal Fees (% of site value)	0.75%	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	6.0%	
Finance Rate - Land (%)	6.5%	6.0%	

Notes:

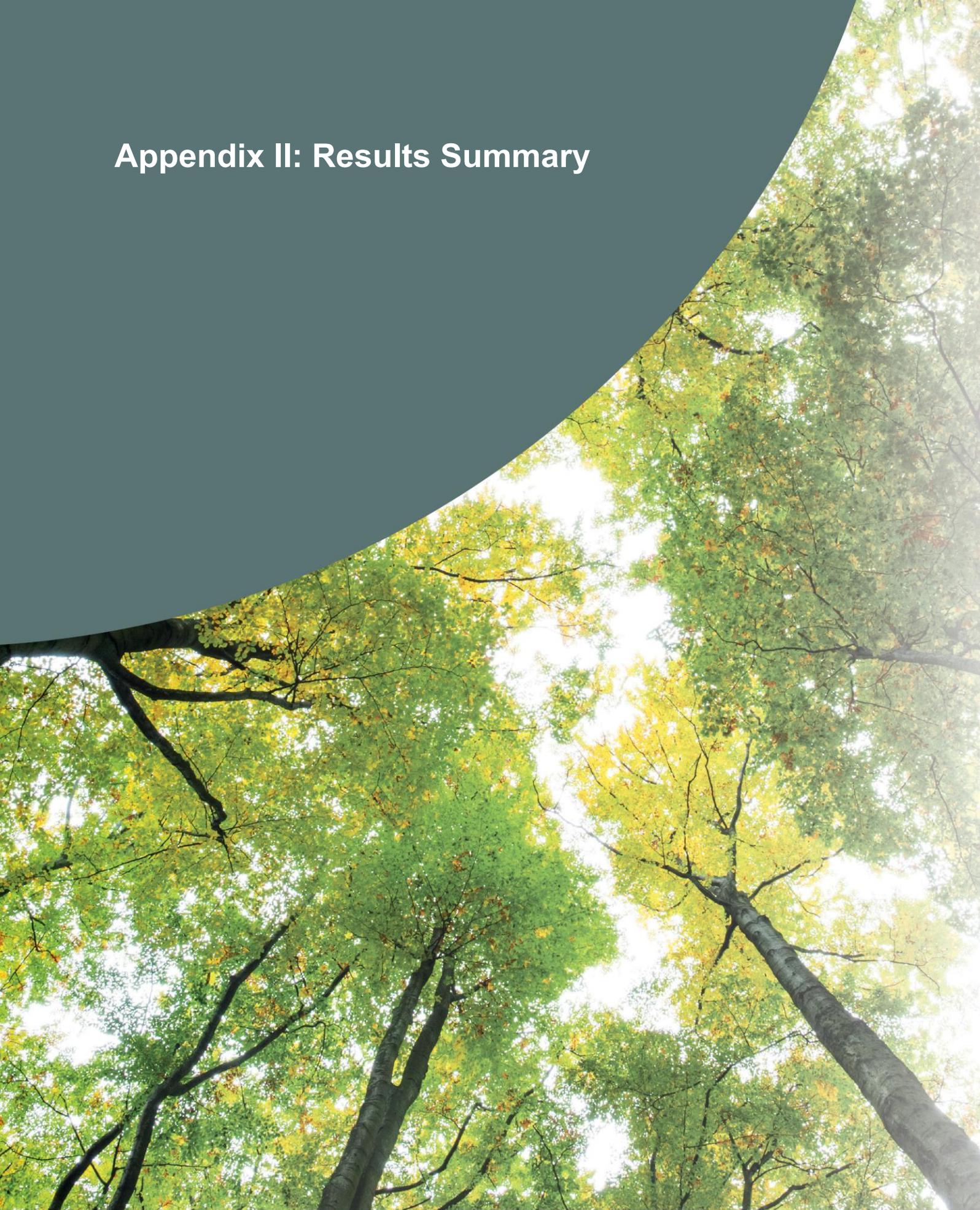
¹ Build cost taken as "Median" figure from BCIS for that build type - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for North Hertfordshire has been used. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works added separately - 10% of base build costs.

² BCIS report for the Federation of Small Businesses - Housing development: the economics of small sites - the effect of project size on the cost of housing construction (August 2015)

³ The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CF5H L4 energy costs only base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average, equating to the 2% assumed above).

⁴ Sensitivity tested allowance to meet Building Regs M4 Category 2 and Category 3 (adaptable) acknowledged within report as potential variable cost issue (depending on design etc.). EC Harris DCLG Housing Standards Review Cost Impact indicate average extra over cost to be £1,646 (Cat.2) and £15,691 (additional space cost (Cat. 3)) for flats and £2,447 (Cat.2) and £26,816 (additional space cost (Cat.3 adaptable)) for houses.

Appendix II: Results Summary



**Table 1a: Residual Land Value Results by AH % & Value Level
- 5 Unit Scheme - Houses**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value
Houses 5 0% AH	PDL Existing Residential	500	27.49	1	£3,000	£234,820
				2	£3,300	£334,971
				3	£3,600	£435,121
				4	£3,900	£535,272
				5	£4,200	£635,422
				6	£4,500	£735,573
				7	£4,800	£833,167
				8	£5,100	£927,200
						Residual Land Value (£/Ha)
				1	£3,000	£1,291,041
				2	£3,300	£1,841,668
				3	£3,600	£2,392,296
				4	£3,900	£2,942,924
				5	£4,200	£3,493,551
				6	£4,500	£4,044,179
				7	£4,800	£4,580,755
8	£5,100	£5,097,746				

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

**Table 1b: Residual Land Value Results by AH% & Value Level
- 11 Unit Scheme - Houses**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 11 0% AH	Greenfield / PDL	1130	27.03	1	£3,000	£686,358			
				2	£3,300	£899,014			
				3	£3,600	£1,107,089			
				4	£3,900	£1,312,537			
				5	£4,200	£1,515,005			
				6	£4,500	£1,717,472			
				7	£4,800	£1,919,940			
				8	£5,100	£2,122,408			
				Residual Land Value (£/Ha)					
				1	£3,000	£1,686,569			
				2	£3,300	£2,209,121			
				3	£3,600	£2,720,419			
				4	£3,900	£3,225,261			
				5	£4,200	£3,722,779			
				6	£4,500	£4,220,298			
				7	£4,800	£4,717,817			
8	£5,100	£5,215,335							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 11 20% AH	Greenfield / PDL	960	27.03	1	£3,000	£580,074			
				2	£3,300	£779,287			
				3	£3,600	£967,160			
				4	£3,900	£1,155,034			
				5	£4,200	£1,339,554			
				6	£4,500	£1,522,365			
				7	£4,800	£1,705,176			
				8	£5,100	£1,887,986			
				Residual Land Value (£/Ha)					
				1	£3,000	£1,425,401			
				2	£3,300	£1,914,920			
				3	£3,600	£2,376,576			
				4	£3,900	£2,838,233			
				5	£4,200	£3,291,650			
				6	£4,500	£3,740,866			
				7	£4,800	£4,190,081			
8	£5,100	£4,639,297							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 11 30% AH	Greenfield / PDL	860	27.03	1	£3,000	£496,529			
				2	£3,300	£677,405			
				3	£3,600	£852,090			
				4	£3,900	£1,021,549			
				5	£4,200	£1,191,009			
				6	£4,500	£1,356,655			
				7	£4,800	£1,521,548			
				8	£5,100	£1,686,441			
				Residual Land Value (£/Ha)					
				1	£3,000	£1,220,107			
				2	£3,300	£1,664,569			
				3	£3,600	£2,093,816			
				4	£3,900	£2,510,225			
				5	£4,200	£2,926,634			
				6	£4,500	£3,333,671			
				7	£4,800	£3,738,859			
8	£5,100	£4,144,047							

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

**Table 1c: Residual Land Value Results by AH % & Value Level
- 15 Unit Scheme - Houses**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 15 20% AH	Greenfield / PDL	1200	27.81	1	£3,000	£665,405			
				2	£3,300	£896,893			
				3	£3,600	£1,124,012			
				4	£3,900	£1,346,397			
				5	£4,200	£1,567,177			
				6	£4,500	£1,787,958			
				7	£4,800	£2,008,738			
				8	£5,100	£2,229,518			
				Residual Land Value (£/Ha)					
				1	£3,000	£1,233,661			
				2	£3,300	£1,662,840			
				3	£3,600	£2,083,919			
				4	£3,900	£2,496,220			
				5	£4,200	£2,905,547			
				6	£4,500	£3,314,874			
				7	£4,800	£3,724,200			
8	£5,100	£4,133,527							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 15 30% AH	Greenfield / PDL	1015	27.81	1	£3,000	£550,649			
				2	£3,300	£767,206			
				3	£3,600	£971,852			
				4	£3,900	£1,176,498			
				5	£4,200	£1,375,596			
				6	£4,500	£1,574,530			
				7	£4,800	£1,773,465			
				8	£5,100	£1,972,399			
				Residual Land Value (£/Ha)					
				1	£3,000	£1,020,903			
				2	£3,300	£1,422,400			
				3	£3,600	£1,801,814			
				4	£3,900	£2,181,227			
				5	£4,200	£2,550,355			
				6	£4,500	£2,919,179			
				7	£4,800	£3,288,003			
8	£5,100	£3,656,827							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Houses 15 35% AH	Greenfield / PDL	970	27.81	1	£3,000	£524,163			
				2	£3,300	£734,370			
				3	£3,600	£930,907			
				4	£3,900	£1,127,443			
				5	£4,200	£1,320,041			
				6	£4,500	£1,511,092			
				7	£4,800	£1,702,143			
				8	£5,100	£1,893,194			
				Residual Land Value (£/Ha)					
				1	£3,000	£971,799			
				2	£3,300	£1,361,522			
				3	£3,600	£1,725,901			
				4	£3,900	£2,090,280			
				5	£4,200	£2,447,356			
				6	£4,500	£2,801,565			
				7	£4,800	£3,155,773			
8	£5,100	£3,509,982							

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

**Table 1d: Residual Land Value Results by AH% & Value Level
- 15 Unit Scheme - Flats**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 15 20% AH	Greenfield / PDL	780	57.16	1	£3,000	£212,842			
				2	£3,300	£370,053			
				3	£3,600	£527,264			
				4	£3,900	£684,475			
				5	£4,200	£835,309			
				6	£4,500	£982,266			
				7	£4,800	£1,129,222			
				8	£5,100	£1,273,858			
				Residual Land Value (£/Ha)					
				1	£3,000	£811,072			
				2	£3,300	£1,410,150			
				3	£3,600	£2,009,227			
				4	£3,900	£2,608,305			
				5	£4,200	£3,183,085			
				6	£4,500	£3,743,087			
				7	£4,800	£4,303,089			
8	£5,100	£4,854,248							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 15 30% AH	Greenfield / PDL	640	57.16	1	£3,000	£127,199			
				2	£3,300	£268,991			
				3	£3,600	£408,784			
				4	£3,900	£548,577			
				5	£4,200	£688,371			
				6	£4,500	£822,693			
				7	£4,800	£953,368			
				8	£5,100	£1,084,043			
				Residual Land Value (£/Ha)					
				1	£3,000	£484,712			
				2	£3,300	£1,025,036			
				3	£3,600	£1,557,741			
				4	£3,900	£2,090,446			
				5	£4,200	£2,623,151			
				6	£4,500	£3,135,009			
				7	£4,800	£3,632,968			
8	£5,100	£4,130,928							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 15 35% AH	Greenfield / PDL	640	57.16	1	£3,000	£127,199			
				2	£3,300	£268,991			
				3	£3,600	£408,784			
				4	£3,900	£548,577			
				5	£4,200	£688,371			
				6	£4,500	£822,693			
				7	£4,800	£953,368			
				8	£5,100	£1,084,043			
				Residual Land Value (£/Ha)					
				1	£3,000	£484,712			
				2	£3,300	£1,025,036			
				3	£3,600	£1,557,741			
				4	£3,900	£2,090,446			
				5	£4,200	£2,623,151			
				6	£4,500	£3,135,009			
				7	£4,800	£3,632,968			
8	£5,100	£4,130,928							

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

**Table 1e: Residual Land Value Results by AH% & Value Level
- 25 Unit Scheme - Mixed**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 25 20% AH	Greenfield / PDL	1910	25.3	40.9	1	£3,000	£942,545	£942,545
					2	£3,300	£1,297,838	£1,297,838
					3	£3,600	£1,647,346	£1,647,346
					4	£3,900	£1,996,854	£1,996,854
					5	£4,200	£2,346,363	£2,346,363
					6	£4,500	£2,695,871	£2,695,871
					7	£4,800	£3,045,380	£3,045,380
					8	£5,100	£3,394,888	£3,394,888
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£953,855	£1,542,003
					2	£3,300	£1,313,412	£2,123,262
					3	£3,600	£1,667,114	£2,695,058
					4	£3,900	£2,020,817	£3,266,854
					5	£4,200	£2,374,519	£3,838,650
					6	£4,500	£2,728,222	£4,410,446
					7	£4,800	£3,081,924	£4,982,241
8	£5,100	£3,435,627	£5,554,037					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 25 30% AH	Greenfield / PDL	1595	25.3	40.9	1	£3,000	£745,317	£942,545
					2	£3,300	£1,058,959	£1,297,838
					3	£3,600	£1,366,433	£1,647,346
					4	£3,900	£1,671,322	£1,996,854
					5	£4,200	£1,976,211	£2,346,363
					6	£4,500	£2,281,099	£2,695,871
					7	£4,800	£2,585,988	£3,045,380
					8	£5,100	£2,890,877	£3,394,888
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£754,260	£1,542,003
					2	£3,300	£1,071,667	£2,123,262
					3	£3,600	£1,382,830	£2,695,058
					4	£3,900	£1,691,378	£3,266,854
					5	£4,200	£1,999,925	£3,838,650
					6	£4,500	£2,308,473	£4,410,446
					7	£4,800	£2,617,020	£4,982,241
8	£5,100	£2,925,567	£5,554,037					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 25 40% AH	Greenfield / PDL	1415	25.3	40.9	1	£3,000	£621,036	£621,036
					2	£3,300	£907,620	£907,620
					3	£3,600	£1,187,814	£1,187,814
					4	£3,900	£1,461,170	£1,461,170
					5	£4,200	£1,734,526	£1,734,526
					6	£4,500	£2,007,882	£2,007,882
					7	£4,800	£2,281,238	£2,281,238
					8	£5,100	£2,554,594	£2,554,594
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£628,488	£1,016,014
					2	£3,300	£918,511	£1,484,866
					3	£3,600	£1,202,068	£1,943,264
					4	£3,900	£1,478,704	£2,390,474
					5	£4,200	£1,755,340	£2,837,685
					6	£4,500	£2,031,977	£3,284,895
					7	£4,800	£2,308,613	£3,732,105
8	£5,100	£2,585,249	£4,179,316					

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

**Table 1f: Residual Land Value Results by AH% & Value Level
- 30 Unit Scheme - Flats (Sheltered)**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 30 20% AH	PDL	1440	86.69	8	£5,100	£1,493,696			
				9	£5,400	£1,809,303			
				10	£5,700	£2,124,911			
				11	£6,000	£2,440,519			
								Residual Land Value (£/Ha)	
				8	£5,100	£4,316,282			
				9	£5,400	£5,228,283			
				10	£5,700	£6,140,284			
				11	£6,000	£7,052,285			

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 30 30% AH	PDL	1255	86.69	8	£5,100	£1,179,827			
				9	£5,400	£1,466,798			
				10	£5,700	£1,753,768			
				11	£6,000	£2,040,738			
								Residual Land Value (£/Ha)	
				8	£5,100	£3,409,307			
				9	£5,400	£4,238,556			
				10	£5,700	£5,067,806			
				11	£6,000	£5,897,053			

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 30 40% AH	PDL	1090	86.69	8	£5,100	£914,606			
				9	£5,400	£1,177,022			
				10	£5,700	£1,439,440			
				11	£6,000	£1,701,856			
								Residual Land Value (£/Ha)	
				8	£5,100	£2,642,906			
				9	£5,400	£3,401,203			
				10	£5,700	£4,159,502			
				11	£6,000	£4,917,798			

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

**Table 1g: Residual Land Value Results by AH% & Value Level
- 80 Unit Scheme - Flats**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 80 20% AH	PDL	4040	57.25	1	£3,000	£836,790			
				2	£3,300	£1,561,165			
				3	£3,600	£2,281,732			
				4	£3,900	£3,002,299			
				5	£4,200	£3,722,866			
				6	£4,500	£4,443,434			
				7	£4,800	£5,164,001			
				8	£5,100	£5,884,568			
				Residual Land Value (£/Ha)					
				1	£3,000	£598,828			
				2	£3,300	£1,117,208			
				3	£3,600	£1,632,864			
				4	£3,900	£2,148,520			
				5	£4,200	£2,664,176			
				6	£4,500	£3,179,832			
				7	£4,800	£3,695,488			
8	£5,100	£4,211,144							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 80 30% AH	PDL	3540	57.25	1	£3,000	£551,587			
				2	£3,300	£1,215,181			
				3	£3,600	£1,866,381			
				4	£3,900	£2,517,582			
				5	£4,200	£3,168,783			
				6	£4,500	£3,819,983			
				7	£4,800	£4,471,184			
				8	£5,100	£5,122,384			
				Residual Land Value (£/Ha)					
				1	£3,000	£394,730			
				2	£3,300	£869,614			
				3	£3,600	£1,335,629			
				4	£3,900	£1,801,645			
				5	£4,200	£2,267,660			
				6	£4,500	£2,733,675			
				7	£4,800	£3,199,691			
8	£5,100	£3,665,706							

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Residual Land Value			
Flats 80 40% AH	PDL	3020	57.25	1	£3,000	£243,654			
				2	£3,300	£868,999			
				3	£3,600	£1,458,715			
				4	£3,900	£2,045,508			
				5	£4,200	£2,632,301			
				6	£4,500	£3,219,094			
				7	£4,800	£3,805,887			
				8	£5,100	£4,392,680			
				Residual Land Value (£/Ha)					
				1	£3,000	£174,365			
				2	£3,300	£621,878			
				3	£3,600	£1,043,893			
				4	£3,900	£1,463,817			
				5	£4,200	£1,883,740			
				6	£4,500	£2,303,664			
				7	£4,800	£2,723,588			
8	£5,100	£3,143,511							

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

**Table 1h: Residual Land Value Results by AH% & Value Level
- 100 Unit Scheme - Mixed**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)
Mixed 100 20% AH	Greenfield / PDL	7365	25.2	40.8	1	£3,000	£4,197,044	£4,197,044
					2	£3,300	£5,794,164	£5,794,164
					3	£3,600	£7,391,282	£7,391,282
					4	£3,900	£8,988,401	£8,988,401
					5	£4,200	£10,585,520	£10,585,520
					6	£4,500	£12,182,639	£12,182,639
					7	£4,800	£13,779,758	£13,779,758
					8	£5,100	£15,376,876	£15,376,876
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£1,057,655	£1,712,394
					2	£3,300	£1,460,129	£2,364,019
					3	£3,600	£1,862,603	£3,015,643
					4	£3,900	£2,265,077	£3,667,268
					5	£4,200	£2,667,551	£4,318,892
					6	£4,500	£3,070,025	£4,970,517
					7	£4,800	£3,472,499	£5,622,141
8	£5,100	£3,874,973	£6,273,766					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)
Mixed 100 30% AH	Greenfield / PDL	6510	25.2	40.8	1	£3,000	£3,638,418	£3,638,418
					2	£3,300	£5,092,491	£5,092,491
					3	£3,600	£6,546,564	£6,546,564
					4	£3,900	£8,000,637	£8,000,637
					5	£4,200	£9,454,710	£9,454,710
					6	£4,500	£10,908,783	£10,908,783
					7	£4,800	£12,362,856	£12,362,856
					8	£5,100	£13,816,929	£13,816,929
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£916,881	£1,484,475
					2	£3,300	£1,283,308	£2,077,736
					3	£3,600	£1,649,734	£2,670,998
					4	£3,900	£2,016,161	£3,264,260
					5	£4,200	£2,382,587	£3,857,522
					6	£4,500	£2,749,013	£4,450,783
					7	£4,800	£3,115,440	£5,044,045
8	£5,100	£3,481,866	£5,637,307					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)
Mixed 100 40% AH	Greenfield / PDL	5230	25.2	40.8	1	£3,000	£2,649,427	£2,649,427
					2	£3,300	£3,868,867	£3,868,867
					3	£3,600	£5,088,307	£5,088,307
					4	£3,900	£6,307,747	£6,307,747
					5	£4,200	£7,527,187	£7,527,187
					6	£4,500	£8,746,627	£8,746,627
					7	£4,800	£9,966,067	£9,966,067
					8	£5,100	£11,185,507	£11,185,507
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£667,656	£1,080,966
					2	£3,300	£974,954	£1,578,498
					3	£3,600	£1,282,253	£2,076,029
					4	£3,900	£1,589,552	£2,573,561
					5	£4,200	£1,896,851	£3,071,092
					6	£4,500	£2,204,150	£3,568,624
					7	£4,800	£2,511,449	£4,066,155
8	£5,100	£2,818,748	£4,563,687					

Key:		RLV beneath Viability Test 1 (RLV <£370,000/ha)
		RLV exceeding Viability Test 1 (RLV £370,000/ha)
		RLV exceeding Viability Test 2 (RLV £500,000/ha)
		RLV exceeding Viability Test 3 (RLV >£900,000/ha)
		RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
		RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

**Table 1i: Residual Land Value Results by AH% & Value Level
- 100 Unit Scheme - Mixed (including 20% Starter Homes)**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 100 20% SH 0% Other	Greenfield / PDL	7890	25.2	40.8	1	£3,000	£4,799,666	£4,799,666
					2	£3,300	£6,622,806	£6,622,806
					3	£3,600	£8,445,945	£8,445,945
					4	£3,900	£10,269,086	£10,269,086
					5	£4,200	£12,092,226	£12,092,226
					6	£4,500	£13,915,366	£13,915,366
					7	£4,800	£15,738,506	£15,738,506
					8	£5,100	£17,561,646	£17,561,646
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£1,209,516	£1,958,264
					2	£3,300	£1,668,947	£2,702,105
					3	£3,600	£2,128,378	£3,445,946
					4	£3,900	£2,587,810	£4,189,787
					5	£4,200	£3,047,241	£4,933,628
					6	£4,500	£3,506,672	£5,677,469
					7	£4,800	£3,966,103	£6,421,310
8	£5,100	£4,425,535	£7,165,152					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 100 20% SH / 10% Other	Greenfield / PDL	6985	25.2	40.8	1	£3,000	£4,135,637	£4,135,637
					2	£3,300	£5,803,010	£5,803,010
					3	£3,600	£7,470,383	£7,470,383
					4	£3,900	£9,137,756	£9,137,756
					5	£4,200	£10,805,129	£10,805,129
					6	£4,500	£12,472,502	£12,472,502
					7	£4,800	£14,139,875	£14,139,875
					8	£5,100	£15,807,248	£15,807,248
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£1,042,180	£1,687,340
					2	£3,300	£1,462,359	£2,367,628
					3	£3,600	£1,882,536	£3,047,916
					4	£3,900	£2,302,715	£3,728,205
					5	£4,200	£2,722,892	£4,408,493
					6	£4,500	£3,143,071	£5,088,781
					7	£4,800	£3,563,248	£5,769,069
8	£5,100	£3,983,426	£6,449,357					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 100 20% SH / 20% Other	Greenfield / PDL	6200	25.2	40.8	1	£3,000	£3,684,657	£3,684,657
					2	£3,300	£5,236,317	£5,236,317
					3	£3,600	£6,787,976	£6,787,976
					4	£3,900	£8,339,636	£8,339,636
					5	£4,200	£9,891,296	£9,891,296
					6	£4,500	£11,442,956	£11,442,956
					7	£4,800	£12,994,616	£12,994,616
					8	£5,100	£14,546,275	£14,546,275
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£928,534	£1,503,340
					2	£3,300	£1,319,552	£2,136,417
					3	£3,600	£1,710,570	£2,769,494
					4	£3,900	£2,101,588	£3,402,572
					5	£4,200	£2,492,607	£4,035,649
					6	£4,500	£2,883,625	£4,668,726
					7	£4,800	£3,274,643	£5,301,803
8	£5,100	£3,665,661	£5,934,880					

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

Table 1j: Residual Land Value Results by AH% & Value Level
 - 100 Unit Scheme - Mixed - (M4(2) Compliance Sensitivity Test (10%-100% of dwellings))

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	M4(2) 10% dwellings	M4(2) 20% dwellings	M4(2) 30% dwellings	M4(2) 40% dwellings	M4(2) 50% dwellings	M4(2) 70% dwellings	M4(2) 100% dwellings	M4(2) 10% dwellings	M4(2) 20% dwellings	M4(2) 30% dwellings	M4(2) 40% dwellings	M4(2) 50% dwellings	M4(2) 70% dwellings	M4(2) 100% dwellings							
							Residual Land Value (Lower Density)	Residual Land Value (Lower Density)	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)	Residual Land Value (Higher Density)						
Mixed 100 40% AH	Greenfield / PDL	5230	25.2	40.8	1	£3,000	£2,629,068	£2,608,707	£2,588,348	£2,567,988	£2,547,629	£2,506,909	£2,445,831	£2,629,068	£2,608,707	£2,588,348	£2,567,988	£2,547,629	£2,506,909	£2,445,831							
					2	£3,300	£3,848,507	£3,828,148	£3,807,788	£3,787,429	£3,767,069	£3,726,350	£3,665,271	£3,848,507	£3,828,148	£3,807,788	£3,787,429	£3,767,069	£3,726,350	£3,665,271	£3,848,507	£3,828,148	£3,807,788	£3,787,429	£3,767,069		
					3	£3,600	£5,067,947	£5,047,588	£5,027,228	£5,006,869	£4,986,509	£4,945,790	£4,884,711	£5,067,947	£5,047,588	£5,027,228	£5,006,869	£4,986,509	£4,945,790	£4,884,711	£5,067,947	£5,047,588	£5,027,228	£5,006,869	£4,986,509	£4,945,790	£4,884,711
					4	£3,900	£6,287,387	£6,267,028	£6,246,668	£6,226,308	£6,205,949	£6,165,230	£6,104,151	£6,287,387	£6,267,028	£6,246,668	£6,226,308	£6,205,949	£6,165,230	£6,104,151	£6,287,387	£6,267,028	£6,246,668	£6,226,308	£6,205,949	£6,165,230	£6,104,151
					5	£4,200	£7,506,827	£7,486,468	£7,466,108	£7,445,749	£7,425,389	£7,384,670	£7,323,591	£7,506,827	£7,486,468	£7,466,108	£7,445,749	£7,425,389	£7,384,670	£7,323,591	£7,506,827	£7,486,468	£7,466,108	£7,445,749	£7,425,389	£7,384,670	£7,323,591
					6	£4,500	£8,726,267	£8,705,907	£8,685,548	£8,665,188	£8,644,829	£8,604,109	£8,543,031	£8,726,267	£8,705,907	£8,685,548	£8,665,188	£8,644,829	£8,604,109	£8,543,031	£8,726,267	£8,705,907	£8,685,548	£8,665,188	£8,644,829	£8,604,109	£8,543,031
					7	£4,800	£9,945,707	£9,925,348	£9,904,988	£9,884,628	£9,864,269	£9,823,550	£9,762,471	£9,945,707	£9,925,348	£9,904,988	£9,884,628	£9,864,269	£9,823,550	£9,762,471	£9,945,707	£9,925,348	£9,904,988	£9,884,628	£9,864,269	£9,823,550	£9,762,471
					8	£5,100	£11,165,147	£11,144,788	£11,124,428	£11,104,069	£11,083,709	£11,042,990	£10,981,911	£11,165,147	£11,144,788	£11,124,428	£11,104,069	£11,083,709	£11,042,990	£10,981,911	£11,165,147	£11,144,788	£11,124,428	£11,104,069	£11,083,709	£11,042,990	£10,981,911
											Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)															
					1	£3,000	£662,525	£657,394	£652,264	£647,133	£642,002	£631,741	£616,349	£1,072,660	£1,064,353	£1,056,046	£1,047,739	£1,039,432	£1,022,819	£997,899							
					2	£3,300	£969,824	£964,693	£959,563	£954,432	£949,301	£939,040	£923,648	£1,570,191	£1,561,884	£1,553,578	£1,545,271	£1,536,964	£1,520,351	£1,495,431							
					3	£3,600	£1,277,123	£1,271,992	£1,266,862	£1,261,731	£1,256,600	£1,246,339	£1,230,947	£2,067,722	£2,059,416	£2,051,109	£2,042,802	£2,034,496	£2,017,882	£1,992,962							
					4	£3,900	£1,584,422	£1,579,291	£1,574,160	£1,569,030	£1,563,899	£1,553,638	£1,538,246	£2,565,254	£2,556,947	£2,548,641	£2,540,334	£2,532,027	£2,515,414	£2,490,494							
					5	£4,200	£1,891,720	£1,886,590	£1,881,459	£1,876,329	£1,871,198	£1,860,937	£1,845,545	£3,062,786	£3,054,479	£3,046,172	£3,037,865	£3,029,559	£3,012,945	£2,988,025							
					6	£4,500	£2,199,019	£2,193,889	£2,188,758	£2,183,627	£2,178,497	£2,168,236	£2,152,844	£3,560,317	£3,552,010	£3,543,704	£3,535,397	£3,527,090	£3,510,477	£3,485,556							
					7	£4,800	£2,506,318	£2,501,188	£2,496,057	£2,490,926	£2,485,796	£2,475,534	£2,460,143	£4,057,849	£4,049,542	£4,041,235	£4,032,928	£4,024,622	£4,008,008	£3,983,088							
					8	£5,100	£2,813,617	£2,808,487	£2,803,356	£2,798,225	£2,793,095	£2,782,833	£2,767,442	£4,555,380	£4,547,073	£4,538,767	£4,530,460	£4,522,153	£4,505,540	£4,480,620							

Key:

- RLV beneath Viability Test 1 (RLV <£370,000/ha)
- RLV exceeding Viability Test 1 (RLV £370,000/ha)
- RLV exceeding Viability Test 2 (RLV £500,000/ha)
- RLV exceeding Viability Test 3 (RLV >£900,000/ha)
- RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
- RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

Table 1k: Residual Land Value Results by AH% & Value Level
- 100 Unit Scheme - Mixed - (M4(3) Compliance 5% - 20% of dwellings)

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Base Result (No Access Allowance)		M4 (3) 5% of dwellings		M4 (3) 10% of dwellings		M4 (3) 20% of dwellings						
						Residual Land Value (Lower Density)	Residual Land Value (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)					
Mixed 100 20% AH	Greenfield / PDL	7865	25.2	40.8	1	£3,000	£4,197,044	£4,197,044	£4,086,098	£4,086,098	£3,975,152	£3,975,152	£3,753,257	£3,753,257				
					2	£3,300	£5,794,164	£5,794,164	£5,683,217	£5,683,217	£5,572,270	£5,572,270	£5,350,375	£5,350,375				
					3	£3,600	£7,391,284	£7,391,284	£7,280,336	£7,280,336	£7,169,389	£7,169,389	£6,947,494	£6,947,494				
					4	£3,900	£8,988,401	£8,988,401	£8,877,455	£8,877,455	£8,766,508	£8,766,508	£8,544,613	£8,544,613				
					5	£4,200	£10,585,520	£10,585,520	£10,474,573	£10,474,573	£10,363,627	£10,363,627	£10,141,732	£10,141,732				
					6	£4,500	£12,182,639	£12,182,639	£12,071,692	£12,071,692	£11,960,746	£11,960,746	£11,738,851	£11,738,851				
					7	£4,800	£13,779,758	£13,779,758	£13,668,811	£13,668,811	£13,557,864	£13,557,864	£13,335,969	£13,335,969				
					8	£5,100	£15,376,876	£15,376,876	£15,265,930	£15,265,930	£15,154,983	£15,154,983	£14,933,088	£14,933,088				
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£1,057,655	£1,712,394	£1,029,697	£1,667,128	£1,001,738	£1,621,862	£945,821	£1,531,329				
					2	£3,300	£1,460,129	£2,364,019	£1,432,171	£2,318,752	£1,404,212	£2,273,486	£1,348,295	£2,182,954				
					3	£3,600	£1,862,603	£3,015,643	£1,834,645	£2,970,377	£1,806,686	£2,925,111	£1,750,769	£2,834,578				
					4	£3,900	£2,265,077	£3,667,268	£2,237,119	£3,622,001	£2,209,160	£3,576,735	£2,153,243	£3,486,203				
					5	£4,200	£2,667,551	£4,318,892	£2,639,592	£4,273,626	£2,611,634	£4,228,360	£2,555,717	£4,137,827				
					6	£4,500	£3,070,025	£4,970,517	£3,042,066	£4,925,250	£3,014,108	£4,879,984	£2,958,191	£4,789,452				
					7	£4,800	£3,472,499	£5,572,141	£3,444,540	£5,526,875	£3,416,582	£5,481,608	£3,360,665	£5,441,076				
8	£5,100	£3,874,973	£6,173,786	£3,847,014	£6,128,499	£3,819,056	£6,183,213	£3,763,139	£6,092,700									
Mixed 100 30% AH	Greenfield / PDL	6510	25.2	40.8	1	£3,000	£3,638,418	£3,638,418	£3,527,471	£3,527,471	£3,416,525	£3,416,525	£3,194,631	£3,194,631				
					2	£3,300	£5,092,491	£5,092,491	£4,981,544	£4,981,544	£4,870,597	£4,870,597	£4,648,703	£4,648,703				
					3	£3,600	£6,546,564	£6,546,564	£6,435,617	£6,435,617	£6,324,670	£6,324,670	£6,102,776	£6,102,776				
					4	£3,900	£8,000,637	£8,000,637	£7,889,690	£7,889,690	£7,778,743	£7,778,743	£7,556,849	£7,556,849				
					5	£4,200	£9,454,710	£9,454,710	£9,343,763	£9,343,763	£9,232,816	£9,232,816	£9,010,922	£9,010,922				
					6	£4,500	£10,908,783	£10,908,783	£10,797,836	£10,797,836	£10,686,889	£10,686,889	£10,464,995	£10,464,995				
					7	£4,800	£12,362,856	£12,362,856	£12,251,909	£12,251,909	£12,140,962	£12,140,962	£11,919,068	£11,919,068				
					8	£5,100	£13,816,929	£13,816,929	£13,705,982	£13,705,982	£13,595,035	£13,595,035	£13,373,141	£13,373,141				
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£916,881	£1,484,475	£888,923	£1,439,208	£860,964	£1,393,942	£805,047	£1,303,410				
					2	£3,300	£1,283,308	£2,077,736	£1,255,349	£2,032,470	£1,227,390	£1,987,194	£1,255,349	£1,942,177				
					3	£3,600	£1,649,734	£2,672,098	£1,621,775	£2,627,192	£1,593,816	£2,581,916	£1,537,900	£2,486,933				
					4	£3,900	£2,016,161	£3,266,460	£1,988,202	£3,221,994	£1,960,243	£3,177,727	£1,904,326	£3,083,195				
					5	£4,200	£2,382,587	£3,857,522	£2,354,628	£3,812,255	£2,326,670	£3,766,989	£2,270,753	£3,676,457				
					6	£4,500	£2,749,013	£4,448,783	£2,721,055	£4,403,517	£2,693,096	£4,358,251	£2,637,179	£4,299,718				
					7	£4,800	£3,115,440	£5,043,945	£3,087,481	£4,998,779	£3,059,522	£4,953,513	£2,903,895	£4,862,980				
8	£5,100	£3,481,866	£5,639,107	£3,453,907	£5,593,941	£3,425,948	£5,548,774	£3,370,022	£5,494,242									
Mixed 100 40% AH	Greenfield / PDL	5230	25.2	40.8	1	£3,000	£2,649,427	£2,649,427	£2,541,606	£2,541,606	£2,433,783	£2,433,783	£2,211,889	£2,211,889				
					2	£3,300	£3,688,807	£3,688,807	£3,579,985	£3,579,985	£3,471,163	£3,471,163	£3,249,269	£3,249,269				
					3	£3,600	£4,728,187	£4,728,187	£4,619,365	£4,619,365	£4,510,543	£4,510,543	£4,288,649	£4,288,649				
					4	£3,900	£5,767,567	£5,767,567	£5,658,745	£5,658,745	£5,549,923	£5,549,923	£5,328,029	£5,328,029				
					5	£4,200	£6,806,947	£6,806,947	£6,698,125	£6,698,125	£6,589,303	£6,589,303	£6,367,409	£6,367,409				
					6	£4,500	£7,846,327	£7,846,327	£7,737,505	£7,737,505	£7,628,683	£7,628,683	£7,406,789	£7,406,789				
					7	£4,800	£8,885,707	£8,885,707	£8,776,885	£8,776,885	£8,668,063	£8,668,063	£8,446,169	£8,446,169				
					8	£5,100	£9,925,087	£9,925,087	£9,816,265	£9,816,265	£9,707,443	£9,707,443	£9,485,549	£9,485,549				
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£667,656	£1,080,966	£640,484	£1,036,975	£613,313	£992,983	£558,971	£905,001				
					2	£3,300	£974,954	£1,578,498	£947,783	£1,534,506	£920,612	£1,490,515	£866,270	£1,402,532				
					3	£3,600	£1,282,253	£2,072,029	£1,255,082	£2,028,018	£1,227,911	£1,983,947	£1,173,569	£1,900,063				
					4	£3,900	£1,589,552	£2,573,361	£1,562,381	£2,529,549	£1,535,210	£2,485,578	£1,480,868	£2,397,595				
					5	£4,200	£1,896,851	£3,073,092	£1,869,680	£3,027,101	£1,842,509	£2,983,109	£1,788,166	£2,895,127				
					6	£4,500	£2,204,150	£3,568,824	£2,176,979	£3,524,632	£2,149,808	£3,480,641	£2,095,465	£3,392,658				
					7	£4,800	£2,511,449	£4,063,558	£2,484,278	£4,019,144	£2,457,107	£3,975,153	£2,402,764	£3,890,190				
8	£5,100	£2,818,748	£4,565,287	£2,791,577	£4,524,659	£2,764,406	£4,480,662	£2,710,863	£4,387,211									

Key:

- RLV beneath Viability Test 1 (RLV <£370,000/ha)
- RLV exceeding Viability Test 1 (RLV £370,000/ha)
- RLV exceeding Viability Test 2 (RLV >£900,000/ha)
- RLV exceeding Viability Test 3 (RLV >£900,000/ha)
- RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
- RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

Table 1k: Residual Land Value Results by AH% & Value Level
 - 100 Unit Scheme - Mixed - (M4(2) Compliance 10% - 50% of dwellings and M4(3) Compliance 5% - 20%)

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m ²	Base Result (No Access Allowance)		M4 (2) 10% of dwellings M4(3) 5% of dwellings		M4 (2) 20% of dwellings M4(3) 5% of dwellings		M4 (2) 50% of dwellings M4(3) 5% of dwellings		
						Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)	Residual Land Value (Lower Density)	Residual Land Value - (Higher Density)	
						Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	
Mixed 100 40% AH	Greenfield / PDL	7365	25.2	40.8	1	£3,000	£2,649,427	£2,649,427	£2,521,245	£2,521,245	£2,500,886	£2,500,886	£2,439,806	£2,439,806
					2	£3,300	£3,868,867	£3,868,867	£3,740,685	£3,740,685	£3,720,325	£3,720,325	£3,659,247	£3,659,247
					3	£3,600	£5,088,307	£5,088,307	£4,960,125	£4,960,125	£4,939,765	£4,939,765	£4,878,686	£4,878,686
					4	£3,900	£6,307,747	£6,307,747	£6,179,565	£6,179,565	£6,159,205	£6,159,205	£6,098,127	£6,098,127
					5	£4,200	£7,527,187	£7,527,187	£7,399,005	£7,399,005	£7,378,645	£7,378,645	£7,317,567	£7,317,567
					6	£4,500	£8,746,627	£8,746,627	£8,618,445	£8,618,445	£8,598,085	£8,598,085	£8,537,007	£8,537,007
					7	£4,800	£9,966,067	£9,966,067	£9,837,885	£9,837,885	£9,817,525	£9,817,525	£9,756,446	£9,756,446
					8	£5,100	£11,185,507	£11,185,507	£11,057,325	£11,057,325	£11,036,965	£11,036,965	£10,975,887	£10,975,887
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£667,656	£1,080,966	£635,254	£1,028,668	£630,222	£1,020,261	£614,821	£995,441
					2	£3,300	£974,954	£1,578,498	£942,653	£1,526,199	£937,522	£1,517,893	£922,130	£1,492,873
					3	£3,600	£1,282,253	£2,076,029	£1,249,951	£2,021,711	£1,244,821	£2,015,424	£1,229,429	£1,990,504
					4	£3,900	£1,589,552	£2,573,561	£1,557,250	£2,521,263	£1,552,120	£2,512,956	£1,536,728	£2,488,036
					5	£4,200	£1,896,851	£3,071,092	£1,864,549	£3,018,794	£1,859,419	£3,010,487	£1,844,077	£2,985,567
					6	£4,500	£2,204,150	£3,568,624	£2,171,848	£3,516,327	£2,166,718	£3,508,019	£2,151,326	£3,483,099
					7	£4,800	£2,511,449	£4,066,155	£2,479,147	£4,013,857	£2,474,016	£4,005,550	£2,458,625	£3,980,630
8	£5,100	£2,818,748	£4,563,687	£2,786,446	£4,511,389	£2,781,315	£4,503,082	£2,765,923	£4,476,162					
Mixed 100 40% AH	Greenfield / PDL	6510	25.2	40.8	1	£3,000	£2,649,427	£2,649,427	£2,413,423	£2,413,423	£2,393,064	£2,393,064	£2,331,985	£2,331,985
					2	£3,300	£3,868,867	£3,868,867	£3,632,853	£3,632,853	£3,612,503	£3,612,503	£3,551,425	£3,551,425
					3	£3,600	£5,088,307	£5,088,307	£4,852,304	£4,852,304	£4,831,944	£4,831,944	£4,770,865	£4,770,865
					4	£3,900	£6,307,747	£6,307,747	£6,071,743	£6,071,743	£6,051,384	£6,051,384	£5,990,305	£5,990,305
					5	£4,200	£7,527,187	£7,527,187	£7,291,183	£7,291,183	£7,270,823	£7,270,823	£7,209,744	£7,209,744
					6	£4,500	£8,746,627	£8,746,627	£8,510,623	£8,510,623	£8,490,263	£8,490,263	£8,429,185	£8,429,185
					7	£4,800	£9,966,067	£9,966,067	£9,730,053	£9,730,053	£9,709,704	£9,709,704	£9,648,625	£9,648,625
					8	£5,100	£11,185,507	£11,185,507	£10,949,503	£10,949,503	£10,929,143	£10,929,143	£10,868,064	£10,868,064
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£667,656	£1,080,966	£608,183	£984,677	£603,052	£976,370	£597,660	£951,450
					2	£3,300	£974,954	£1,578,498	£915,481	£1,482,208	£910,351	£1,473,901	£894,959	£1,448,981
					3	£3,600	£1,282,253	£2,076,029	£1,222,780	£1,979,740	£1,217,650	£1,971,433	£1,202,258	£1,946,513
					4	£3,900	£1,589,552	£2,573,561	£1,530,079	£2,477,271	£1,524,949	£2,468,964	£1,509,557	£2,444,044
					5	£4,200	£1,896,851	£3,071,092	£1,837,378	£2,974,801	£1,832,247	£2,966,496	£1,816,856	£2,941,576
					6	£4,500	£2,204,150	£3,568,624	£2,144,677	£3,472,334	£2,139,546	£3,464,027	£2,124,155	£3,439,107
					7	£4,800	£2,511,449	£4,066,155	£2,451,976	£3,969,866	£2,446,845	£3,961,559	£2,431,453	£3,936,639
8	£5,100	£2,818,748	£4,563,687	£2,759,275	£4,467,397	£2,754,144	£4,459,090	£2,738,752	£4,434,170					
Mixed 100 40% AH	Greenfield / PDL	5230	25.2	40.8	1	£3,000	£2,649,427	£2,649,427	£2,197,780	£2,197,780	£2,177,419	£2,177,419	£2,116,341	£2,116,341
					2	£3,300	£3,868,867	£3,868,867	£3,417,219	£3,417,219	£3,396,859	£3,396,859	£3,335,781	£3,335,781
					3	£3,600	£5,088,307	£5,088,307	£4,636,659	£4,636,659	£4,616,299	£4,616,299	£4,555,220	£4,555,220
					4	£3,900	£6,307,747	£6,307,747	£5,856,099	£5,856,099	£5,835,739	£5,835,739	£5,774,661	£5,774,661
					5	£4,200	£7,527,187	£7,527,187	£7,075,539	£7,075,539	£7,055,179	£7,055,179	£6,994,101	£6,994,101
					6	£4,500	£8,746,627	£8,746,627	£8,294,979	£8,294,979	£8,274,620	£8,274,620	£8,213,541	£8,213,541
					7	£4,800	£9,966,067	£9,966,067	£9,514,419	£9,514,419	£9,494,059	£9,494,059	£9,432,980	£9,432,980
					8	£5,100	£11,185,507	£11,185,507	£10,733,859	£10,733,859	£10,713,499	£10,713,499	£10,652,421	£10,652,421
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)	Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£667,656	£1,080,966	£553,840	£896,694	£548,710	£888,387	£533,318	£863,467
					2	£3,300	£974,954	£1,578,498	£861,139	£1,394,225	£856,009	£1,385,919	£840,617	£1,360,998
					3	£3,600	£1,282,253	£2,076,029	£1,168,438	£1,891,757	£1,163,307	£1,883,450	£1,147,915	£1,858,530
					4	£3,900	£1,589,552	£2,573,561	£1,475,737	£2,389,288	£1,470,606	£2,380,982	£1,455,214	£2,356,062
					5	£4,200	£1,896,851	£3,071,092	£1,781,036	£2,896,839	£1,777,905	£2,878,511	£1,762,513	£2,853,593
					6	£4,500	£2,204,150	£3,568,624	£2,090,335	£3,384,352	£2,085,204	£3,376,045	£2,069,812	£3,351,125
					7	£4,800	£2,511,449	£4,066,155	£2,377,634	£3,881,881	£2,372,503	£3,873,576	£2,357,111	£3,848,656
8	£5,100	£2,818,748	£4,563,687	£2,704,932	£4,379,414	£2,699,802	£4,371,108	£2,684,410	£4,346,188					

Key:

- RLV beneath Viability Test 1 (RLV <£370,000/ha)
- RLV exceeding Viability Test 1 (RLV £370,000/ha)
- RLV exceeding Viability Test 2 (RLV £500,000/ha)
- RLV exceeding Viability Test 3 (RLV >£900,000/ha)
- RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
- RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)

**Table 1m: Residual Land Value Results by AH% & Value Level
- 200 Unit Scheme - Mixed**

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 200 20% AH	Greenfield / PDL	14765	21.4	31.6	1	£3,000	£8,180,085	£8,180,085
					2	£3,300	£11,250,937	£11,250,937
					3	£3,600	£14,321,790	£14,321,790
					4	£3,900	£17,392,642	£17,392,642
					5	£4,200	£20,463,494	£20,463,494
					6	£4,500	£23,534,347	£23,534,347
					7	£4,800	£26,605,200	£26,605,200
					8	£5,100	£29,676,052	£29,676,052
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£875,269	£1,292,453
					2	£3,300	£1,203,850	£1,777,648
					3	£3,600	£1,532,432	£2,262,843
					4	£3,900	£1,861,013	£2,748,037
					5	£4,200	£2,189,594	£3,233,232
					6	£4,500	£2,518,175	£3,718,427
					7	£4,800	£2,846,756	£4,203,622
8	£5,100	£3,175,338	£4,688,816					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 200 30% AH	Greenfield / PDL	13085	21.4	31.6	1	£3,000	£7,145,412	£7,145,412
					2	£3,300	£9,959,542	£9,959,542
					3	£3,600	£12,773,672	£12,773,672
					4	£3,900	£15,587,801	£15,587,801
					5	£4,200	£18,401,931	£18,401,931
					6	£4,500	£21,216,060	£21,216,060
					7	£4,800	£24,030,190	£24,030,190
					8	£5,100	£26,844,319	£26,844,319
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£764,559	£1,128,975
					2	£3,300	£1,065,671	£1,573,608
					3	£3,600	£1,366,783	£2,018,240
					4	£3,900	£1,667,895	£2,462,873
					5	£4,200	£1,969,007	£2,907,505
					6	£4,500	£2,270,118	£3,352,137
					7	£4,800	£2,571,230	£3,796,770
8	£5,100	£2,872,342	£4,241,402					

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)		Value Level	Value £/m ²	Residual Land Value (Lower Density)	Residual Land Value (Higher Density)
Mixed 200 40% AH	Greenfield / PDL	10460	21.4	31.6	1	£3,000	£5,134,464	£5,134,464
					2	£3,300	£7,471,435	£7,471,435
					3	£3,600	£9,808,406	£9,808,406
					4	£3,900	£12,145,378	£12,145,378
					5	£4,200	£14,482,349	£14,482,349
					6	£4,500	£16,819,320	£16,819,320
					7	£4,800	£19,156,292	£19,156,292
					8	£5,100	£21,493,263	£21,493,263
							Residual Land Value (£/Ha) (Lower Density)	Residual Land Value (£/Ha) (Higher Density)
					1	£3,000	£549,388	£811,245
					2	£3,300	£799,444	£1,180,487
					3	£3,600	£1,049,499	£1,549,728
					4	£3,900	£1,299,555	£1,918,970
					5	£4,200	£1,549,611	£2,288,211
					6	£4,500	£1,799,667	£2,657,453
					7	£4,800	£2,049,723	£3,026,694
8	£5,100	£2,299,779	£3,395,936					

Key:

	RLV beneath Viability Test 1 (RLV <£370,000/ha)
	RLV exceeding Viability Test 1 (RLV £370,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000/ha)
	RLV exceeding Viability Test 3 (RLV >£900,000/ha)
	RLV exceeding Viability Test 4 (RLV >£1,800,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,400,000/ha)

Source: Dixon Searle Partnership (2016)



Appendix III

Market and Values Research Update

For: North Hertfordshire District Council
Emerging Local Plan
Viability Assessment

Final

Dixon Searle LLP
The Old Hayloft
28C Headley Road
Grayshott
Hindhead
GU26 6LD

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EGI property resource extracts for research base follow the above.

1.0 Introduction

- 1.1 This Appendix provides updated market information as referred to in DSP's Whole Plan Viability Update Report June 2016. Collectively, this research aims to help inform assumption setting for the appraisals stage and underpins the study by building a picture of values patterns and levels in North Hertfordshire district.
- 1.2 As described above this information builds on the previous viability assessment work – again as referred to in the Whole Plan Viability Update Report June 2016 and particularly the previous Viability Study Appendix III. This information will also assist the Council in reviewing and monitoring trends in the source data and updating where necessary in the future if required – further building and maintaining a topical evidence base for future planning policy and/or, potentially in due course, in moving towards further considering and setting-up a CIL, if that is to be pursued for North Hertfordshire.
- 1.3 Note: It should be acknowledged that this is high level work and a great deal of variance may be seen in practice from one development to another (with site-specific characteristics). This data gathering process adopted by DSP involves the review of a range of information sources, so as to inform an overview that is relevant to and appropriate for the project context. The aim here is to consider changes and trends and therefore enable us to assess with the Council an updated context picture so far as is suitable and practically possible.

2.0 Economic Context

Bank of England

- 2.1 The current official Bank Rate (Base Rate) has remained at 0.5% - since being reduced to that level in March 2009. The Agent's Summary of Business Conditions (as at May 2016) stated:
- *“Annual output growth had eased slightly on the month, in part reflecting the effects of increased uncertainty on business services activity. There was some evidence of*

businesses delaying investment expenditure decisions on account of the uncertainty around the outcome of the EU referendum.

- *The pattern of housing market activity had been affected by the bringing forward of buy-to-let transactions ahead of the introduction of the rise in stamp duty on additional properties in April. Commercial real estate investment transactions had slowed markedly on a year ago in London.*
- *Labour cost growth had edged higher, following the introduction of the National Living Wage. Price inflation had remained negative for goods and modestly positive for services.”*

3.0 Housing Market Context

Land Registry

3.1 The March 2016 Land Registry House Price Index Report (released 28th April 2016) provided the following information, in summary, in terms of market trends:

3.2 Sales Volumes

- *“The March data shows a monthly price decrease of -0.5%.*
- *The annual price change now stands at 6.7 per cent, bringing the average house price in England and Wales to £189,901.*
- *The number of property transactions has decreased over the last year. From October 2014 to January 2015 there was an average of 73,744 sales per month. In the same months a year later, the figure was 74,374”*

3.3 March 2016 report stated:

For South East region overall:

- Annual change in average house prices 10.3%
- Monthly change in average house prices -0.4%
- Average price £266,729

For Hertfordshire region overall:

- Annual change in average house prices 12.7%

- Monthly change in average house prices 0.5%
- Average price £329,542

3.4 At the time of preparing assumptions for this update, latest Land Registry HPI market indications suggest that house prices in the Hertfordshire region have risen by approximately 20% since the date of the values research carried out in August 2014.

Office for National Statistics (ONS) – House Price Index (March 2016)

- *“UK house prices increased by 9.0% in the year to March 2016, up from 7.6% in the year to February 2016.*
- *House price annual inflation was 10.1% in England, 2.1% in Wales, -6.1% in Scotland and 6.4% in Northern Ireland.*
- *Annual house price increases in England were driven by an annual increase in London (13.0%), the South East (12.2%) and the East of England (12.1%).*
- *Excluding London and the South East, UK house prices increased by 5.9% in the 12 months to March 2016.*
- *On a seasonally adjusted basis, average house prices increased by 2.5% between February 2016 and March 2016.*
- *In March 2016, prices paid by first-time buyers were 9.7% higher on average than in March 2015.*
- *For owner-occupiers (existing owners), prices increased by 8.7% for the same period.*
- *UK average mix-adjusted house price in March 2016 was £292,000.”*

RICS Residential Market Report (April 2016)

- 3.5 Headline reads: *“Buyer demand contracts as April Stamp Duty deadline passes”*
- *“Buyer demand contracts for the first time since March 2015*
 - *Price momentum remains firm with tight supply conditions supporting growth*
 - *Near term sales expectations point to stabilisation in activity over the coming months.”*

“The April RICS Residential Market Survey shows demand in cooling off following a period of increased activity in some segments of the market, as buyers brought forward transactions to beat the introduction of an impending change to stamp duty. An additional layer of stamp duty on second and buy-to-let homes became effective as the beginning of April and surveyors reported an easing in demand from these tranches of buyers relative to the previous month.

A net balance of 22% of contributors reported a decline in new buyer enquiries, with the fall widespread across most parts of the UK (only Scotland and East Anglia saw some modest growth). This represents the first decrease in enquiries since March 2015. While reduced demand from buy-to-let and second home buyers appears to have been the main cause of this fall, it may also reflect some uncertainty (highlighted in the comments) beginning to enter the market in the run up to the UK’s referendum on its EU membership.

Meanwhile, supply conditions remain tight with 8% more surveyors reporting a fall in new instructions to sell rather than a rise. Once again, this decline was quite widespread the majority of areas seeing a decrease in the number of new properties coming on to agent’s books.

Respondents envisage sales remaining broadly flat over the coming three months with the more sluggish demand and tight supply conditions restraining activity. The outlook for transactions in London is worse than all other parts, with a net balance of 22% of respondents expecting sales to fall better reflection of central/prime London rather than the outer boroughs). However, contributors still foresee an upward trend in activity over the remainder of the year with a net balance of 34% expecting growth over the coming 12 months, and the outlook positive in all areas of the UK.

Despite the fall in demand, price momentum remains firm with a net balance of 41% of contributors seeing further growth in April. Respondents in most parts of the UK reported solid price increase, with London and the North of England the only exceptions. In London, surveyors reported a second consecutive, albeit modest, monthly decline while in the North prices remained broadly unchanged. Perhaps reflecting the aforementioned uncertainty that the upcoming referendum is instilling in the market, but also greater economic uncertainty more generally, the near term price expectations net balance continues to moderate: only 5% more surveyors

envisage prices increasing rather than falling in the three months to come. However, once again, the longer term picture remains more upbeat, with a net balance of 61% of respondents expecting prices to increase at the 12 month horizon.

In London, expectation for growth are less firm, with respondents expecting prices to remain broadly flat over the coming year. Looking further into the future, the outlook for prices remains positive in each part of the UK with contributors envisaging growth of between 3% and 5.5% per annum, on average, over the course of the next five years.

Across the UK, 62% of contributors perceive current market prices to be around fair value, relative to fundamentals. However, in South Eastern parts of England, a significant proportion of respondents believe that prices are stretched. Indeed, in London and the outer South East respectively, 68% and 70% of contributors think their local markets are expensive, to some degree. This represents a rise from the 60% and 62% who held this view the previous month.

In the lettings market, tenant demand continues to increase with 22% more contributors seeing a rise rather than a fall. As yet, there has been no noticeable increase in new landlord instructions as a result of the recent rise in demand from buy-to-let investors. Comments from several members suggest that the recent policy changed towards the sector, which have increased costs for landlords are leading them to reconsider their positions in the market and this is likely to drive rents higher in the future. A net balance of 18% of contributors foresee rents rising over the coming three months, and on average respondents expect growth of 3.4% over the year to come. Reflecting the lack stock of all tenures, rental growth is expected to accurate thereafter, to an average of 4.6% per annum, (3 month average) over the course of the next five years.”

RICS Residential Market Report (July 2016)

3.6 Headline reads: “Activity continues to weaken but medium term outlook stabilises”

- *‘House price indicator slows further while near term expectations remain negative*

- *Sales and enquiries measures fall again although activity is expected to settle in the coming months*
 - *Stock levels dwindle as fresh sales listings decline markedly'*
- 3.7 *'The July 2016 RICS Residential Market Survey results point to a further slowing in house price inflation, with near term expectations continuing to signal downward pressure on prices in the coming months. Alongside this, the net balances for new buyer enquiries, agreed sales and new instructions all remained firmly negative. Nevertheless, as the dust settles on the EU referendum vote, forward looking indicators are now a little less gloomy, with twelve-month price and sales projections edging back into positive territory in the latest results.*
- 3.8 *Starting with current conditions, the headline past prices indicator eased further during July, posting the lowest reading in three years. Indeed, a net balance of just +5% more surveyors noted an increase in prices (as opposed to fall), down from 15% last month. Furthermore, the softening in house price inflation is evident across most parts of the UK. London* continues to reach most of the negative net balance, at -33%, albeit the pace of decline was not quite as sharp as that reported in June. Looking ahead. National (year term) price expectations remained negative territory for a third month in succession – the longest streak of negative readings since 2012.*
- 3.9 *Notwithstanding the potential for near term weakness, respondents are slightly more optimistic about the twelve-month outlook, upgrading their estimates for price growth relative to June. The latest data shows the net balance of those expecting prices to invest Looking ahead, prices are expected to continue rising from zero to +23%. Even so, this still represents a significant softening compared to six months ago, when +66% more surveyors anticipated rising prices. For the second month running, the regional breakdown shows London and East Anglia are the only areas in which prices are expected to fall over the year ahead.*
- 3.10 *Nonetheless, London exhibits amongst the strongest projections over the medium term (three-month average), with respondents in around 4% growth, per annum, over the next five years. On the same basis, prices are expected to rise by close to 3% nationally.*

- 3.11 *The acute shortage of property for sale appears to be providing some underpinning for prices at present. Indeed, after staging a mild recovery through the early months of 2016, average stock levels on agents' books have since started to fall again. In fact, the flow of new sales listings coming to the market has contracted at the fastest monthly pace on record in each of the last three reports. With supply at or around record lows in the most part of the UK, lack of choice may weigh further on activity going further.*
- 3.12 *New buyer enquiries declined markedly at the headline level during July (the fourth consecutive month of falling demand). This weakness was widespread, with virtually all areas of the UK experiencing a dip in demand during July. In keeping with the deteriorating demand backdrop, sales volumes declined sharply one more. At the national level, a net balance of 34% more respondents reported a fall in sales (as opposed to a rise), broadly unchanged from June's reading. As such, the monthly pace of decline in each of the past two months was the fastest since 2008.*
- 3.13 *Market uncertainties following the referendum, but also recent tax changes, are frequently highlighted as contributory factors to the slowdown. Nevertheless, comments left by some agents suggest activity has picked up after an initial wobble, while others cite the Brexit vote as having only a modest or even negligible impact thus far.*
- 3.14 Going forward, sales expectations now point to a broadly stable trend over the coming months, with the net balance moving into neutral territory at -2% (following -26% last month). What's more, at the twelve-month horizon, the sales expectations series rebounded from -12% to +13%. London has seen a notable turnaround in sentiment for the year ahead, as confidence towards the outlook for transactions climbed to month high.
- 3.15 In the lettings market, tenant demand edged up in the three months to July, although the pace of increase decelerated materially relative to the preceding quarter. Meanwhile, new landlord instructions were more or less unchanged at the national level (an ongoing trend over much of the past two years). Three-month rent expectations moderated a touch and projections now point to only modest growth in the near term, with the net balance slipping from +18% to +12%. Further out, however, rents are still expected to rise just over 2% during the next twelve months.

Savills: The impact on Residential Development, Brexit Briefing

3.16 *Headline reads: “Brexit will not solve housing crisis. Policy flexibility and Government support is crucial”*

3.17 Summary notes: -

- **‘Long-term demand:** *low levels of house-building have resulted in a market that is fundamentally undersupplied. The housing crisis is a long-term structural issue which is not limited to population growth alone. Even with substantial falls in net migration, we will still require around 300,000 new homes a year.*
- **Short-term sentiment:** *having a new prime minister quells some uncertainty but sentiment will still fluctuate as negotiations to leave the EU proceed. We expect to see lower transaction volumes and weaker house price growth in the near-term.*
- **Outside London:** *since the vote, sales are marginally down but pricing has held firm with little evidence of developers offering discounts.*
- **Development Finance:** *the availability of development finance could be at risk. Government must be ready to unlock this potential barrier to maintain momentum in housing delivery.*
- **Government Policy:** *house building will play a significant part in the new Government’s wider economic strategy. To maintain housing delivery, we need: the continuation of schemes such as Help to Buy, help with development finance, more planning consent in areas of high housing demand and policy flexibility surrounding affordable housing tenure.’*

4.0 Residential Market Review – June 2016

Source: www.rightmove.co.uk

4.1 The residential market review has been researched on settlement areas (45 total) within the District boundary, based upon the Council’s Settlement Hierarchy¹, towns and Category A – C villages. We note that there was limited available data for Category B and C villages. This review includes research of available new build property data across the Council area, uplifted re-sale value data by Land Registry from the previous DSP Viability study, Zoopla current area statistics together with analysis of the above with the data previously collected as part of the DSP Whole Plan Viability Study in 2014. The following map illustrates the general location context of North Hertfordshire district and includes the main settlements researched.

Figure 1: North Hertfordshire District Council Location Maps 1

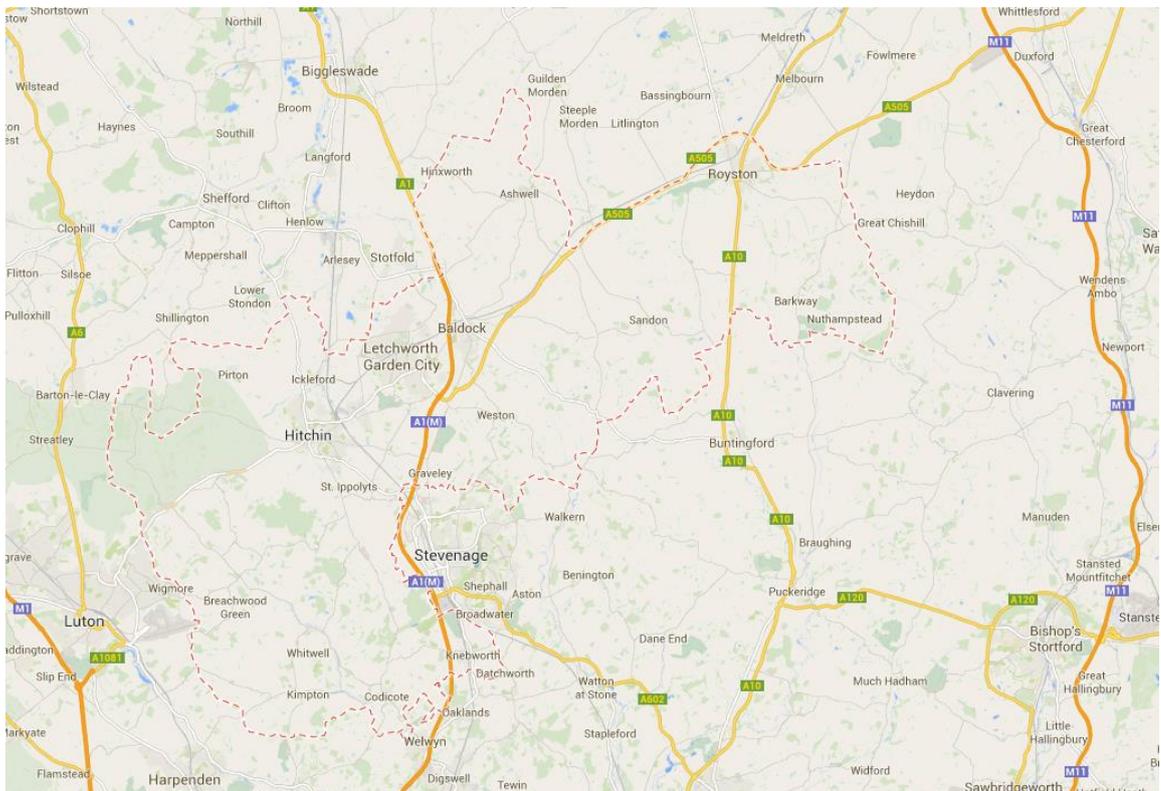
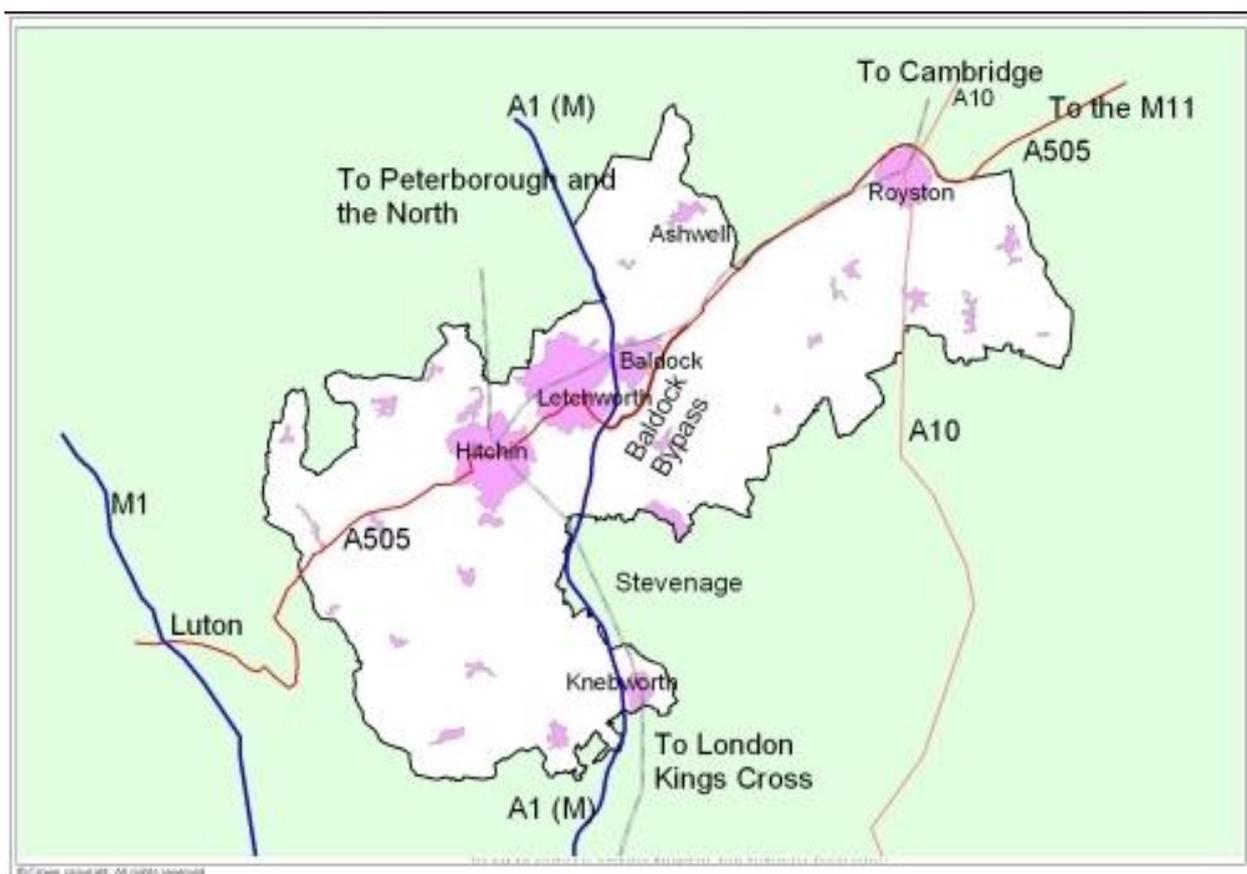


Figure 1: North Hertfordshire District Council Location Maps

¹ Policy HDS2 – NHDC Preferred Options July 2014

Figure 2: North Hertfordshire District Council Location Map 2



Re-sale residential market review – Uplifted Rightmove re-sale values from previous study (November 2014).

- 4.2 The original overall residential market (re-sales based) research for a range of different housing types from 1-bed flats to detached 4-bed houses, utilising property search engine RightMove, was based on settlement areas (outlined above) and gathered for an overview of the values patterns seen across the district - commencing in August 2014.
- 4.3 As a part of building an updated picture appropriate to inform the further work, for current high-level viability review purposes DSP has applied increases of 20% (based on Land Registry data for the Hertfordshire region) to that previous research as illustrated in tables 1a – 1b as follows: -

- Table 1a shows the previous average asking prices in £ per sq. m. based on settlements from August 2014 (date of original research) alongside the respective figures that result from applying a 20% uplift, as above.
- Table 1b shows the previous average asking prices in £ per m2 base on settlements from August 2014 (date of original research) alongside the respective figures that result from applying a 20% uplift, as above.

Table 1a - Uplifted average asking prices in £ per sq. m. (Settlements) – sorted by ‘All Properties’

Settlement	Aug-14						Aug-14 values uplifted by 20%
	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	All Properties	All Properties
Peters Green				£9,421		£9,421	£11,305
Langley					£8,417	£8,417	£10,100
Blackmore End			£7,933	£6,315		£7,029	£8,435
Newnham				£6,842		£6,842	£8,211
Wallington			£6,000			£6,000	£7,200
Rushden			£5,667			£5,667	£6,800
Willian		£4,999		£6,526	£5,000	£5,475	£6,570
Clothall				£4,210	£5,833	£5,204	£6,245
Holwell				£4,868	£5,333	£5,153	£6,184
Sandon			£5,867	£5,000	£4,783	£5,102	£6,122
Preston				£5,395	£4,811	£5,037	£6,045
Kimpton				£3,386	£6,083	£5,037	£6,045
Oaklands				£6,088	£4,283	£4,983	£5,979
Therfield				£4,579	£5,013	£4,845	£5,814
St Ippolyts		£2,583	£6,767	£6,702	£3,500	£4,800	£5,760
Pirton			£4,367	£4,474	£5,144	£4,763	£5,716
Old Knebworth				£6,313	£3,500	£4,591	£5,509
Nuthampstead					£4,567	£4,567	£5,480
Barkway			£4,367	£4,579	£4,656	£4,565	£5,478
Hinxworth				£3,158	£5,195	£4,405	£5,286
Barley				£5,281	£3,244	£4,034	£4,841
Whitwell				£3,355	£4,311	£3,940	£4,729
Offley		£2,417	£3,433	£3,632	£4,900	£3,901	£4,682
Lilley			£3,200		£4,233	£3,889	£4,667
Kelshall				£4,316	£3,583	£3,867	£4,641
Codicote	£2,778		£3,320	£4,521	£4,052	£3,867	£4,640
Knebworth	£3,370	£2,629	£3,299	£4,230	£4,486	£3,839	£4,607
Hexton					£3,733	£3,733	£4,480
Breachwood Green				£4,052	£3,467	£3,694	£4,432
Graveley				£3,158	£4,000	£3,673	£4,408

Settlement	Aug-14						Aug-14 values uplifted by 20%
	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	All Properties	All Properties
Ashwell	£3,055	£2,812	£2,993	£4,365	£4,089	£3,668	£4,401
Little Wymondley		£4,583	£3,000	£3,596		£3,659	£4,391
Hitchin	£2,962	£3,323	£3,819	£3,787	£3,431	£3,514	£4,217
Weston				£2,947	£3,856	£3,503	£4,204
Ickleford		£2,753		£3,412	£3,555	£3,353	£4,024
Cockernhoe			£2,800	£2,737	£3,956	£3,323	£3,987
Letchworth Garden City	£2,729	£2,738	£2,942	£2,957	£3,284	£3,015	£3,618
Baldock	£2,920	£2,991	£2,961	£3,027	£2,955	£2,973	£3,568
Radwell				£2,947		£2,947	£3,537
Royston	£2,842	£2,426	£3,102	£2,966	£2,967	£2,901	£3,481
Great Ashby	£2,967	£2,640	£2,798	£2,759	£2,252	£2,592	£3,111
Reed						£0	£0
Great Wymondley						£0	£0
Bygrave						£0	£0
Caldecote						£0	£0
Overall	£2,897	£2,941	£3,409	£3,447	£4,280	£3,353	£4,024

* as if units were all as per DSP sizes used for modelling purposes.

Note: Limited available data for Category B and Category C Villages

Key

	Towns
	Category A Villages
	Category B Villages
	Category C Villages

Table 1b - Uplifted average asking prices (Settlements) – sorted by 'All Properties'

Settlement	Aug-14						Aug-14 values uplifted by 20%
	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	All Properties	All Properties
Langley					£1,262,500	£1,262,500	£1,515,000
Peters Green				£895,000		£895,000	£1,074,000
Hinxworth				£300,000	£779,278	£719,368	£863,242
Kimpton				£321,665	£912,490	£690,931	£829,117
Nuthampstead					£685,000	£685,000	£822,000
Therfield				£435,000	£752,000	£661,429	£793,714
Newnham				£650,000		£650,000	£780,000
Preston				£512,500	£721,667	£638,000	£765,600
Clothall				£399,995	£875,000	£637,498	£764,997
Oaklands				£578,325	£642,489	£623,240	£747,888

Settlement	Aug-14						Aug-14 values uplifted by 20%
	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	All Properties	All Properties
Blackmore End			£595,000	£599,950		£597,475	£716,970
Sandon			£439,995	£475,000	£717,500	£587,499	£704,999
Holwell				£462,500	£799,995	£574,998	£689,998
Old Knebworth				£599,725	£525,000	£574,817	£689,780
Hexton					£559,995	£559,995	£671,994
Willian		£299,950		£620,000	£750,000	£556,650	£667,980
Barkway			£327,500	£435,000	£698,333	£530,833	£637,000
St Ippolyts		£155,000	£507,498	£636,667	£524,975	£516,243	£619,492
Barley				£501,650	£486,667	£496,656	£595,987
Kelshall				£410,000	£537,500	£495,000	£594,000
Pirton			£327,500	£425,000	£771,667	£490,000	£588,000
Breachwood Green				£384,950	£519,983	£465,970	£559,164
Codicote	£125,000		£248,980	£429,484	£607,829	£462,810	£555,372
Whitwell				£318,750	£646,667	£459,286	£551,143
Wallington			£450,000			£450,000	£540,000
Cockernhoe			£210,000	£260,000	£593,332	£449,999	£539,999
Lilley			£240,000		£635,000	£437,500	£525,000
Ashwell	£137,475	£168,736	£224,500	£414,662	£613,331	£427,966	£513,559
Rushden			£425,000			£425,000	£510,000
Weston				£279,975	£578,332	£407,842	£489,411
Graveley				£300,000	£599,950	£399,983	£479,980
Knebworth	£151,663	£157,759	£247,391	£401,808	£672,900	£386,679	£464,015
Offley		£145,000	£257,500	£345,000	£735,000	£347,143	£416,571
Ickleford		£165,198		£324,158	£533,317	£312,206	£374,647
Hitchin	£133,289	£199,395	£286,402	£359,748	£514,694	£302,062	£362,474
Letchworth Garden City	£122,802	£164,294	£220,675	£280,908	£492,646	£299,164	£358,997
Little Wymondley		£274,998	£224,998	£341,650		£289,277	£347,133
Radwell				£280,000		£280,000	£336,000
Baldock	£131,383	£179,481	£222,068	£287,574	£443,227	£274,978	£329,974
Royston	£127,906	£145,563	£232,623	£281,815	£445,116	£274,919	£329,902
Great Ashby	£133,498	£158,419	£209,876	£262,139	£337,838	£244,768	£293,721
Reed							
Great Wymondley							
Bygrave							
Caldecote							
Overall	£130,377	£176,437	£255,653	£327,511	£535,022	£327,114	£392,537

* as if units were all as per DSP sizes used for modelling purposes.

Note: Limited available data for Category B and Category C Villages

Available New Build properties for sale – June 2016

Source: DSP research – based on www.rightmove.co.uk ; various house builders' & estate agents' websites; associated / follow-up enquiries as relevant.

- 4.4 The tables below provide information, so far as found through web-searching and enquiries, on new build properties for sale – as at June 2016, based on the settlements areas only. The noted property sizes are as were supplied with the agent's / developer's details or, where those were not stated, estimated – e.g. from agents' or other floor plans / dimensions (*Note: estimated dwelling sizes are shown in italics*).

Table 2a - Available new build property.

Address	Description	Price	Size (m ²)	Price per m ²	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Royston								
Houses								
Baldock Road	4 Bed Detached	£749,995	126.6	£5,924	£5,628	£5,332	£6,517	William H Brown
Kneesworth Road	4 Bed detached	£665,000	<i>130</i>	£5,115	£4,860	£4,604	£5,627	Putterills
Baldock Road	4 Bed Detached	£625,995	118.8	£5,269	£5,006	£4,742	£5,796	William H Brown
Baldock Road	4 Bed Detached	£600,000	<i>130</i>	£4,615	£4,385	£4,154	£5,077	Bidwells
Gower Road	4 Bed Detached	£500,000	73	£6,849	£6,507	£6,164	£7,534	William H Brown
Baldock Road	4 Bed Detached	£499,995	96.5	£5,181	£4,922	£4,663	£5,699	William H Brown
Burns Road	4 Bed semi	£420,000	152.8	£2,749	£2,611	£2,474	£3,024	Fairview
Baldock Road	3 Bed Detached	£414,995	68.2	£6,085	£5,781	£5,476	£6,693	William H Brown
Baldock Road	3 Bed Semi	£409,995	68.2	£6,012	£5,711	£5,410	£6,613	William H Brown
Burns Road	4 Bed semi	£405,000	<i>130</i>	£3,115	£2,960	£2,804	£3,427	Fairview
Baldock Road	3 Bed Semi	£399,995	<i>100</i>	£4,000	£3,800	£3,600	£4,400	Bidwells
Baldock Street	3 Bed Terraced	£399,950	100.6	£3,976	£3,777	£3,578	£4,373	Marshalls
Baldock Road	3 Bed Semi	£379,995	62.8	£6,051	£5,748	£5,446	£6,656	William H Brown
Baldock street	3 Bed Terraced	£375,000	91.2	£4,112	£3,906	£3,701	£4,523	Marshalls
Burns Road	4 Bed semi	£357,000	<i>130</i>	£2,746	£2,609	£2,472	£3,021	Fairview
Baldock Street	3 Bed Semi	£350,000	85.5	£4,094	£3,889	£3,684	£4,503	Marshalls

Address	Description	Price	Size (m2)	Price per m2	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Burns Road	3 Bed Detached	£345,000	71.8	£4,805	£4,565	£4,325	£5,286	Lanes
Baldock Road	3 Bed Terraced	£325,000	104.8	£3,101	£2,946	£2,791	£3,411	Marshalls
Burns Road	3 Bed Semi	£320,000	100	£3,200	£3,040	£2,880	£3,520	Marshalls
Baldock Street	2 Bed Detached	£300,000	57.6	£5,208	£4,948	£4,688	£5,729	Marshalls
Average:		£442,146	99.9	£4,610	£4,380	£4,149	£5,071	
Flats								
Green Drift	2 Bed Apartment	£255,000	55.1	£4,628	£4,397	£4,165	£5,091	Connells
Green Drift	2 Bed Apartment	£250,000	55.1	£4,537	£4,310	£4,083	£4,991	Connells
Green Drift	2 Bed apartment	£240,000	50.1	£4,790	£4,551	£4,311	£5,269	Connells
Green Drift	2 Bed Apartment	£230,000	55.1	£4,174	£3,966	£3,757	£4,592	Connells
Green Drift	2 Bed Apartment	£225,000	50.1	£4,491	£4,266	£4,042	£4,940	Connells
Malt house place	1 Bed Flat	£225,000	50.1	£4,491	£4,266	£4,042	£4,940	InterCountry
Green Drift	2 Bed Apartment	£225,000	50.1	£4,491	£4,266	£4,042	£4,940	Connells
Baldock Road	2 Bed Apartment	£220,000	59.7	£3,685	£3,501	£3,317	£4,054	Marshalls
Heath View, Baldock Road	2 Bed Apartment	£220,000	56.7	£3,880	£3,686	£3,492	£4,268	Marshalls
Heath View, Baldock Road	2 Bed Apartment	£220,000	50.1	£4,391	£4,172	£3,952	£4,830	Marshalls
Green Drift	1 Bed Flat	£210,000	50	£4,200	£3,990	£3,780	£4,620	Connells
Green Drift	1 Bed Flat	£207,500	50	£4,150	£3,943	£3,735	£4,565	Connells
Green Drift	2 Bed Apartment	£205,000	50.1	£4,092	£3,887	£3,683	£4,501	Connells
Green Drift	1 Bed Flat	£200,000	50	£4,000	£3,800	£3,600	£4,400	Connells
Baldock Road	2 Bed Apartment	£200,000	50.1	£3,992	£3,792	£3,593	£4,391	Marshalls
Baldock Road	1 Bed Apartment	£195,000	43.4	£4,493	£4,268	£4,044	£4,942	Marshalls
Heath View, Baldock Road	2 Bed Apartment	£195,000	57.5	£3,391	£3,222	£3,052	£3,730	Marshalls
Baldock Street	1 Bed Apartment	£195,000	43.4	£4,493	£4,268	£4,044	£4,942	Marshalls
Heath View, Baldock Road	2 Bed Apartment	£195,000	54.7	£3,565	£3,387	£3,208	£3,921	Marshalls

Address	Description	Price	Size (m2)	Price per m2	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Old North Road	1 Bed Apartment	£180,000	44	£4,091	£3,886	£3,682	£4,500	Wellington Wise
Average:		£214,625	51.3	£4,201	£3,991	£3,781	£4,621	
Baldock								
Houses								
Icknield Way East	4 Bed Detached	£495,000	88	£5,625	£5,344	£5,063	£6,188	Satchells
Icknield Way East	4 Bed Detached	£469,950	91.6	£5,130	£4,874	£4,617	£5,644	Satchells
Average:		£482,475	89.8	£5,378	£5,109	£4,840	£5,916	
Letchworth Garden City								
Houses								
Blackhorse Road	4 Bed Detached	£519,950	118.4	£4,391	£4,172	£3,952	£4,831	Barrett Homes
Letchworth Garden	3 Bed Detached	£360,000	69.3	£5,195	£4,935	£4,675	£5,714	Satchells
Average:		£439,975	93.9	£4,793	£4,553	£4,314	£5,272	
Other Areas								
Houses								
Lloyd Way-Kimpton	4 Bed semi	£485,000	74.6	£6,501	£6,176	£5,851	£7,151	Croudace Homes
Lloyd Way-Kimpton	4 Bed Semi	£475,000	78.6	£6,043	£5,741	£5,439	£6,648	Croudace Homes
Lloyd Way-Kimpton	3 Bed Semi	£410,000	65.5	£6,260	£5,947	£5,634	£6,885	Croudace Homes
Lloyd Way-Kimpton	2 Bed Semi	£340,000	52	£6,538	£6,212	£5,885	£7,192	Croudace Homes
Dane End-Therfield	4 Bed Detached	£925,000	191	£4,843	£4,601	£4,359	£5,327	Strutt and Parker
St James Court, Police Row-Therfield	4 Bed Detached	£875,000	195.4	£4,478	£4,254	£4,030	£4,926	Wellington Wise
St James Court, Police Row-Therfield	4 Bed Detached	£725,000	168.4	£4,305	£4,090	£3,875	£4,736	Wellington Wise
Pedlars Lane-Therfield	3 Bed Detached	£595,000	93	£6,398	£6,078	£5,758	£7,038	Acorn
Police Row-Therfield	4 Bed Detached	£540,000	129.3	£4,176	£3,968	£3,759	£4,594	Country Properties
Shellington Road-Pirton	4 Bed Detached	£525,000	106.5	£4,930	£4,683	£4,437	£5,423	Putterills

Address	Description	Price	Size (m2)	Price per m2	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Park Lane-Old Knebworth	4 Bed Semi	£800,000	158.6	£5,044	£4,792	£4,540	£5,549	Putterills
Cambridge Road-Barkway	4 Bed Detached	£600,000	152.8	£3,927	£3,730	£3,534	£4,319	Marshalls
Cambridge Road-Barkway	3 Bed Semi	£350,000	113	£3,097	£2,942	£2,788	£3,407	Marshalls
Node Park-Codicote	4 Bed Detached	£2,000,000	348	£5,747	£5,460	£5,172	£6,322	Putterills
Oak Tree Gardens-Knebworth	4 Bed Detached	£685,000	148.6	£4,610	£4,379	£4,149	£5,071	Putterills
Oak Tree Gardens-Knebworth	4 Bed Detached	£635,000	148.6	£4,273	£4,060	£3,846	£4,701	Putterills
Oak Tree Gardens-Knebworth	4 Bed Detached	£625,000	148.6	£4,206	£3,996	£3,785	£4,627	Putterills
Oak Tree Gardens-Knebworth	4 Bed Detached	£550,000	148.6	£3,701	£3,516	£3,331	£4,071	Putterills
Oak Tree Gardens-Knebworth	3 Bed Detached	£535,000	100	£5,350	£5,083	£4,815	£5,885	Putterills
Average:		£667,105	138.0	£4,970	£4,721	£4,473	£5,467	

Table 2b - New Build research – average £ per sq. m. analysis.

Settlement	June 2016 Data		
	Average Value £ per sq. m.		Overall Average*
	Flats	Houses	
Royston	£3,991	£4,380	£4,186
Baldock*	n/a	£5,109	£5,109
Letchworth*	n/a	£4,553	£4,553
Other Areas	n/a	£4,721	£4,721

*small sample relating to June 2016 data only

**overall average taken as the average across the individual entries for both houses and flats

Note: 'Other Areas' included Kimpton, Therfield, Pirton, Old Knebworth, Barkway, Codicote, Knebworth and Great Ashby. No data was available for Peters Green, Langley, Blackmore End, Newnham, Wallington, Rushden, Willian, Clothall, Holwell, Sandon, Preston, Oaklands, St Ippolyts, Nuthampstead, Hinxworth, Barley, Whitwell, Offley, Lilley, Kelshall, Hexton,

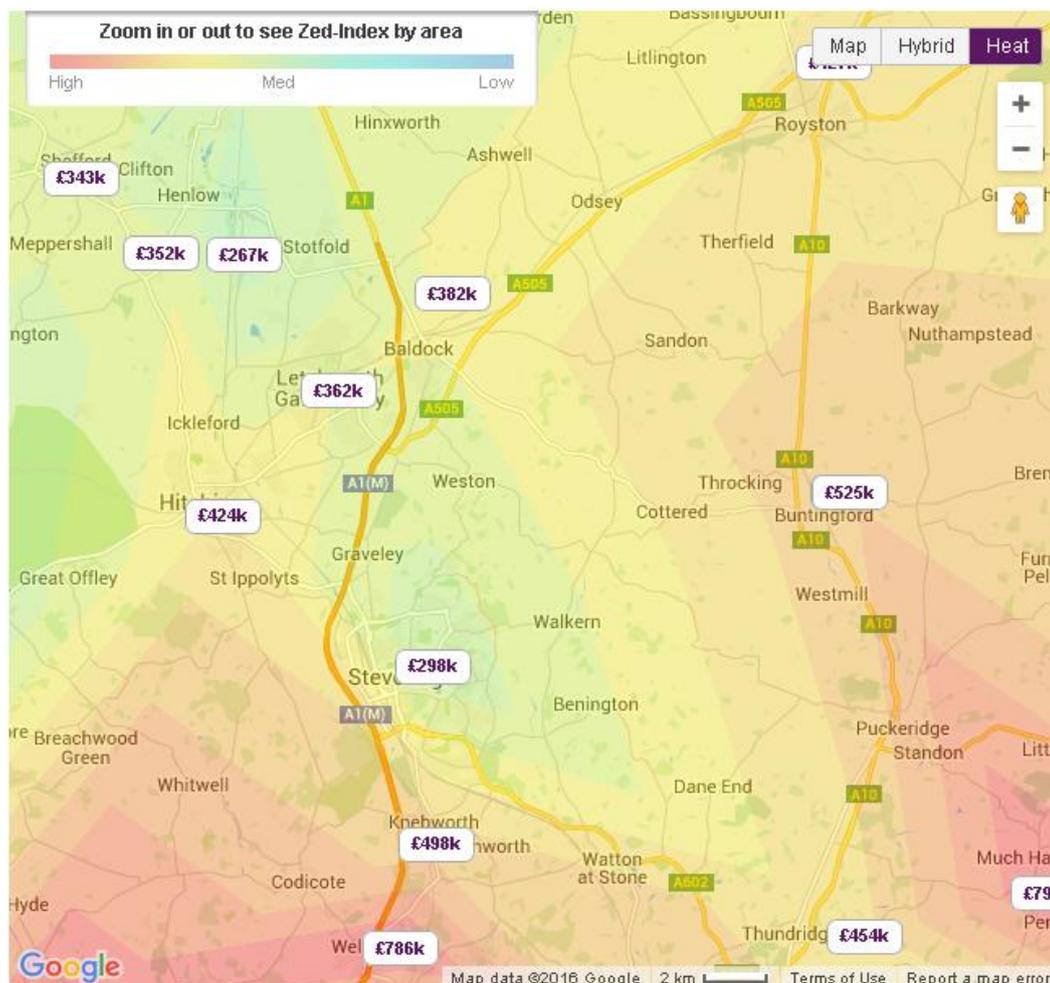
Breachwood Green, Graveley, Ashwell, Little Wymondley, Hitchin, Weston, Ickleford, Cockernhoe, Radwell, Reed, Great Wymondley, Bygrave and Caldecote.

Updated Zoopla source average values data (current area statistics)

(Source of information in maps and tables on this and following pages: www.zoopla.co.uk – June 2016)

- 4.5 Indicative “Heat” Maps - The Zoopla sourced “heat” maps below provide a further indication as to the variable strength of residential values in North Hertfordshire. These present a relative picture. The “cooler” colours (blues) indicate the general extent of lower values, relative to the “warmer” colours - through yellow to red – indicating at a similar high level the typically mid to higher value areas.

Figure 3 – Heat Map North Hertfordshire Focus



4.6 The tables below provide a quick analysis of the Zoopla ‘Average Current Values Estimate’ data (June 2016) based on settlements. This data was not available for all settlements particularly relating to flats, but provide a further source for considering house price trends; in making judgements over an appropriate uplift level to the previous values basis (seen through the range of Value Levels – VLS) to inform assumptions for current stage review sample development scenario appraisals.

Table 3 - Zoopla current values area stats by settlement

Settlement	Houses		Flats	
	Price per sq.ft	Price per m2	Price per sq.ft	Price per m3
Blackmore End	n/a	n/a	n/a	n/a
Newnham	n/a	n/a	n/a	n/a
Wallington	n/a	n/a	n/a	n/a
Preston	n/a	n/a	n/a	n/a
Oaklands	n/a	n/a	n/a	n/a
Hexton	n/a	n/a	n/a	n/a
Radwell	n/a	n/a	n/a	n/a
Great Ashby	n/a	n/a	n/a	n/a
Great Wymondley	n/a	n/a	n/a	n/a
Caldecote	n/a	n/a	n/a	n/a
Nuthampstead	£583	£6,273	n/a	n/a
Kimpton	£502	£5,402	n/a	n/a
Old Knebworth	£498	£5,358	n/a	n/a
Sandon	£476	£5,122	n/a	n/a
Peters Green	£457	£4,917	n/a	n/a
Rushden	£454	£4,885	n/a	n/a
Willian	£432	£4,648	n/a	n/a
Clothall	£428	£4,605	n/a	n/a
Codicote	£423	£4,551	n/a	n/a
Knebworth	£423	£4,551	£334	£3,594
Langley	£418	£4,498	n/a	n/a
Ashwell	£413	£4,444	£244	£2,625
Therfield	£409	£4,401	n/a	n/a
Ickleford	£408	£4,390	£262	£2,819
St Ippolyts	£407	£4,379	n/a	n/a
Weston	£405	£4,358	n/a	n/a
Hinxworth	£402	£4,326	n/a	n/a
Little Wymondley	£398	£4,282	n/a	n/a
Barley	£397	£4,272	n/a	n/a
Graveley	£395	£4,250	n/a	n/a

Settlement	Houses		Flats	
	Price per sq.ft	Price per m2	Price per sq.ft	Price per m3
Hitchin	£395	£4,250	£348	£3,744
Offley	£379	£4,078	n/a	n/a
Baldock	£375	£4,035	£297	£3,196
Kelshall	£373	£4,013	n/a	n/a
Whitwell	£371	£3,992	n/a	n/a
Pirton	£367	£3,949	n/a	n/a
Lilley	£360	£3,874	n/a	n/a
Letchworth Garden City	£358	£3,852	£305	£3,282
Bygrave	£357	£3,841	n/a	n/a
Barkway	£355	£3,820	n/a	n/a
Breachwood Green	£350	£3,766	n/a	n/a
Royston	£338	£3,637	£317	£3,411
Reed	£321	£3,454	n/a	n/a
Cockernhoe	£278	£2,991	n/a	n/a
Holwell	£241	£2,593	n/a	n/a
Average:	£400	£4,303	£317	£3,407

5.0 Overall Market Analysis

5.1 The tables below provide an overall analysis of all of the above values research in comparison with the values research data collected in August 2014 for the previous DSP Viability Study, as follows: -

- Table 4a shows the analysis of the previous new build values research from August 2014 and the current new builds research in order to illustrate the positive change in new build property values since the previous study.
- Table 4b shows the analysis between the current new builds values research in comparison with the uplifted re-sale data.
- Table 4c shows the comparison between all of the current values research (uplifted re-sale, new builds and Zoopla) and provides an overall average figure for each settlement area.

Table 4a - New Builds Analysis by settlement area (August 2014 and June 2016)

Settlement	August 2014 Data			June 2016 Data			% Difference by 'Overall Average'
	Average Value £ per sq. m. (Less 5%)		Overall Average**	Average Value £ per sq. m. (Less 5%)		Overall Average**	
	Flats	Houses		Flats	Houses		Aug-14 - Jun-16
Royston	£2,660	£3,266	£3,006	£3,991	£4,380	£4,186	39.24%
Baldock*	n/a	£3,992	£3,992	n/a	£5,109	£5,109	27.98%
Letchworth*	n/a	£2,443	£2,443	n/a	£4,553	£4,553	86.40%
Other Areas	n/a	£4,171	£4,171	n/a	£4,721	£4,721	13.19%
Hitchin	n/a	£3,182	£3,182	n/a	n/a	n/a	n/a
Average % Difference:							41.70%

*small sample relating to June 2016 data only

**overall average taken as the average across the individual entries for both houses and flats

Table 4b - New Builds and uplifted Re-sale Analysis by settlement area

Settlement	New Build June 2016 Data			Re-sale Feb 16 uplift values by 20%*	% Difference*
	Average Value £ per sq. m.		Overall Average**		
	Flats	Houses		All Properties	
Royston	£3,991	£4,380	£4,186	£3,481	20.22%
Baldock*	n/a	£5,109	£5,109	£3,568	43.18%
Letchworth*	n/a	£4,553	£4,553	£3,618	25.86%
Other Areas	n/a	£4,721	£4,721	n/a	n/a
Average % Difference:					29.75%

*% difference relates to the new build overall average and the re-sale April 16 uplifted data

**overall average taken as the average across the individual entries for both houses and flats

See table 4c on the following page

Table 4c - Overall current values research analysis by settlement area

Settlement	Aug-14 values uplifted by 20%	Zoopla Jun- 16 £ per sq. m.	New Builds June 2016	Overall Average
	All Properties	Price per m2	Overall Average	
Peters Green	£11,305	£4,917	n/a	£8,111
Langley	£10,100	£4,498	n/a	£7,299
Blackmore End	£8,435	n/a	n/a	£8,435
Newnham	£8,211	n/a	n/a	£8,211
Wallington	£7,200	n/a	n/a	£7,200
Rushden	£6,800	£4,885	n/a	£5,843
Willian	£6,570	£4,648	n/a	£5,609
Clothall	£6,245	£4,605	n/a	£5,425
Holwell	£6,184	£2,593	n/a	£4,388
Sandon	£6,122	£5,122	n/a	£5,622
Preston	£6,045	n/a	n/a	£6,045
Kimpton	£6,045	£5,402	n/a	£5,723
Oaklands	£5,979	n/a	n/a	£5,979
Therfield	£5,814	£4,401	n/a	£5,107
St Ippolyts	£5,760	£4,379	n/a	£5,070
Pirton	£5,716	£3,949	n/a	£4,832
Old Knebworth	£5,509	£5,358	n/a	£5,434
Nuthampstead	£5,480	£6,273	n/a	£5,877
Barkway	£5,478	£3,820	n/a	£4,649
Hinxworth	£5,286	£4,326	n/a	£4,806
Barley	£4,841	£4,272	n/a	£4,556
Whitwell	£4,729	£3,992	n/a	£4,360
Offley	£4,682	£4,078	n/a	£4,380
Lilley	£4,667	£3,874	n/a	£4,270
Kelshall	£4,641	£4,013	n/a	£4,327
Codicote	£4,640	£4,551	n/a	£4,596
Knebworth	£4,607	£4,551	n/a	£4,579
Hexton	£4,480	n/a	n/a	£4,480
Breachwood Green	£4,432	£3,766	n/a	£4,099
Graveley	£4,408	£4,250	n/a	£4,329
Ashwell	£4,401	£4,444	n/a	£4,422
Little Wymondley	£4,391	£4,282	n/a	£4,337
Hitchin	£4,217	£4,250	n/a	£4,234
Weston	£4,204	£4,358	n/a	£4,281
Ickleford	£4,024	£4,390	n/a	£4,207
Cockernhoe	£3,987	£2,991	n/a	£3,489
Letchworth Garden City	£3,618	£3,852	£4,553	£4,008

Settlement	Aug-14 values uplifted by 20%	Zoopla Jun-16 £ per sq. m.	New Builds June 2016	Overall Average
	All Properties	Price per m2	Overall Average	
Baldock	£3,568	£4,035	£5,109	£4,237
Radwell	£3,537	n/a	n/a	£3,537
Royston	£3,481	£3,637	£4,186	£3,768
Great Ashby	£3,111	n/a	n/a	£3,111
Reed	£0	£3,454	n/a	£3,454
Great Wymondley	£0	n/a	n/a	n/a
Bygrave	£0	£3,841	n/a	£3,841
Caldecote	£0	n/a	n/a	n/a
Overall	£4,024	£4,287	£4,616	£4,990

House price trends (summary) – Further review approach and assumptions informed by the above – Increase relative to Value Levels (VLs) used in base assessments.

- 5.2 From review of the Land Registry, Zoopla and other market reporting as outlined above, DSP considers that for the current assessment purpose an appropriate conservative approach is to assume a 20% residential sales values uplift from our previous. This position is formed from overviews of the range of sources considered here and in our view represents a suitable, prudent approach.
- 5.3 The previous North Hertfordshire viability assessment used VLs representing sales values across an overall range of £2,500/m² to £4,250/m² in £250/m² increments providing 8 no. Value Levels (VLs). The lowest VLs (VL1 and VL2) were illustrative of typical values in and around East of Luton and North of Stevenage, VL3 to VL5 in relation to the main towns of Baldock, Royston and Letchworth, finally VL4 to VL8 relating to the Hitching and the more rural areas (smaller settlements).
- 5.4 Applying the above, we can see that an increase of 20% to each VL (as used previously) is broadly equivalent to values having moved by at least one upward step – i.e. moving upwards by at least two VLs compared with previous. See the following Table 5.

Table 5 – Updated Value Levels

Open Market Value	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8
Location (Range)	E of Luton		Main towns - Baldock, Letchworth, Royston					
			N of Baldock	Hitchin & rural areas (smaller settlements)				
	N of Stevenage		N of Letchworth					
1 Bed Flat	£112,500	£123,750	£135,000	£146,250	£157,500	£168,750	£180,000	£191,250
2 Bed Flat	£150,000	£165,000	£180,000	£195,000	£210,000	£225,000	£240,000	£255,000
2 Bed House	£187,500	£206,250	£225,000	£243,750	£262,500	£281,250	£300,000	£318,750
3 Bed House	£237,500	£261,250	£285,000	£308,750	£332,500	£356,250	£380,000	£403,750
4 Bed House	£375,000	£412,500	£450,000	£487,500	£525,000	£562,500	£600,000	£637,500
Value House (£/m2)	£2,500	£2,750	£3,000	£3,250	£3,500	£3,750	£4,000	£4,250
Value House (£/m2) uplifted by 20%	£3,000	£3,300	£3,600	£3,900	£4,200	£4,500	£4,800	£5,100

6.0 Sheltered Housing Research (June 2016)

6.1 After researching new build sheltered housing through utilising property search engines RightMove and Retirement Homesearch we noted only two sheltered housing schemes within the North Hertfordshire district as follows:-

- Le Jardin, Station Road, Letchworth – McCarthy and Stone (Platinum Range), currently under construction, expected September 2016
- Constance Place, London Road, Knebworth – McCarthy and Stone (Platinum Range). 26 no. 1 and 2-bed flats – 1-beds (55m²) £334,950 equates to £6,090/m²; 2-beds (75m²) £424,950 - £435,950 equates to £5,666/m² - £5,812/m².

6.2 Given the lack of specific updated marketing information that was apparent within the study area, together with DSP's experience of similar sheltered housing scenarios for a wide range other Local Authorities, we assume that values for new build retirement homes locally would have experienced similar growth to that shown clearly by the wider market for new build homes, and indeed by housing generally in these areas.

7.0 BCIS Build Cost Analysis

7.1 The tables below provide a comparison analysis between the build costs adopted within the previous Viability Study, the most recently available non-forecast data for residential property and the latest forecast data. This data indicates an increase of approximately 15% in build costs during the intervening period between Q3 2013 and Q3 2016 for residential property.

See Table 6 on the following page.

Table 6 – BCIS data Analysis Q3 2013 – Q3 2016 (Latest Forecast) Residential

Building Function	Primary Sub Class	Q4 2013	Latest BCIS Q3 2016 (Forecast)	% Difference
		Median		
Housing Mixed Developments	n/a	£937	£1,082	15%
Estate Housing	Generally	£909	£1,049	15%
	Single Storey	£1,008	£1,165	16%
	2-storey	£887	£1,024	15%
	3-storey	£862	£995	15%
	4-storey or above	£1,458	£1,683	15%
	Estate Housing Detached	£1,040	£1,201	15%
Estate Housing Semi-Detached	Generally	£915	£1,056	15%
	Single Storey	£1,087	£1,256	16%
	2-storey	£888	£1,026	16%
	3-storey	£850	£961	13%
Estate Housing Terraced	Generally	£908	£1,049	16%
	Single Storey	£949	£1,096	15%
	2-storey	£907	£1,047	15%
	3-storey	£861	£995	16%
Flats (Apartments)	Generally	£1,067	£1,232	15%
	1-2 Storey	£1,022	£1,181	16%
	3-5 Storey	£1,063	£1,227	15%
	6+ Storey	£1,369	£1,581	15%
One-off' Housing Detached (3 units of less)	Generally	£1,336	£1,543	15%
	Single Storey	£1,147	£1,324	15%
	2-storey	£1,430	£1,651	15%
	3-storey	£1,767	£2,041	16%
	4-storey or above	£2,600	£3,002	15%
One-off' Housing Semi-Detached (3 units or less)	n/a	£1,043	£1,205	16%
One-off' Housing Terraced (3 units or less)	n/a	£969	£1,119	15%
Sheltered Housing	Generally	£1,113	£1,285	15%
	Single Storey	£1,188	£1,371	15%
	2-storey	£1,100	£1,270	15%
	3-storey	£1,044	£1,206	16%
	4-storey or above	£1,132	£1,308	16%
Total Average increase in build costs				15%

8.0 Commercial Market, Rents & Yields (information as available)

8.1 Sources used:

- EGi (Estates Gazette Interactive) – EGi reporting extracts follow these sections – all detail not quoted here (Source: EGi – www.egi.co.uk – subscription based Commercial Property Intelligence resource used and informed by a wide range of Agents and other property firms).
- Valuation Office Agency (VOA) Rating List
- Others – RICS market information; property advertised; web-based research
- Any available local soundings – indications / examples

9.0 Commercial Context Summary

RICS Commercial Property Market Survey Q2 2016

9.1 Headline reads: *“Sentiment Dampened significantly by Brexit vote*

- *“Investment demand falls sharply with London seeing the most pronounced decline*
- *Increasing share of respondents across the UK now feel the market is in an early downturn phase*
- *Twelve-month capital value and rental projections move into negative territory”*

9.2 *“The Q2 sample was collected between 24 June and 12 July meaning all responses were gathered after the referendum outcome was known. The Q2 2016 RICS UK Commercial Property Market Survey shows a significant deterioration in market sentiment following the Brexit vote. The heightened sense of caution is visible across both investment and occupier sides of the market, with uncertainty pushing rental and capital value projections into negative territory. Whether or not the adverse hit to sentiment is a knee-jerk reaction that will unwind as the result is digested, or the start of a more prolonged downturn, remains to be seen.*

9.3 *On a UK-wide basis, occupier demand failed to rise for the first time since 2012. The headline net balance fell from +21% previously to a reading of zero in Q2. Declines were reported in the office and retail areas of the market but demand proved somewhat more resilient across the industrial sector. The regional breakdown shows the occupier demand gauge moderated across all parts of the country, although the shift was most noticeable in London. Alongside this, availability remains constricted, with the supply of leasable space more or less unchanged in the office and retail sectors during Q2, while industrial availability continued to decline.*

9.4 *Worries over a potential hit to business confidence, caused by political and economic uncertainty, appear to be reflected in respondents’ rental outlook. This is especially the case over the shorter term. Indeed, the headline three-month rent expectations net balance dropped from +26% to -7% in Q2. The office and retail sectors*

experienced the steepest decline, with the reading for both now comfortably in negative territory. In the industrial sector, although the net balance softened notably, it remains positive given the very tight supply and demand conditions. When the results are disaggregated, the rental outlook is most negative in London. Over the next twelve months, rents are projected to fall by around 3% at the all-sector level. Within this, rents across the secondary retail sub market are expected to come under the most significant downward pressure.

- 9.5 *The weakness in demand is perhaps even more visible on the investment side of the market. During Q2, the investment enquiries series fell sharply, posting a net balance of -16% (down from +25% in Q1). What's more, all traditional sectors covered in the survey experienced a drop-off investor interest. Foreign investor demand declined at an even greater rate, as the net balance fell to -27%. While respondents in virtually all parts of the UK noted a decline in overall investment enquiries, the trend was again most pronounced in London. In fact, at -41%, the investment enquiries gauge for the capital was the weakest since 2009.*
- 9.6 *Back at the UK-wide level and, despite a softening demand backdrop, the supply of property for investment purposes still remain tight. Indeed, investable stock declined for an eighth consecutive quarter. In keeping with trends over much of the past two years, the lack of supply remains most apparent in the industrial sector. Even though low supply will provide a certain degree of support prices, respondents do now expect capital values to fall over the year ahead across almost all areas of the market. Prime industrial assets are the sole exception, where the outlook is flat for the time being. At the other end of the spectrum, values in the secondary retail and office segments are expected to see the steepest decline, recording a net balance of -29% and -23% respectively.*
- 9.7 *In London, twelve-month capital value expectations are steeped in negative territory across the board. A net balance of -35% more surveyors anticipate decline in all-property prices over the next year. As recently as the fourth quarter of last year, a balance of +73% more respondents expected capital values to rise (rather than fall) on a twelve-month basis. Elsewhere, twelve-month price projections are mostly negative across secondary markets whilst respondents expect prime segments to hold up a little better. At the three-year time horizon, however, all areas (with the exception of Scotland and London) are projected to see capital values return growth.*

- 9.8 *Although opinions are mixed, the largest share of respondents across the UK (36%) feel the market is now in the early stages of a downturn. All parts of the UK saw an increase in the proportion of contributors sensing the market is turning down. London exhibits the highest proportion, with 54% of respondents taking this view.*
- 9.9 *In an extra question included in the Q2 survey, respondents were asked their views on the potential impact of the changes to stamp duty contained in the March 2016 budget (a new marginal system was introduced). Across the UK, the majority of contributors (57%) feel the change is likely to have little impact on transaction volumes, while 24% believe it could reduce volumes. Only 4% expect policy to boost transactions, with 15% unsure either way. In the capital, the proportion who feel the new regime will reduce transactions came in a little higher than the national average, at 43%. That said, a significant share (42%) think it will have little impact. When asked if the higher tax payable on property purchase over £1.05million will be reflected in lower deal prices, 50% responded 'Yes', 31% answered 'No', and 19% did not know. The West Midlands (70%), Northern Ireland (65%) and the South East (61%) displayed the highest proportion of respondents who sense the higher tax burden will reduce deal prices."*

Savills: Commercial Market in Minutes August 2016

- 9.10 *Headline reads: "Land value growth spreading to lower value markets"*
- *"Central London residential development land values fell slightly, by 1.5%, in the six months to March 2016 leaving values 30% above their 2007/08 peak, whilst land buying activity is increasing in the outer boroughs.*
 - *Land values for office development in central London has been catching up with that of residential but growth slowed to a 0.6% increase in the half year to March 2016 due in part to the recent Stamp Duty changes for commercial land and property.*
 - *Urban and greenfield development land values increased at similar rates in the first three months of 2016. Urban development land values grew by 1.0% in Q1 2016 and greenfield values rose by 1.0%, delivering annual growth of 7.5% and 2.6% respectively.*
 - *We forecast average greenfield land values in the UK to increase slightly faster than house prices over the next five years if recent trends prevail."*

Development Land in the UK - Greenfield and urban land values

- 9.11 *“Greenfield developments land values across the UK have increased in line with those for urban land this quarter but annual growth remains much stronger for urban development land which has risen from a lower base. Urban land values increased by 1.0% in Q1 2016 (1.5% in Q4 2015) taking annual growth to 6.6%. Greenfield land values also increased by 1.0% in Q1 2016 (0.7% in Q4 2015) bringing annual growth to just 2.5%.*
- 9.12 *For many areas of the country supply and demand remain balance, with the number and strength of bids for development sites resulting in relatively stable land values. Much of this growth is accounted for by strength of the South East market which saw a 2.4% increase in greenfield land value in the last quarter. There were similar increases in other competitive markets outside the South East. Falls in land value were seen in Aberdeen, where there is continued uncertainty and slower sales of new homes due to lower oil prices, and in areas of relatively high land supply such as Telford.”*

Additional homes SDLT impact

- 9.13 *“On 1st April the 3% additional stamp duty payable on the purchase of “additional homes” came into effect, on top of the future restrictions on tax relief on mortgage interest for buy-to-let investors and proposed affordability restrictions on new buy-to-let lending. As a result, many buyers have rushed to complete the purchase of properties before the deadline, leading to an upward spike in transactions in March according to HMRC.*
- 9.14 *In the lead up to the deadline, investors preferred to acquire existing stock rather than off-plan purchase of new stock which would not complete before the deadline. The HBF survey data shows fewer reservations were made by buy-to-let lending. As a result, many buyers have rushed to complete the purchase of properties before the deadline, leading to an upward spike in transactions in March according to HMRC.*
- 9.15 *Since 1st April the initial sales evidence is mixed – while in some markets there has been a notable decline in investors purchasing new build homes, in others their appetite remains. We will have to wait longer to discover the full impact of the various changes, in the knowledge that the Bank of England expects its proposed*

affordability measures to limit the growth in buy-to-let lending over the next two years.

Slowing in expansion of house building

- 9.16 *“The number of homes being built has grown strongly since 2012 but the rate of expansions slowing. 21% more homes were completed in 2015 than in 2014 in England and 6% more homes were started over the same period according to DCLG. However, the number of starts has been relatively stable over the last 18 months and the number of new homes registered with NHBC between January and March 2016 was 9% lower than the same period last year. This slowing in expansions is due to many factors, including market capacity, organisational capacity amongst the larger housebuilders that have driven growth so far, the size of the skilled work force required to continue the expansion of construction, the time it takes to get from headline planning consent to an implementable consent and the scarcity of SME housebuilders and new entrants.*
- 9.17 *However, there is still appetite for increased output demonstrated by the ‘statement of intent’ published by the HBF on behalf of the major housebuilders. Housing associations are also aiming to increase delivery, for example L&Q, The Hyde Group and East Thames, who recently announced their plan to merge, are targeting delivery of 100,000 homes over the decade. Ministers are determined to find ways of bringing SME developers and new players into the market via surplus public sector land disposal, direct commissioning, custom build and other measures, in order to hit the target of 1 million additional homes during this parliament. Further increases in the flow of implementable planning consents in the right places will be required for this to work.”*

Starter Homes

- 9.18 *“As discussed in the last issue there is still much uncertainty over the detail of the forthcoming Starter Homes Policy, despite this we have looked at their potential effect on land value.*
- 9.19 *Our analysis, detailed in police response: Starter Homes, suggest that where there has been delivery of more than 10-15% traditional affordable housing, delivery of 20% Starter Homes will return approximately the same blended land value, but with*

no capacity for additional affordable housing (affordable rent shared ownership). In areas where there is relatively high delivery of traditional affordable housing (over 30%) however, Starter Homes would be deliverable alongside other affordable housing with a relatively small impact on land values.”

Outlook – UK Wide

- 9.20 *“Over the next five years we expect the average value of greenfield development land in the UK to increase at rates just above that of house prices. This assumes that the same market conditions prevail and greenfield land values retain the same relationship with house prices as they have done over the last five years.*
- 9.21 *On a regional basis, using this same assumption, we expect greenfield development land values in the South East to outperform house prices more significantly in the next five years. Greenfield land values increased by 39% in the last five years compared to 29% for house prices. Applying the relationship to our forecast for house prices to increase by 22% over the next five years would suggest that greenfield land values in the South East will increase by 30% over the same period. This, in general, is a high demand market with higher prices and more constrained supply than other parts of the country.*
- 9.22 *By contrast, we expect other markets to see land values increase more slowly than house prices over the next five years. However, the more competitive markets where there has been stronger land value growth than house price growth (such as Edinburgh, Solihull and York) are likely to buck their regional trends.”*

10.0 Commercial property values data sourced from the Valuation Office Agency (VOA) Rating List – Rental indications

10.1 VOA research based on the 4 main settlement areas of Letchworth, Baldock, Hitchin and Royston. Please note: The VOA has not updated the 'Ratings List'

10.2 The following types of commercial property were researched, only on properties of >100m²:

- Shops / premises
- Offices
- Retail Warehousing
- Industrial Warehousing
- Supermarkets
- Convenience stores

Note: Land values and 'other' commercial / non-residential property types (including hotels and care homes) are considered within the report text.

Table 7a: Industrial / Warehousing – *Examples only (existing stock – not current developments)*

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
VOA Rating list category ' Factory & premises ' – 145 entries. Examples / tone as follows:			No information	Rating assessments as indications of rental views - VOA Rating List 2010.
Avenue One, Letchworth	Approx. 2,800 sq. m	£55/sq. m	ditto	ditto
Blackhorse Road, Letchworth	Approx. 1,500 – 3,500 sq. m	£25-£45/sq. m	ditto	ditto
Blackhorse Road, Letchworth	Approx. 240 – 1,000 sq. m	£55-£65/sq. m	ditto	ditto
Flint Road, Letchworth	Approx. 250 sq. m	£55	ditto	ditto
ditto	Approx. 500 – 3,500 sq. m	£32-43/sq. m	ditto	ditto
Green Lane Industrial Estate, Letchworth	Approx. 150- 220 sq. m	£60-65/sq. m	ditto	ditto
Icknield Way, Letchworth	Approx. 270 sq. m	£62/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Icknield Way, Letchworth	Approx. 636-815 sq. m	£45-75/sq. m	ditto	ditto
Saunders Close, Green Lane, Letchworth	Approx. 300-670 sq. m	£54-85/sq. m	ditto	ditto
Jubilee Trade Centre, Jubilee Road, Letchworth	Various Approx. 180-600 sq. m	£65-75/sq. m	ditto	ditto
Knap Close, Letchworth	Approx. 180-620 sq. m	£60-75 sq. m	ditto	ditto (& note as in many cases, higher rental indications for smaller end units)
Oakfield Business Corner, Works Road, Letchworth	Approx. 185 sq. m	£95/sq. m	ditto	ditto
Woodside Industrial Park, Works Road, Letchworth	Approx. 1,365 sq. m	£65/sq. m	ditto	ditto (& note also examples of 1,300 - 1,400 sq. m units assessed at £45-50/sq. m also in works road)
Unit 718, Works Road, Letchworth	Approx. 410 sq. m	£82.50/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
ditto	Approx. 370-680 sq. m	£48-50/sq. m	ditto	ditto
Pixmore Avenue, Letchworth	Approx. 580-1,200 sq. m	£44-50/sq. m	ditto	ditto
Such Close, Letchworth	190 sq. m	£80/sq. m	ditto	ditto
ditto	450 sq. m	£65/sq. m	ditto	ditto
Baldock Industrial Estate, Baldock	Range up to 200 sq. m	£75/sq. m	ditto	ditto
Bondor Business Centre, London Road, Baldock	108 sq. m	£80/sq. m	ditto	ditto
Icknield Way, Baldock	90 sq. m	£70/sq. m	ditto	ditto
Bilton Road Industrial Estate, Hitchin	Various - Approx. 500 sq. m	£44-60/sq. m	ditto	ditto
Bury Mead Road, Hitchin	Approx. 185 sq. m	£70/sq. m	ditto	ditto
Bury Mead Road, Hitchin	Approx. 450-1,000 sq. m	£45-60/sq. m	ditto	ditto
Cam Centre, Wilbury Way, Hitchin	Approx. 300-650 sq. m	£65-70/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Coleman Business Centre, Claggy Road, Kimpton, Hitchin	Approx. 37 – 330 sq. m	£80-£100/sq. m	ditto	ditto
Cooks Way, Hitchin	Approx. 750-1,000 sq. m	£55-60/sq. m	ditto	ditto
Hunting Gate, Hitchin	Approx. 1,200-1,800 sq. m	Approx. £27-34/sq. m	ditto	ditto
Wallace Way, Hitchin	Approx. 166 sq. m	£70/sq. m	ditto	ditto
ditto	Approx. 325-400 sq. m	£60/sq. m	ditto	ditto
Wilbury Way, Hitchin				
ditto	Approx. 621 sq. m	£63/sq. m	ditto	ditto
ditto	Approx. 1,200 sq. m	£40	ditto	ditto
ditto	Approx. 650-1,700 sq. m	£40-55/sq. m	ditto	ditto
ditto	Approx. 7,500 sq. m	£30/sq. m	ditto	ditto
Jarman Way, Royston	Various range 130-5,300 sq. m	£70-75/sq. m	ditto	ditto (& note also a few indicating lower rents, but little

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
				variation)
Lumen Road, Royston	Approx. 630 sq. m	£45/ sq. m	ditto	ditto
Newark Close, Royston	Approx. 867 sq. m	£50/sq. m	ditto	ditto
Orchard Road, Royston	Approx. 200-900 sq. m	Range £45-63/sq. m	ditto	ditto (& note smaller units tend to have highest rental indications within range; but see below)
VOA Rating list category ' Warehouse & premises ' – 341 entries			No information	VOA Rating List 2010, as above.
Algrey Trading Estate, Cooks Way, Hitchin	Approx. 120 sq. m	£80/sq. m	ditto	ditto
Bury Mead Road, Hitchin	Approx. 800-2,700 sq. m	£55-57.50 /sq. m	ditto	ditto
Cam Centre, Wilbury Way, Hitchin	Approx. 73-700 sq. m	£60-70/sq. m (typically £65)	ditto	ditto
ditto	Approx. 800-2,000 sq. m	£40-55/sq. m	ditto	ditto
Elms Park, Little Wymondley	Approx. 275-330 sq. m	£55/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Enterprise Park, Claggy Road, Kimpton, Hitchin	256 sq. m	£85/sq. m	ditto	ditto
ditto	104 sq. m	£100/sq. m	ditto	ditto
Knowl Piece, Wilbury Way, Hitchin	Approx. 108-205 sq. m	£80-£85/sq. m	ditto	ditto
	Approx. 235-255 sq. m	£75/sq. m	ditto	ditto
ditto	Approx. 412 sq. m	£68/sq. m	ditto	ditto
ditto	Approx. 625 sq. m	£62/sq. m	ditto	ditto
ditto	Approx. 1,200 sq. m	Approx. £45/sq. m		
Northend Industrial Estate, Bury Mead Road, Hitchin	Approx. 100-110 sq. m	£100/sq. m	ditto	ditto
Pierson Court, Knowl Piece, Wilbury Way, Hitchin	Approx. 250 sq. m	£75/sq. m	ditto	ditto
Trust Industrial Estate, Wilbury	Approx. 1,200-1,500	£50/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Way, Hitchin	sq. m			
Wallace Way, Hitchin	Approx. 170-240 sq. m	£65-70/sq. m		
Wilbury Way, Hitchin various	Wide range of sizes	Range £45-70/sq. m with a small number of higher rental indications (up to £83/sq. m nearby)	ditto	ditto
Amor Way, Letchworth	Approx. 280-1,000 sq. m	£60-75/sq. m	ditto	ditto (& note smaller units tend to have highest rental indications within range)
Pixmore Avenue, Letchworth	Approx. 128 sq. m	£80/sq. m	ditto	ditto
ditto	Approx. 2,200 sq. m	£45/sq. m	ditto	ditto
Ascot Industrial Estate, Icknield Way, Letchworth	Various at 160-280 sq. m	£75	ditto	ditto (some variance £55/sq. m larger unit of Approx. 400 sq. m & another example at £70/sq. m)

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Avenue One, Letchworth	Approx. 2,800-7,500 sq. m	£46-55/sq. m	ditto	ditto
Business Centre East, Avenue One, Letchworth	207 sq. m	£60/sq. m	ditto	ditto
Business Centre West, Avenue One, Letchworth	65-133 sq. m	£90-95/sq. m	ditto	ditto
Blackhorse Road, Letchworth	Approx. 580-900 sq. m	£50-70/sq. m	ditto	ditto (& note also larger units of about 1,500 to 6,000 sq. m assessed at £25- 30/sq. m).
Campus Five, Third Avenue, Letchworth	Approx. 340- 360 sq. m	£75-77/sq. m	ditto	ditto
City Business Centre, Works Road, Letchworth	Approx. 297 sq. m	£90/sq. m	ditto	ditto
ditto	Approx. 610 sq. m	£74/sq. m	ditto	ditto
Diamond Industrial Centre, Works Road,	Approx. 217 sq. m	£65/sq. m	ditto	ditto (& note another unit of 600 sq. m assessed at

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Letchworth				£50/sq. m)
Dunmans Court, Dunmans lane, Letchworth	Approx. 750 sq. m	£60/sq. m	ditto	ditto
ditto	Approx. 940-1,200 sq. m	£55/sq. m	ditto	ditto
ditto	Approx. 3,900-4,300 sq. m	£45/sq. m	ditto	ditto
Fifth Avenue, Letchworth	Approx. 630 sq. m	£75/sq. m	ditto	ditto
ditto	Approx. 2,000 sq. m	£60/sq. m	ditto	ditto
Flint Road, Letchworth	Approx. 222-375 sq. m	£65/sq. m	ditto	ditto (& note nearby circa 500 sq. m units here assessed at £40/sq. m)
Focal Point, Lacerta Court, Works Road, Letchworth	Approx. 540 sq. m	£80/sq. m	ditto	ditto
ditto	Approx. 410 sq. m	Approx. £83/sq. m	ditto	ditto
ditto	Approx. 200-260 sq. m	Approx. £91/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
ditto	Approx. 180 sq. m	Approx. £95/sq. m	ditto	ditto
Fourth Avenue, Letchworth	Approx. 1,900 to 11,900 sq. m	Range £42.50 - £60/sq. m	ditto	ditto
Furmston Court, Icknield Way, Letchworth	Approx. 97- 193 sq. m	£90/sq. m	ditto	ditto
Glebe Road, Letchworth	25 – 45 sq. m	£85/sq. m	ditto	ditto
ditto	133 sq. m	£70/sq. m	ditto	ditto
Green Lane, Letchworth	Approx. 40 sq. m	£85/sq. m	ditto	ditto
ditto	427 sq. m	£60.50/sq. m	ditto	ditto
Iceni Court, Icknield Way, Letchworth	600-675 sq. m	£80/sq. m	ditto	ditto
ditto	300 sq. m	£100/sq. m	ditto	ditto
Orbital Centre, Icknield Way, Letchworth	770 sq. m	£75/sq. m	ditto	ditto
Icknield Way, Letchworth	Approx. 1,400-1,800 sq. m	£30-32/sq. m	ditto	ditto
ditto	300-400 sq. m	£55/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Jubilee Road, Letchworth	Approx. 400-600 sq. m	Approx. £70/sq. m	ditto	ditto (& note a range of larger units than these examples, with considerably lower assessments).
ditto	Approx. 200-300 sq. m	Approx. £70-80/sq. m	ditto	ditto
ditto	Approx. 155 sq. m	£85/sq. m	ditto	ditto
Lacre Way, Letchworth	40-60 sq. m	£85/sq. m	ditto	ditto
ditto	184 sq. m	£47.50/sq. m	ditto	ditto
Business Centre West, Avenue One, Letchworth	72 sq. m	£95/sq. m		
Protea Way, Pixmore Avenue, Letchworth	100-140 sq. m	£80/sq. m	ditto	ditto
ditto	255 sq. m	£70/sq. m	ditto	ditto
ditto	880 sq. m	£50/sq. m	ditto	ditto
Ridge Road, Letchworth	Approx. 230-380 sq. m	£60-65/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Shaftesbury Industrial Centre, Icknield Way, Letchworth	Approx. 140-180 sq. m	£65/sq. m	ditto	ditto
Such Close, Letchworth	118-144 sq. m	£80/sq. m	ditto	ditto
ditto	52-110 sq. m	£90/sq. m	ditto	ditto
ditto	350 sq. m	£65/sq. m	ditto	ditto
Woodside Industrial Park, Works Road, Letchworth	150-200 sq. m	£78-80/sq. m	ditto	ditto
ditto	750-1,200 sq. m	£65/sq. m	ditto	ditto
City Business Centre, Works Road, Letchworth	468 sq. m	£90/sq. m	ditto	ditto
Examples of industrial/warehousing/storage uses in more rural locations – source: VOA rating list 2010 again.				
Arnolds Farm, Potters Heath Road, Welwyn	Approx. 70 sq. m	£70/sq. m	ditto	ditto
Barns at Graveley Hall Farm, Church Lane, Gravely, Hitchin	Approx. 300-400 sq. m	£15/sq. m	ditto	ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Barn 4, The Node Farm, Drivers End, Codicote, Hitchin	Approx. 1480 sq. m	£20/sq. m	ditto	ditto
Fairclough Hall Barn, Halls Green, Weston, Hitchin	Approx. 573 sq. m	£30/sq. m	ditto	ditto
Grange Barns, Hexton, Hitchin	Approx. 620 sq. m	Approx. £32/sq. m		
Park Farm Business Estate, Nuthampstead, Royston	Approx. 312 sq. m	Approx. £45/sq. m	ditto	ditto
ditto	Approx. 922 sq. m	Approx. £30/sq. m	ditto	ditto
Roe Green, Sandon, Buntingford	Approx. 1,500 sq. m	Approx. £30/sq. m	ditto	ditto
Five House Farm Business Park, Sandon Road, Therfield, Royston	Approx. 330-550 sq. m	Approx. £35/sq. m	ditto	ditto
<p>'Workshop & premises' category search lists 593 Rating List entries for the District – typically up to Approximately 500 sq. m, but often smaller; with rental indications in the main from Approximately £40 - £110/sq. m from the rating assessments; frequently £70-90/sq. m indications.</p>				

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Storage depots & premises (Rating list category – 5 entries only for the District) with VOA Rating list assessments at between £38 - £50/sq. m – i.e. as expected, similar tone of values to those applicable to low-end industrial / warehousing / workshops etc.				

Table 7b: Out of Town / Larger Retail

Retail warehousing (large non-food) – retail warehouse park / units scenario often occupied by large / national chains – 9 VOA rating list entries in total for North Hertfordshire District. Rating assessment as an indication of rental value of principal space at a £/sq. m. *Note: assumptions are also made from wider experience.*

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Cotton Brown Park, Jubilee Road, Letchworth	Variety of units (5 in total) at 700 – 2,400 sq. m Approx. Not listed separately here.	Principal space assessed by VOA at £150/sq. m		VOA Rating List 01/04/10
Nightingale Road, Hitchin (Unit occupied by B&Q Ltd)	Approx. 2350 sq. m	Principal space assessed by VOA at £125/sq. m		ditto

Second Avenue, Baldock Road, Letchworth	2 units of Approx. 470 sq. m	Principal space assessed by VOA at £130/sq. m		ditto
ditto	1 larger unit of 3,284 sq. m	Principal space assessed by VOA at £115/sq. m		
<i>(Out of District at Oaklands, London Road, Stevenage)</i>	Approx. 8,200 – 39,400 sq. ft (762 – 3,660 sq. m)	New retail warehouse development with guide rent of £20/sq. ft.		Estates Gazette Property Link (estatesgazette.com) – Davies (Entry last updated Nov 11)

Table 7c: Large Retail (Food)

Rating list category – ‘Superstores & Premises’ – 6 entries for the District.

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Bedford Road, Hitchin (Waitrose)	Approx. 3,890 sq. m	RV as an indication of rental value of principal space at £200/sq. m.		VOA Rating list 01/04/10
Broadway, Letchworth (WM Morrison)	Approx. 7,473 sq. m	Ditto – at £230/sq. m.		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
High Street, Baldock (Tesco)	Approx. 9,762 sq. m	Ditto – at £200/sq. m		ditto
Old North Road, Royston (Tesco)	Approx. 9,487 sq. m	Ditto – at £260/sq. m		ditto
Third Avenue, Letchworth (J Sainsbury)	Approx. 7,620 sq. m	Ditto – at £237/sq. m		ditto
Winbush Road, Hitchin (J Sainsbury)	Approx. 3,585 sq. m	Ditto – at £200/sq. m		ditto
RETAIL – Centres / Local Shops - Examples				
The below are rental indications from the VOA Rating list 2010 Assessments				
Royston				
Angel Pavement		£200/sq. m		VOA Rating list 01/04/10 – rental value indications (as in all cases in this section, unless stated otherwise).
Baldock Street		£230/sq. m		
Ditto – 2,300 sq. m foodstore (Morrison)		£96.50/sq. m		
Burns Road (incl pharmacy)		£250-310/sq. m		
Church Lane		£250/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Corn Exchange, Market Hill		£200/sq. m		
Market Hill		£200-400/sq. m		
Fish Hill		£250/sq. m		
George Lane		£200-300/sq. m		
High Street		£265-400/sq. m (some variance around key area £300/325)		
Icknield Walk		£140/sq. m		
John Street		£200/sq. m		
Kneesworth Street		£210/sq. m		
Lower King Street		£200/sq. m		
Upper King Street		£175/sq. m		
Melbourn Road		£400/sq. m		
Melbourn Street		£250/sq. m		
Queens Road		£220/sq. m		
Shakespeare		£175/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Church End, (Barley)		£115/sq. m		
Hitchin				
Arcade Walk		£250/sq. m (larger units at £175/sq. m)		
Bancroft		£275- 900/sq. m		
Bearton Road		£150/sq. m		
Bedford Road		£125/sq. m		
Brand Street		£300- 500/sq. m		
Bridge Street		£300/sq. m		
Bucklersbury		£300- 400/sq. m		
Cambridge Road		£240/sq. m		
Churchgate		£225- 350/sq. m		
Churchyard		£350- £550/sq. m & small number of lower		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
		assessments		
Grove Road		£160- 175/sq. m		
Hermitage Road		£220- 340/sq. m		
High Street		£900/ sq. m		
Highbury Road		£170/sq. m		
Ickleford road		£100/sq. m		
John Barker Place		£80/sq. m		
Market Place		£315- 600/sq. m (principally upper end of range)		
Nightingale Road		£165/sq. m		
Ninesprings Way		£85- 100/sq. m		
Queen Street		£225/sq. m (& Approx. 920 sq. m Asda unit assessed at £88/sq. m)		
Redhill Road		£295/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Stevenage Road		£175/sq. m		
Strathmore Avenue		£175- 200/sq. m		
Sun Street		£225- 400		
The Arcade		£175- 250/sq. m		
The Mead		£170/sq. m		
Tilehouse Street		£175/sq. m		
Walsworth Road		£150- 250/sq. m		
West Alley		£120- 195/sq. m		
Woolgrove Road		£125/sq. m		
Waterdell Lane, St Ippolyts		£135/sq. m		
Priory Lane, Little Wymondley		£120- 165/sq. m		
Post Office Row, Weston		£175/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Graveley farm Shop, Graveley		£22/sq. m		
High Street, Whitwell		£150/sq. m		
Lilley Bottom Road, Whitwell		£140/sq. m		
High Street, Pirton		£130/sq. m		
Luton Road, Offley		£100/sq. m		
High Street, Offley		£100/sq. m		
High Street, Codicote		£200/sq. m		
Klaggy Road, Kimpton		£120/sq. m		
Arlesey Road, Ickleford		£140-230/sq. m		
High Street, Kimpton		£150/sq. m		
Letchworth				
Arena Parade		£250/sq. m		
Baldock Road		£140/sq. m		
Broadway		£195-220/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Bursland		£90/sq. m		
Central Approach		£525/sq. m (Peacocks 1,300 sq. m unit @ £500)		
Commerce Way		£680- £700/sq. m & small number of lower assessments		
Eastcheap		£220- £330/sq. m		
Howard Park Corner		£160- 200/sq. m		
Ivel Court		£55/sq. m		
Jubilee Road (Lidl Unit)		Approx. 1,220 sq. m assessed at £148.50/sq. m		
Leys Avenue		£240- 330/sq. m & lower range at £160-190		
Howard Drive		£90/sq. m		
North Avenue		£90/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Norton Way		£160/sq. m		
Pixmore Avenue		£70- 140/sq. m		
Spring Road		£90/sq. m		
Station Forecourt		£240- 300/sq. m		
Station Road		£160- 250/sq. m		
The Arcade		£180/sq. m		
The Parade, Southfields		£95- 120/sq. m		
The Wynd		£105- 120/sq. m		
(Post Office) Willian		£100/sq. m		
Baldock				
High Street (Kingswood Chemists, Astonia House)		£775/sq. m		
High Street		£225- 400/sq. m		
Hitchin Street		£100-		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
		275/sq. m		
London Road		£110/sq. m		
Mansfield Road		£200- 225 sq. m		
St Mary's Way		£110/sq. m		
Sun Street		£175/sq. m		
Whitehorse Street		£120- 275/sq. m		
Yeomanry Drive		£110/sq. m		
Mill Street, Ashwell		£150/sq. m		
High Street, Ashwell		£150- £200/sq. m		
Knebworth				
Stockens Green		£120/sq. m		
Stevenage Road		£165/sq. m		
London Road		£220-350; principally £300/sq. m		
Station Road		£225/sq. m		
Also noted:		£250/sq. m		

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Neighbourhood Centre, Whitehorse Lane, Great Ashby Way, Nr Stevenage		(larger unit of 978 sq. m Approx. assessed at £172/sq. m)		
Other information sources providing sales / yields indications, etc:				
Angel Pavement, Royston	694 sq. ft (65 sq. m) unit.	Offered to let at £9,750 p.a. (indicates £150/sq. m) or for sale at £120,000.	Asking figures indicate yield view circa 8% but unconfirmed.	Estates Gazette Property Link (estatesgazette.com) – Cheffins (Entry last updated Nov 11)
High Street, Royston	913 sq. ft (85 sq. m) unit.	Offered to let at £21,500 p.a. (indicates £253/sq. m) or for sale at £220,000.	Asking figures indicate yield view circa 9.8% but unconfirmed.	Estates Gazette Property Link (estatesgazette.com) – Aitchison Rafferty (Entry last updated Aug 11)
Hermitage Road, Hitchin	2,379 sq. ft (221 sq. m) unit.	Offered to let at £30,000 p.a. (indicates £136/sq. m) or for sale at £325,000.	Asking figures indicate yield view circa 9.2% but unconfirmed.	Estates Gazette Property Link (estatesgazette.com) – Aitchison Rafferty (Entry last updated Nov 11)
Central Hitchin	Proposed retail / residential scheme – tbc. Quoted as 3,000-33,000 sq. ft to let.			Estates Gazette Property Link (estatesgazette.com) – Strutt & Parker (Entry last updated Nov 11)

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Garden Square Shopping Centre, Letchworth	8 shops to let within main central precinct – units having sales areas from 47 to 442 sq. m.	Quoting rents from £25,000 to £125,000 p.a.		Estates Gazette Property Link (estatesgazette.com) – Strutt & Parker (Entry last updated Nov 11)
Searching for new /recent build retail property examples / retail deals in general produced very little information. VOA rating list and EGi were referred to.				

Table 7d: Offices

The VOA Rating list 2010 contains 940 entries for the District (Category – Offices & premises - CO) with rating assessments indicating VOA rental opinions ranging between £47.50 and £200/sq. m at the extremes. Units at the upper end of this range are in the main very small (usually 100 sq. m or less). At the lower end are some conversions and former industrial type space, etc. The most frequent indications are within the £100-£130/sq. m for existing office space, and certainly within the £75-£150/sq. m range. Examples as follows:

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Amor Way, Letchworth	Approx. 300 sq.	£88/sq. m		VOA Rating list 2010 valuations as an indication of rental

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
	m			levels
Pixmore Avenue, Letchworth	Approx. 100-300 sq. m	£89-105/sq. m		ditto
Ditto – Pixmore Centre	Small suites - to c. 50 sq. m	£100/sq. m		ditto
Avenue One, Letchworth	Approx. 980- 1,750 sq. m	£75-125/sq. m		ditto
Birds Hill Letchworth	40-50 sq. m	£85-110/sq. m		ditto
Blackhorse Road, Letchworth	Approx. 300-500 sq. m	£50/sq. m		ditto
Broadway, Letchworth	Approx. 140- 1,600 sq. m	£75-110/sq. m		ditto
Business Centre East, Avenue One, Letchworth	Approx. 426 sq. m	£145/sq. m		ditto
Business Centre West, Avenue	Approx. 110-380	£85-105/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
One, Letchworth	sq. m			
Third Avenue, Letchworth	Approx. 177 sq. m	£105/sq. m		ditto
Commerce Way, Letchworth	Approx. 130-500 sq. m	£50-90/sq. m		ditto
Devonshire Business Centre, Works Road, Letchworth	Approx. 10-110 sq. m	£100- 110/sq. m		ditto
Dunhams Lane, Letchworth	Approx. 300-900 sq. m	Range £65-155/sq. m		ditto
Eastcheap/Central Approach, Letchworth	Approx. 60-190 sq. m	Range £55-115/sq. m		ditto
Fifth Avenue, Letchworth	Approx. 35- 1,640 sq. m	£75- £115/sq. m		ditto
Ditto - Venture House, Fifth Avenue	Range of small suites, most Approx.	£115/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
	50 sq. m			
Focus Four, Fourth Avenue, Letchworth	Approx. 270- 1,280 sq. m	£125- 155/sq. m		ditto
Ickniel Way, Letchworth	Approx. 115-920 sq. m	£100- 135/sq. m		ditto
Leys Avenue, Letchworth	Approx. 20-185 sq. m	£75-135/sq. m		ditto
Nexus, Broadway, Letchworth	Approx. 30-560 sq. m	£115- 135/sq. m		ditto
High Street, Letchworth	Approx. 25-200 sq. m	£120- 155/sq. m		ditto
Pioneer House, Norton Way South, Letchworth	Approx. 440 sq. m	£142/sq. m		ditto
Norton Way South - other	Suites of up to Approx. 300 sq. m	£75-110/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Ridge Road, Letchworth	Approx. 80 -220 sq. m	£100-120/sq. m		ditto
Spirella Building, Bridge Road, Letchworth	Suites of up to 290 sq. m	£155-165/sq. m		ditto
ditto	Suites of Approx. 400-900 sq. m	£125- 143/sq. m		ditto
ditto	Approx. 1,000 sq. m	£125		ditto
Station Place/ Station Road, Letchworth	Approx. 40-300 sq. m	£95- 135/sq. m (larger suites e.g. at Dorchester House 600 sq. m + assessed at £65/sq. m)		ditto
Other information sources providing sales / yields indications, etc:				
Dunham's Lane, Letchworth	4,788 – 9,555 sq. ft	Offices offered for sale at £125/sq. ft (1,345/sq. m)		Estates Gazette Property Link (estatesgazette.com) – Davies (Entry last updated July 11)
ditto	4,767	Quoting rental at £49,500	Asking	Estates Gazette

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
	sq. ft (443 sq. m)	p.a. (indicates £112/sq. m) or for sale at £595,000 (£1,343/sq. m).	figures indicate yield 8.3% but unconfirmed.	Property Link (estatesgazette.com) – Brown & Lee (Entry last updated Nov 11)
Bancroft/Bancroft Court, Hitchin	Wide range Approx. 30-680 sq. m	Range £74-150/sq. m. Most at £100-130/sq. m. Few examples above these ranges (small suites).		ditto
Bedford Road, Hitchin	Approx. 12-270 sq. m	£105- 120/sq. m		
Brand Street, Hitchin	Approx. 30-690 sq. m	£105-130/sq. m (1 @ £150)		ditto
Bilton Road, Hitchin	Approx. 35-80 sq. m	£100- 110/sq. m		ditto
Bridge Street, Hitchin	Approx. 35-220 sq. m	£110-125/sq. m (1 @ £150)		ditto
Bucklersbury, Hitchin	Approx. 20-180 sq. m	£120- 130/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Bury Mead Road, Hitchin	Approx. 20-900 sq. m	£100-110/sq. m (1 @ £120)		ditto
Cam Centre, Wilbury Way, Hitchin	Approx. 63 sq. m	£105/sq. m plus range of smaller suites at lower rental indications of circa £65/sq. m.		ditto
Knowl Piece, Wilbury Way, Hitchin	Approx. 140-700 sq. m	Range £90-130/sq. m		ditto
Charlton Road, Hitchin	Approx. 250 sq. m	£100/sq. m		ditto
Cooks Way, Hitchin	Approx. 530 sq. m	£120/sq. m		ditto
Bilton Road, Hitchin	35-80 sq. m	£100- 110/sq. m		ditto
Church Yard, Hitchin	Approx. 77-163 sq. m	£120/sq. m		ditto
Franklin Gardens, Hitchin	Approx. 120 sq. m	£125/sq. m		ditto
Hermitage Road,	Approx.	£100- 120/sq. m (1 @		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Hitchin	55-1,400 sq. m	£150)		
High Street, Hitchin	Approx. 50-200 sq. m	£90-130/sq. m		ditto
Hunting Gate, Hitchin	Approx. 140-1,650 sq. m	£65-80/sq. m		ditto
Walsworth Road, Hitchin	Approx. 200-450 sq. m	£95/sq. m		ditto
ditto	Range of smaller suites	£110/sq. m		ditto
Market Place, Hitchin	Approx. 50-400 sq. m	£120-130/sq. m		ditto
Park Street, Hitchin	Approx. 580 sq. m	£120/sq. m		ditto
Paynes Park, Hitchin	Approx. 10-220 sq. m	£120/sq. m in the main, rising to £130-150 in a few instances		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
Portmill Lane, Hitchin	Approx. 170-520 sq. m	£95-120/sq. m		ditto
Sun Street, Hitchin	Up to Approx. 115 sq. m	Generally £120- 130/sq. m		ditto
Tilehouse Street, Hitchin	Up to Approx. 160 sq. m	Approx. £160/sq. m. Some larger premises assessed at £120/sq. m.		ditto
Community Resource Centre, Winbush House, Unity Road, Hitchin	Approx. 229 sq. m	£120/sq. m		ditto
Titmore Green, Little Wymondley, Hitchin	Up to Approx. 275 sq. m	£120/sq. m		ditto
Bearton Road / Green, Hitchin	Approx. 14- 47/sq. m	£175- 200/sq. m		ditto
Bakers Lane / Farriers Close, Codicote, Hitchin	Approx. 30-80 sq. m	£100- 130/sq. m		ditto
Drivers End, Codicote, Hitchin	Approx. 40-400	£100- 110/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
	sq. m			
Codicote Innovation Centre, Hitchin	Very small suites of up to 20 sq. m	£200/sq. m		
ditto	Slight larger suites of up to 50 sq. m	£175/sq. m		ditto
Bedford Road, Ickleford, Hitchin	107 sq. m	£140/sq. m		ditto
Halls Green, Weston, Hitchin	Approx. 20-170 sq. m	£100-115/sq. m (1 @ £60)		ditto
Weston Barns, Hitchin Road, Weston, Hitchin	Approx. 40-170 sq. m	£68-115/sq. m		ditto
Hexton Stables / Manor, Hexton, Hitchin	Approx. 110-120 sq. m	£60-70/sq. m		ditto
Hitchwood Lane, Preston, Hitchin	Approx. 15-106 sq. m	£140-155/sq. m		ditto

Type / Details	Size – sq. m	Rental (or freehold price indication) where available	Yield indication (where known or estimated from other figures)	Source / Other / comments
ditto	Approx. 280 sq. m	£130/sq. m		ditto

Table 7e: Convenience Stores

Name	Address	Size (m ²)	£/m ² Headline Annual Rental Indications	Rateable Value	£/m ² Average Annual Rental Indications
Tesco Express	102 Bedford Road, Letchworth	351.6	90	£13,750	£40
Sainsbury's Local	Eastcheap, Letchworth	120.52	330	£24,250	£201
Average:		236.06	£210	£19,000	£120
Lowest Value (Overall):				£40	
Highest Value(Overall):				£201	

Hotels

- 10.3 Searched VOA Rating List web-site – 15 hotels listed - no summary valuations available owing to commercial sensitivities – limited information to apply. Wider web research showed values to be highly variable dependent on type, location and likely letting income. In practice, much on viability will depend on specifics. Assumptions have been made – see report details.

Care Homes

- 10.4 From our research, so far as we could see there is no well-established new build care homes market – no current examples. No readily available local information to inform values assumptions, which were considered following wider research and looking further afield. Searched VOA Rating List web-site but none found. Limited information to apply. Wider web research showed values to be highly variable dependent on type, location and other factors. Again, viability will in practice depend on specifics. Assumptions have been made – see report details.

11.0 Commercial property values – EGI Data Analysis

- 11.1 The EGI data set out in the table below provides the main summary details of commercial rents in the North Hertfordshire District including industrial units, shops, retail warehousing and office units. The full EGI data set can be found at the end of this Appendix III.

Table 8a: EGI Data Analysis – Deals Data Advanced

EGI	Deals Data (Advanced)					Overall Average Deals Data
	Minimum	1st Quartile	Median	3rd Quartile	Maximum	
Industrial	£44	£60	£72	£82	£203	£92
Offices	£57	£108	£124	£139	£179	£121
Retail	£61	£137	£174	£268	£817	£292

Table 8b: EGI Data Analysis – Availability Data

EGI	Availability Data					Overall Average Availability
	Minimum	1st Quartile	Median	3rd Quartile	Maximum	
Industrial	£8	£56	£72	£87	£119	£68
Offices	£81	£128	£148	£175	£271	£161
Retail	£52	£163	£212	£277	£375	£216

12.0 Land Values Economic Context

Knights Frank Residential Development Land Index Q2 2016

- 12.1 Headline reads *“Development Land Prices Dip in Q2”*
- 12.2 *“Pricing for residential development land slipped between April and the end of June. While this quarterly reduction extended annual declines in pricing for prime central London and greenfield development land, urban brownfield land is still recording strong annual growth.*
- 12.3 *Greenfield development land prices declined by 2.3% between April and the end of June taking the annual fall to 3.8%.*
- 12.4 *In prime central London, average residential development land prices fell for the third consecutive quarter, dropping by 6.9% average values are down 9.4% on an annual basis, but this follows several years of very strong growth, so the index has returned to 2014 levels.*
- 12.5 *Developers reported that activity continued in the run-up to the EU referendum vote, with house purchase rates remaining steady, especially on the regional markets. The fundamentals of the market, characterised by an imbalance between supply and demand and ultra-low mortgage rates, remain unchanged.*
- 12.6 *However, some housebuilders and developers are increasing their margins and hurdle rates on greenfield and prime central London land deals. This is in order to allow for increased uncertainty over the future economic landscape as the UK negotiates its way to a new position within the Europe. This is feeding into land prices.*
- 12.7 *In terms of greenfield sites, smaller plots for around 150-200 units close to urban areas and transport links are still the most in demand, with higher levels of competition for such opportunities. Construction costs, which have risen notably over the last years, as shown in figure 1, are also a factor in land prices, especially in the central London market. Here the cost of construction is altering the viability of some sites and in some cases this has led to a trimming of land costs.*

- 12.8 *Urban land values are up by more than 9%. There is still strong demand for city centre sites in key regional locations, and in outer London boroughs, although the dynamics of each market are closely aligned with the demand and supply fundamentals at play in the local area.”*

England Greenfield Development Land Index

Date	Index	12-month % change	6-month % change	3-month % change
Jun-14	107.29	5.6%	2.0%	1.0%
Sep-14	107.51	3.7%	1.2%	0.2%
Dec-14	107.57	2.3%	0.3%	0.1%
Mar-15	105.68	-0.5%	-1.7%	-1.8%
Jun-15	104.70	-2.4%	-2.7%	-0.9%
Sep-15	104.48	-2.8%	-1.1%	-0.2%
Dec-15	104.64	-2.7%	-0.1%	0.2%
Mar-16	103.08	-2.5%	-1.3%	-1.5%
Jun-16	100.75	-3.8%	-3.7%	-2.3%

Urban Development Land Index

Date	Index	12-month % change	6-month % change	3-month % change
Jun-15	106.00		6.0%	2.8%
Sep-15	109.12		5.9%	2.9%
Dec-15	111.85	11.9%	5.5%	2.5%
Mar-16	116.91	13.4%	7.1%	4.5%
Jun-16	115.62	9.1%	3.4%	-1.1%

Savills Market in Minutes: UK Residential Development Land- May 2016

- 12.9 *Headline reads: “Land value growth spreading to lower value markets”*
- 12.10 *“Urban and greenfield development land values increased at similar rates in the first three months of 2016. Urban development land values grew by 1.0% in Q1 2016 and greenfield values rose by 1.0%, delivering annual growth of 7.5% and 2.6% respectively.*

- 12.11 *We forecast average greenfield land values in the UK to increase slightly faster than house prices over the next five years if recent trends prevail.*
- 12.12 *Greenfield and urban land values: Greenfield development land values across the UK have increased in line with those for urban land this quarter but annual growth remain much stronger for urban development land which has risen from a lower base. Urban land values increased by 1.0% in Q1 2016 (1.5% in Q4 2015) taking annual growth to 6.6%. Greenfield land values also increased by 1.0% in Q1 2016 (0.7% in Q4 2015) bringing annual growth to just 2.5%.*
- 12.13 *For many areas of the country supply and demand remain in balance, with the number and strength of bids for development sites resulting in relatively stable values. Much of this growth is accounted for by the strength of the South East market which saw a 2.4% increase in greenfield land value in the last quarter. There were similar increases in other competitive markets outside the South East. Falls in land value were seen in Aberdeen, where there is continued uncertainty and slower sales of new homes due to lower oil prices, and in areas of relatively high land supply such as Telford.*
- 12.14 *Additional homes SDLT impact: on 1st April the 3% additional stamp duty payable on the purchase of “additional homes” came into effect, on top of the future restrictions on tax relief on mortgage interest for buy-to-let investors and proposed affordability restrictions on new buy-to-let lending. As a result, many buyers have rushed to complete the purchase of properties before the deadline, leading to an upward spike in transactions in March according to HMRC.*
- 12.15 *In the lead up to the deadline, investors preferred to acquire existing stock rather than off-plan purchase of new stock which would not complete the purchase of properties before the deadline. The HBF survey data shows fewer reservations were made by buy-to-let investors on new build homes in January and February this year whilst the number of first time buyers and existing owner-occupiers increased over the same period.*
- 12.16 *Since 1st April the initial sales evidence is mixed – while in some markets there has been a notable decline in investors purchasing new build homes, in others their appetite remains. We will have to wait longer to discover the full impact of the*

various changes, in the knowledge that the bank of England expects its proposed affordability measures to limit growth in buy-to-let lending over the next two years.

- 12.17 *Outlook (UK Wide) – Over the next five years we expect the average value of greenfield development land in the UK to increase at rates just above that of house prices. This assumes that the same market conditions prevail and greenfield land values retain the same relationship with house prices as they have done over the last five years.*
- 12.18 *On a regional basis, using this same assumption, we expect greenfield development land values in the South East to outperform house prices more significantly in the next five years. Greenfield land values increased by 39% in the last five years compared to 29% for house prices. Applying this relationship to our forecast for the house prices to increase by 22% over the next five years would suggest that greenfield land values in the South East will increase by 30% over the same period. This, in general, is a high demand market with higher house prices and more constrained supply than other parts of the country.*
- 12.19 *By contrast, we expect other markets to see land values increase more slowly than house prices over the next five years. However, the more competitive markets where there has been stronger land value growth than house price growth (such as Edinburgh, Solihull and York) are likely to buck their regional trends”.*

12.20 The text here relates to the principles referred to in the main body text of the viability assessment report – e.g. within Chapter 3.

12.21 Land value in any given situation should reflect specific viability influencing factors, such as:

- the existing use scenario;
- planning potential and status / risk (as an indication and depending on circumstances, planning risk factors may equate to a reduction from a “with planning” land value by as much as 75%);
- development potential – scale, type, etc. (usually subject to planning) and;
- development constraints – including site conditions and necessary works, costs and obligations (including known abnormal factors);
- development plan policies

12.22 It follows that the planning policies and obligations will have a bearing on land value; as has been recognised by examiners and Planning Inspectors.

12.23 In order to consider the likely viability of local plan policies in relation to any development scheme relevant to the Local Plan, the outturn results of the development appraisals (the RLVs viewed in £/ha terms) need to be somehow measured against a comparative level of land value. This is a key part of the context for reviewing the strength of the results as those change across the range of assumptions on sales values (GDVs) and crucially including the effect of local plan policies (including affordable housing), and other sensitivity tests.

12.24 This comparison process is, as with much of strategic level viability assessment, not an exact science. It involves judgements and the well-established acknowledgements that, as with other appraisal aspects, land values will in practice vary from scheme to scheme as well as being dependent to some extent on timing in relation to market conditions and other wider influences such as Government policy. The levels of land values selected for this comparison context are often known as ‘benchmark’ land values, ‘viability tests’ (as referred to in our results tables – Appendices II and IV) or similar. They are not fixed in terms of creating definite cut-offs or steps in viability, but in our experience they serve well in terms of adding a layer of filtering to the results, to help enable the review of those; they help to highlight the tone of the RLV

results and therefore the changing strength of relationship between the values (GDVs) and development costs as the appraisal inputs (assumptions) change.

- 12.25 As suitable (appropriate and robust) context for a high level review of this nature, DSP's practice is to compare the wide range of appraisal RLV results with a variety of potential land value comparisons in this way. This allows us to consider a wide range of potential scenarios and outcomes and the viability trends across those. This approach reflects the land supply picture that the Council expects to see.
- 12.26 The land value comparison levels are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. In our experience, sites will come forward at alternative figures – including in some cases beneath the levels assumed for this purpose. We have considered land values in a way that supports an appropriately “buffered” type view.
- 12.27 To inform these land value comparisons or benchmarks we sought to find examples of recent land transactions locally. In this case we received few indications from the various soundings we took and sources we explored. In the usual and appropriate way for such a study, we also reviewed information sourced as far as possible from the VOA, previous research / local studies / advice provided by the Council, through seeking local soundings, EGi; and from a range of property and land marketing websites. Details, so far as available and publishable, are provided in this Appendix – see below.
- 12.28 In terms of the VOA, data available for comparison has reduced significantly since the July 2009 publication of its Property Market Report (PMR), with data provided only on a limited regional basis in the later reporting. The VOA now no longer produces a PMR and suggests that caution should be used when viewing or using its data. Nevertheless in areas where it is available, the data can provide useful indicators, certainly in terms of trends.
- 12.29 This consideration of land values assumes all deductions from the GDV covered by the development costs assumptions.
- 12.30 Agricultural land values reported by the VOA and a range of other sources are indicated to be circa £20,000/ha in existing use. The HCA issued a transparent assumptions document which referred to guide parameters of an uplift of 10 to 20

times agricultural land value. This sort of level of land value could also be relevant to a range of less attractive locations or land for improvement. This is not to say that land value expectations in such scenarios would not go beyond these levels – they could well do in a range of circumstances.

- 12.31 Land value judgements for the assessment purpose are based on seeking to ensure a competitive return to a willing landowner, as is recognised through the RICS guidance on ‘Financial Viability in Planning’ (RICS GN 94/2012 – as noted below), the NPPF requirements and other papers on viability assessment such as noted within Report Chapters 1 and 2.
- 12.32 The consideration of land value – whether in the RICS’ terms (see below) or more generally for this context, involves looking at any available examples (‘comparables’) to inform a view on market value and may well also involve considering land value relating to an existing or alternative use (‘EUV’ or ‘AUV’). Existing use value may also be referred to as ‘CUV’ (i.e. current use value). In addition, there may be an element of premium (an over-bid or incentive) over ‘EUV’ or similar required to enable the release of land for development.
- 12.33 The HCA’s draft document ‘Transparent Viability Assumptions’ that accompanies its Area Wide Viability Model suggested that *‘the rationale of the development appraisal process is to assess the residual land value that is likely to be generated by the proposed development and to compare it with a benchmark that represents the value required for the land to come forward for development’*. This benchmark is referred to as threshold land value in that example: *‘Threshold land value is commonly described as existing use value plus a premium, but there is not an authoritative definition of that premium, largely because land market circumstances vary widely’*. Further it goes on to say that *‘There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied’*.
- 12.34 RICS Guidance² refers to site value in the following *‘Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan... The residual land value (ignoring any planning obligations and assuming planning permission is in place) and*

² Financial Viability in planning – RICS Guidance note (August 2012)

current use value represent the parameters within which to assess the level of any planning obligations’.

- 12.35 The Local Housing Delivery Group report³ chaired by Sir John Harman, notes that *‘Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful ‘sense check’ on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.*
- 12.36 *We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values’.*
- 12.37 Any overbid level of land value (i.e. incentive or uplifted level of land value) would be dependent on a ready market for the existing or other use that could be continued or considered as an alternative to pursuing the redevelopment option being assumed. The influences of existing / alternative uses on site value need to be carefully considered. At a time of a low demand through depressed commercial property market circumstances, for example, we would not expect to see inappropriate levels of benchmarks or land price expectations being set for opportunities created from those sites. Just as other scheme specifics and appropriate appraisal inputs vary, so will landowner expectation.
- 12.38 In summary, reference to the land value benchmarks range as outlined within the report and shown within the Appendix II and IV results summary table footnotes (range overall £250,000/ha to £2,400,000/ha), as informed by the information review, have been formulated with reference to the principles outlined above and are considered appropriate.

Appendix III Ends (August 2016)

EGI Town Report to follow

³ Local Housing Delivery Group – Viability Testing Local Plans (June 2012)



EGi Town Report Prepared

02 August 2016

Area: North Hertfordshire (2012 Districts and Council Areas)

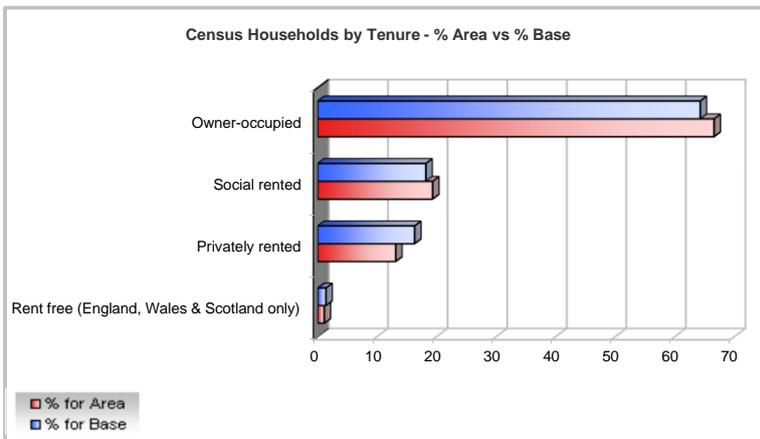
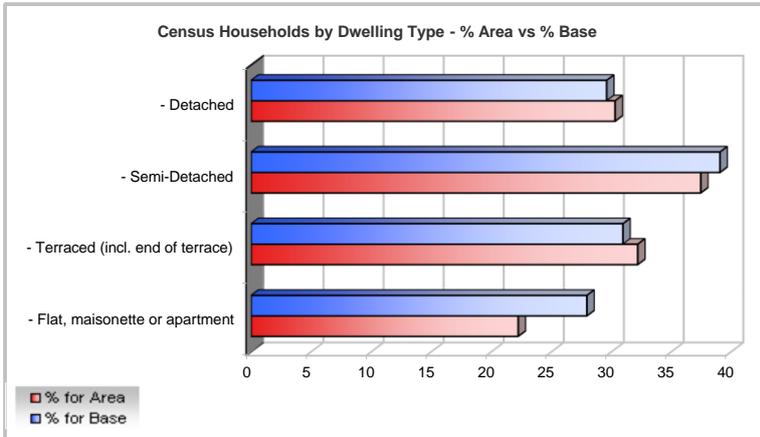
2011 Census Households Profile



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

	Data for area	Data as % for area	Data as % for base	Index av=100	0	100	200
Total Resident Population	127,114	100.0	100.0	100			
Total Households	53,426	100.0	100.0	100			
Dwelling Type	43,436	100.0	100.0	100			
All unshared accommodation	43,406	99.9	99.6	100			
- Detached	13,158	30.3	29.6	102			
- Semi-Detached	16,269	37.5	39.1	96			
- Terraced (incl. end of terrace)	13,979	32.2	30.9	104			
- Flat, maisonette or apartment	9,655	22.2	27.9	80			
In purpose built block	8,466	19.5	22.4	87			
In converted/shared building	736	1.7	4.4	38			
In commercial building	453	1.0	1.1	92			
- In caravan or other mobile or temporary structure	335	0.8	0.4	177			
Shared accommodation	30	0.1	0.4	17			
Tenure	53,426	100.0	100.0	100			
Owner-occupied	35,544	66.5	64.2	104			
Owned outright	16,201	30.3	30.6	99			
Owned with mortgage or loan	18,871	35.3	32.9	107			
Shared Ownership	472	0.9	0.7	121			
Social rented	10,304	19.3	18.2	106			
Rented from council	3,774	7.1	9.8	72			
Other social rented	6,530	12.2	8.3	147			
Privately rented	6,993	13.1	16.3	80			
Private landlord or letting agency	6,460	12.1	14.8	81			
Employer of household member	97	0.2	0.2	77			
Relative or friend of household member	324	0.6	0.9	66			
Other privately rented	112	0.2	0.3	81			
Rent free (England, Wales & Scotland only)	585	1.1	1.4	80			
Cars or vans in household	53,426	100.0	100.0	100			
No cars or vans	8,895	16.6	26.0	64			
1 car or van	22,932	42.9	42.2	102			
2 cars or vans	16,463	30.8	24.5	126			
3 cars or vans	3,787	7.1	5.4	131			
4 cars or vans or more	1,349	2.5	1.9	133			

Area: North Hertfordshire (2012 Districts and Council Areas)
 Base: Great Britain



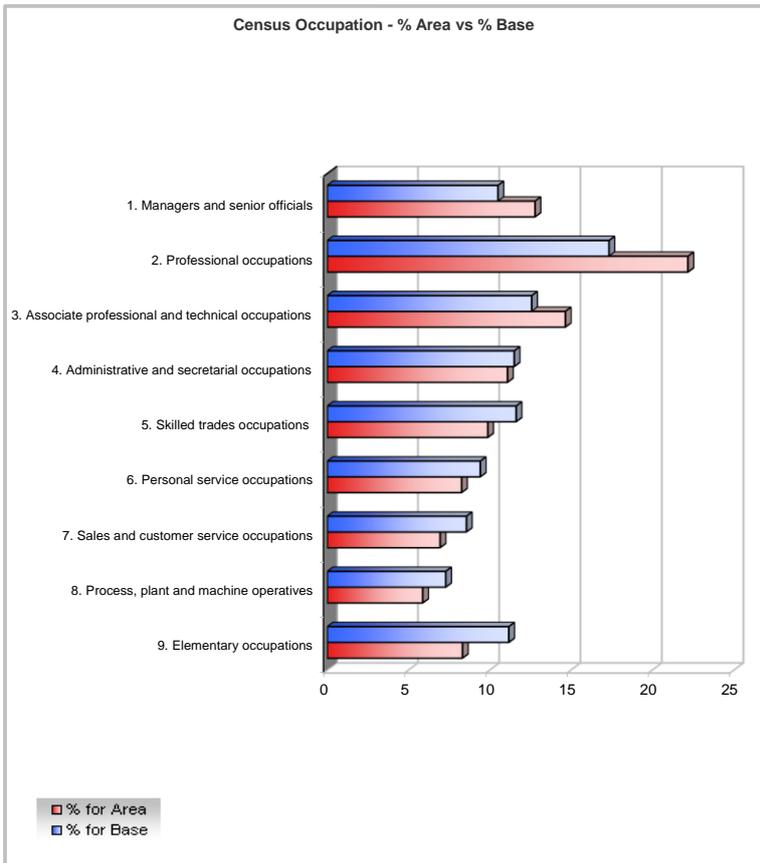
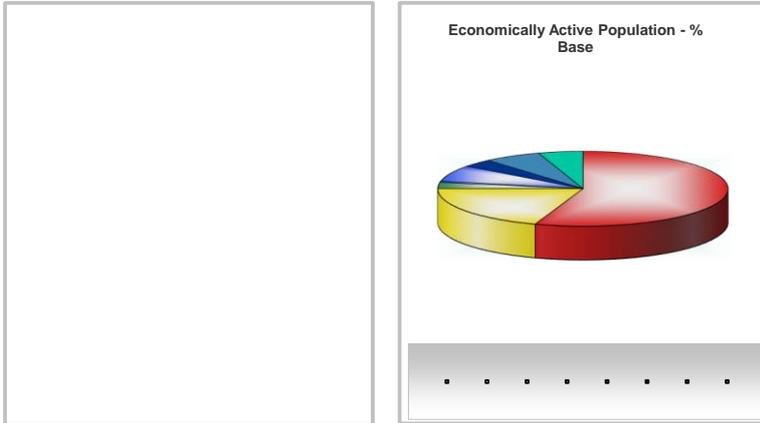
2011 Census Economic Activity, Occupation, and Industry



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

	Data for area	Data as % for area	Data as % for base	Index av=100	0	100	200
Total Population Aged 16-74	94,899	100.0	100.0	100			
Economically Active Population	68,564	100.0	100.0	100			
Employed	52,929	77.2	75.0	103			
- Full-time	40,147	58.6	55.3	106			
- Part-time	12,782	18.6	19.7	95			
Self Employed with Employees	2,189	3.2	3.2	100			
- Full-time	1,805	2.6	2.7	99			
- Part-time	384	0.6	0.5	106			
Self Employed without Employees	7,851	11.5	21.8	53			
- Full-time	4,990	7.3	7.0	104			
- Part-time	2,861	4.2	3.5	120			
Unemployed	3,145	4.6	6.4	72			
Student	2,450	3.6	5.0	72			
Economically Inactive Population	22,946	100.0	100.0	100			
Retired	12,149	52.9	45.6	116			
Student	3,429	14.9	19.0	31			
Looking after home or family	3,959	17.3	14.0	27			
Long-term sick or disabled	2,179	9.5	14.2	59			
Other Inactive	1,230	5.4	7.2	14			
Occupation	64,990	100.0	100.0	100			
1. Managers and senior officials	8,310	12.8	10.5	122			
2. Professional occupations	14,418	22.2	17.3	128			
3. Associate professional and technical occupations	9,522	14.7	12.6	116			
4. Administrative and secretarial occupations	7,209	11.1	11.5	96			
5. Skilled trades occupations	6,420	9.9	11.6	85			
6. Personal service occupations	5,372	8.3	9.4	88			
7. Sales and customer service occupations	4,514	6.9	8.6	81			
8. Process, plant and machine operatives	3,819	5.9	7.3	81			
9. Elementary occupations	5,406	8.3	11.2	74			
Industry	64,990	100.0	100.0	100			
Agriculture, forestry and fishing	417	0.6	1.0	65			
Mining and quarrying	39	0.1	0.3	22			
Manufacturing	6,538	10.1	8.9	114			
Electricity, gas, steam and air conditioning supply	156	0.2	0.6	41			
Water supply; sewerage, waste mgt. and remediation	405	0.6	0.7	87			
Construction	4,895	7.5	7.7	97			
Wholesale and retail; repair of motor cycles and vehicles	10,445	16.1	15.9	101			
Transport and storage	2,471	3.8	4.9	77			
Accommodation and food service activities	2,372	3.6	5.6	65			
Information and communication	3,612	5.6	3.8	145			
Financial and insurance activities	2,831	4.4	4.3	101			
Real estate activities	1,144	1.8	1.4	125			
Professional, scientific and technical activities	6,032	9.3	6.4	145			
Administrative and support service activities	2,979	4.6	4.8	95			
Public administration, defence, compulsory social security	3,614	5.6	6.1	91			
Education	6,761	10.4	9.8	107			
Human health and social work activities	6,965	10.7	12.8	84			
Industry: Other	3,314	5.1	5.0	103			
Mode of Commuting to Work (Daytime Pop)	64,990	100.0	100.0	100			
Work mainly at or from home	4,422	6.8	5.9	115			
Underground, metro, light rail, tram, Train	8,015	12.3	8.4	146			
Bus, minibus or coach	1,117	1.7	7.5	23			
Taxi	167	0.3	0.5	47			
Driving a car or van	40,153	61.8	57.4	108			
Passenger in a car or van	2,809	4.3	5.2	84			
Motorcycle, scooter or moped	400	0.6	0.8	81			
Bicycle	1,240	1.9	2.7	71			
On foot	6,364	9.8	10.6	92			
Other	303	0.5	0.9	50			

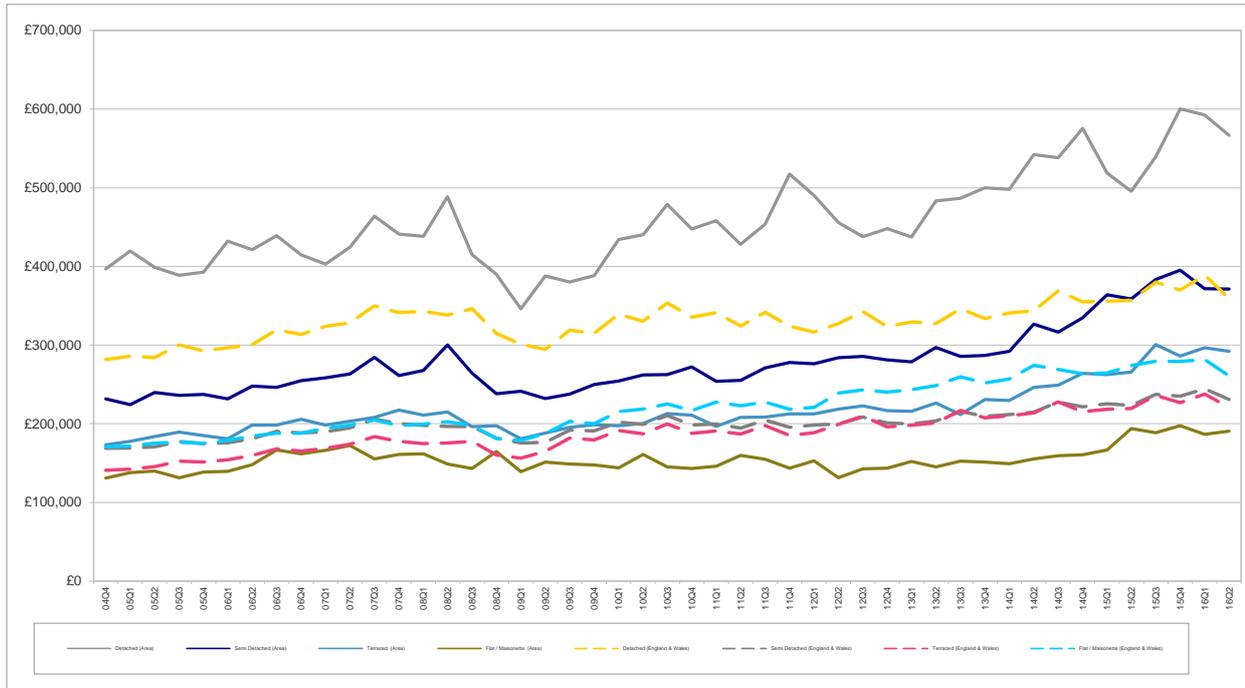
Area: North Hertfordshire (2012 Districts and Council Areas)
 Base: Great Britain



Residential Property Prices



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain



	Detached (Area)	Detached (England & Wales)	Semi Detached (Area)	Semi Detached (England & Wales)	Terraced (Area)	Terraced (England & Wales)	Flat / Maisonette (Area)	Flat / Maisonette (England & Wales)
04Q4	£397,034	£281,602	£231,554	£168,798	£173,066	£140,807	£130,737	£170,683
05Q1	£419,566	£286,000	£224,371	£168,999	£177,575	£142,354	£137,983	£171,680
05Q2	£398,905	£284,139	£239,567	£170,707	£183,520	£145,357	£139,719	£175,277
05Q3	£388,942	£300,331	£235,913	£177,253	£189,278	£152,317	£131,162	£176,509
05Q4	£392,746	£292,751	£237,388	£174,848	£184,841	£151,342	£138,499	£175,044
06Q1	£432,402	£296,786	£231,784	£175,864	£181,071	£154,232	£139,308	£178,988
06Q2	£421,314	£300,644	£248,082	£180,899	£198,538	£159,822	£148,049	£184,512
06Q3	£439,269	£319,573	£246,128	£190,422	£198,344	£168,115	£166,684	£187,927
06Q4	£414,627	£313,637	£254,602	£188,195	£205,660	£165,174	£161,921	£188,147
07Q1	£403,105	£323,916	£258,619	£189,868	£198,239	£168,715	£166,231	£194,302
07Q2	£424,610	£328,319	£263,504	£194,879	£203,345	£174,014	£172,287	£198,261
07Q3	£463,837	£350,080	£284,333	£205,960	£208,058	£183,698	£155,389	£204,836
07Q4	£441,087	£341,381	£261,411	£200,212	£217,242	£177,648	£161,152	£197,587
08Q1	£438,153	£342,969	£267,708	£197,828	£210,845	£174,665	£161,894	£199,524
08Q2	£488,873	£338,268	£300,108	£196,554	£214,875	£175,657	£148,684	£202,507
08Q3	£415,043	£346,354	£264,625	£196,274	£196,504	£177,675	£143,041	£197,837
08Q4	£389,968	£314,888	£237,950	£181,446	£197,727	£160,111	£164,469	£181,274
09Q1	£346,325	£301,164	£241,350	£175,530	£181,052	£156,231	£138,952	£178,944
09Q2	£388,120	£294,715	£231,895	£176,426	£188,095	£164,909	£151,340	£187,606
09Q3	£380,146	£319,149	£237,773	£191,991	£195,589	£181,678	£148,943	£203,001
09Q4	£388,203	£314,780	£249,843	£190,774	£198,837	£179,550	£147,461	£200,083
10Q1	£434,281	£339,347	£254,374	£202,184	£197,349	£191,419	£144,028	£215,527
10Q2	£440,403	£330,348	£262,041	£199,277	£200,372	£187,151	£160,945	£218,668
10Q3	£478,824	£353,691	£262,324	£210,441	£212,966	£199,808	£145,033	£225,313
10Q4	£447,525	£335,679	£272,355	£198,317	£211,133	£187,667	£143,035	£216,988
11Q1	£458,064	£341,475	£253,830	£199,720	£196,572	£190,808	£146,112	£227,527
11Q2	£428,355	£324,107	£255,255	£194,589	£207,920	£186,870	£159,567	£222,848
11Q3	£453,838	£341,839	£270,930	£204,538	£208,570	£197,537	£154,966	£227,494
11Q4	£517,597	£324,054	£277,807	£195,640	£212,413	£185,054	£143,329	£218,306
12Q1	£490,266	£316,803	£276,355	£198,316	£212,578	£188,645	£152,955	£220,736
12Q2	£455,974	£327,255	£283,919	£199,691	£218,485	£199,219	£131,377	£239,077
12Q3	£438,015	£342,789	£285,725	£208,673	£222,864	£209,918	£142,536	£243,254
12Q4	£447,911	£323,788	£280,998	£201,077	£216,414	£196,112	£143,566	£240,194
13Q1	£437,434	£329,335	£278,770	£199,781	£215,629	£198,170	£151,932	£243,444
13Q2	£483,486	£327,522	£296,841	£203,527	£226,230	£201,295	£145,265	£248,590
13Q3	£486,626	£345,945	£285,857	£215,640	£211,667	£216,959	£152,515	£259,744
13Q4	£499,927	£333,886	£286,909	£209,684	£230,783	£207,646	£151,135	£251,914
14Q1	£497,936	£340,930	£292,224	£211,798	£229,536	£210,203	£149,317	£256,836
14Q2	£542,355	£343,743	£326,790	£214,858	£246,136	£213,634	£155,362	£274,201
14Q3	£538,073	£368,956	£316,620	£227,502	£249,234	£227,690	£159,453	£269,020
14Q4	£575,722	£355,239	£334,923	£221,448	£264,019	£215,373	£160,438	£263,741
15Q1	£518,718	£355,649	£363,988	£225,338	£262,653	£218,335	£166,809	£264,516
15Q2	£495,608	£356,957	£358,917	£223,401	£265,789	£219,497	£193,884	£274,143
15Q3	£539,375	£380,008	£383,333	£237,455	£300,795	£236,066	£188,518	£279,530
15Q4	£600,363	£369,952	£395,370	£235,092	£286,164	£226,856	£197,422	£279,267
16Q1	£592,808	£389,104	£371,845	£244,508	£296,671	£237,747	£186,494	£281,661
16Q2	£566,852	£358,937	£371,487	£230,953	£292,104	£220,780	£190,695	£260,812

The accuracy of the house price data source has improved. This improvement has now been applied to past quarters
*Please note that if prices are shown as '£0' no data is available for the corresponding centre. Data is not available for Scotland

Retail Profile



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

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A listing of the retailers in this catchment area, by type. Index figures over 100 suggest a greater than usual concentration of this type in this area.

Type of Store	Data for area	Data as % for area	Data for base	Data as % for base	Index av=100
Accessories & Jewellery	15	2%	8,929	1%	128
Antiques & Art	11	1%	8,091	1%	103
Books Video & Music	4	0%	2,770	0%	110
Cards & Stationery	11	1%	4,960	1%	168
Cash & Carry	0	0%	6,532	1%	0
Clothing	71	9%	41,947	7%	129
CoffeeShops	26	3%	23,774	4%	83
Crafts Hobbies & Toys	59	7%	38,271	6%	117
Department Store and Variety Store	7	1%	4,354	1%	122
Drink & CTN	41	5%	44,602	7%	70
Electrical & Computer Goods	76	9%	47,633	8%	121
Estate Agents	29	4%	21,186	3%	104
Fast Food Take Away	43	5%	48,414	8%	67
Furniture	60	7%	45,083	7%	101
Hardware & DIY	59	7%	43,058	7%	104
Mobile Phones / Telecommunications	10	1%	5,939	1%	128
Pharmacy Health & Beauty	111	14%	80,857	13%	104
Restaurants Bars & Cafes	40	5%	36,155	6%	84
Services - Financial	26	3%	25,928	4%	76
Services - Motor	79	10%	48,660	8%	123
Sports	21	3%	17,363	3%	92
Supermarket	11	1%	10,208	2%	82
Travel agent	7	1%	5,639	1%	94

Key Retail Profile



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

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on 0845 601 6011

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A listing of key UK retailers and their presence or requirements in this catchment area.

Requirements relate to the centre name in Drivetime and Radius reports, however in Local Authority reports requirements are an accumulation of centres in the contour.

Retailer	Count of branches in this area
Argos	2
Boots	3
Caffe Nero	1
Carphone Warehouse	1
Claire's	2
Clarks	1
Costa Coffee	2
Debenhams	0
Domino's Pizza	2
EE	2
Greggs	2
H & M	0
Holland & Barrett	2
Home Bargains	1
House of Fraser	0
John Lewis	0
KFC	0
Marks & Spencer	1
McDonald's	1
Monsoon Accessorize	1
Morrisons	1
Nandos	0
New Look	2
Next	1
Oak Furniture Land	0
Pets At Home	1
Pizza Express	1
Poundland	2
Primark	0
River Island	0
Sainsbury's	3
Starbucks	1
Subway	2
Superdrug	2
TK Maxx	0
Tesco	1
Topman	0
Topshop	0
Trespass	1
Vodafone	1
Waitrose	2
Waterstone's	1
WH Smith	2

Office Deals Listing



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

The 20 most recent deals for this area and sector are displayed below, click on the arrows on the date heading to show all the deals.

Date	Postcode	Address	Type	Lessee/ Purchaser	Total Space	Price	Rental PSM	Yield (%)
24/05/2016	SG6 1AQ	16 Knap Close, Letchworth Garden City, Hertfordshire, SG6 1AQ	Sale	Purchaser: Altius Goc Limited	336 Net sq m	£500000	N/A	N/A
15/03/2016	SG4 0TA	62 Wilbury Way, Hitchin, Hertfordshire, SG4 0TA	Lease	N/A	6831 Net sq m	N/A	N/A	N/A
02/03/2016	SG4 0TY	65 Knowl Piece, Wilbury Way, Hitchin, Hertfordshire, SG4 0TY	Sale	Purchaser: Emas Pharma	706.986 Net sq m	£695000	N/A	N/A
15/01/2016	SG3 6QJ	Nup End Business Park, Nup End, Knebworth, Hertfordshire, SG3 6QJ	Lease	N/A	74.7863 Net sq m	N/A	N/A	N/A
15/01/2016	SG5 1DG	100 Hermitage Road, Hitchin, Hertfordshire, SG5 1DG	Lease	N/A	134.43 Net sq m	N/A	N/A	N/A
01/01/2016	SG4 0TW	Cam Centre, Wilbury Way, Hitchin, Hertfordshire, SG4 0TW	Sale	N/A	63.3593 Net sq m	£95000	N/A	N/A
01/01/2016	SG6 4ET	The Spirella Building, Bridge Road, Letchworth, Hertfordshire, SG6 4ET	Lease	N/A	84.1695 Net sq m	N/A	£139.93	N/A
01/01/2016	SG6 4ET	The Spirella Building, Bridge Road, Letchworth, Hertfordshire, SG6 4ET	Lease	N/A	96.6184 Net sq m	N/A	£139.93	N/A
01/01/2016	SG6 4ET	The Spirella Building, Bridge Road, Letchworth, Hertfordshire, SG6 4ET	Lease	N/A	81.1037 Net sq m	N/A	£139.93	N/A
15/12/2015	SG5 1LL	66 Bancroft, Hitchin, Hertfordshire, SG5 1LL	Lease	Lessee: Atos IT Services UK Limited	140.097 Net sq m	N/A	N/A	N/A
15/12/2015	SG6 1NE	610 Jubilee Road, Letchworth Garden City, Hertfordshire, SG6 1NE	Lease	N/A	213.582 Net sq m	N/A	N/A	N/A
11/12/2015	SG5 1BY	35a Hermitage Road, Hitchin, Hertfordshire, SG5 1BY	Lease	Lessee: Vernon's Dental Surgery	117.336 Net sq m	N/A	N/A	N/A
01/10/2015	SG4 8HY	Coleman Business Centre, Claggy Road, Hitchin, Hertfordshire, SG4 8HY	Lease	N/A	332 Net sq m	N/A	£56.94	N/A
28/08/2015	SG8 9AG	30 High Street, Royston, Hertfordshire, SG8 9AG	Lease	N/A	31.3081 Net sq m	N/A	£143.16	N/A
01/08/2015	SG3 6EX	141a London Road, Knebworth, Hertfordshire, SG3 6EX	Lease	N/A	31.5868 Net sq m	N/A	N/A	N/A
01/08/2015	SG6 1LW	Diamond Industrial Centre, Works Road, Letchworth Garden City, Hertfordshire, SG6 1LW	Licence	N/A	43.1996 Net sq m	N/A	N/A	N/A

24/07/2015	SG6 2HB	Letchworth Business Park, Business Centre East, Fifth Avenue, Letchworth Garden City, Hertfordshire, SG6 2HB	Lease	Lessee: Subcontractors Limited	591.787 Net sq m	N/A	N/A	N/A
01/07/2015	SG6 2HB	Letchworth Business Park, Business Centre East, Fifth Avenue, Letchworth Garden City, Hertfordshire, SG6 2HB	Lease	Lessee: Sub Contract Services Limited	375.79 Net sq m	N/A	N/A	N/A
03/06/2015	SG5 1JQ	Croft Chambers, 11 Bancroft, Hitchin, Hertfordshire, SG5 1JQ	Licence	Lessee: Taymount Clinic	201.598 Net sq m	N/A	N/A	N/A
19/05/2015	SG4 0TW	Cam Centre, Wilbury Way, Hitchin, Hertfordshire, SG4 0TW	Sale	N/A	338.257 Net sq m	£250000	N/A	N/A

Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

Planning applications for this use type in this area. The most recent 20 are displayed, use the filter arrows to display more.

Address	Status	Application Date	Permission Date	Subsector	Proposed Size	Units	Planning Authority
Highfield Nurseries, Slip Lane, Knebworth, Hertfordshire, SG3 6QG	PPG	24/05/2016	19/07/2016	Business (B1a)	184	Gross sq m	North Hertfordshire District Council
Unit 1, Campus 5, Letchworth Garden City, Hertfordshire, SG6 2JF	App	13/11/2015		Business (B1a)	109	Gross sq m	North Hertfordshire District Council
Land To The South Of, Bendish Lane, Hitchin, Hertfordshire, SG4 8HX	App	06/10/2015		Residential (C3), Residential (C3), Business (B1a)	N/A	N/A	North Hertfordshire District Council
Land Adj Wymondley Hall Farm, Priory Lane, Hitchin, Hertfordshire, SG4 7HE	PPG	26/11/2014	29/01/2015	Business (B1a), Industrial (B8), General	N/A	N/A	North Hertfordshire District Council
Aztek Logistics, Works Road, Letchworth Garden City, Hertfordshire, SG6 1JZ	App	30/06/2014		Business (B1a), Industrial (B8)	552	Gross sq m	North Hertfordshire District Council
National Grid, Cadwell Lane, Hitchin, Hertfordshire, SG4 0SL	App	02/06/2014		Business (B1a)	648	Gross sq m	North Hertfordshire District Council
Royal Air Force Barkway, The Joint, Royston, Hertfordshire, SG8 8DR	Ref	17/02/2012		Business (B1a)	N/A	N/A	North Hertfordshire District Council
Titmore Green Farm, Titmore Green, Hitchin, Hertfordshire, SG4 7JT	PPG	05/09/2011	31/10/2011	Business (B1a), Business (B1c), Industrial (B8)	82	Gross sq m	North Hertfordshire District Council
Knebworth Barns, Knebworth Park, Knebworth, Hertfordshire, SG3 6PY	PPG	25/10/2010	20/01/2011	Retail (A1), Assembly & Leisure (D2), Business (B1a), General	N/A	N/A	North Hertfordshire District Council
Cutters House, Lumen Road, Royston, Hertfordshire, SG8 7AG	PPG	26/07/2010	20/09/2010	Assembly & Leisure (D2), Business (B1a)	N/A	N/A	North Hertfordshire District Council
Brooklands House, 42 Wilbury Way, Hitchin, Hertfordshire, SG4 0TW	PPG	02/06/2010	28/07/2010	Business (B1c), Business (B1a)	306	Gross sq m	North Hertfordshire District Council
Royal Air Force Barkway, The Joint, Royston, Hertfordshire, SG8 8DR	With	17/12/2009		Business (B1a)	572	Gross sq m	North Hertfordshire District Council
Land At, Beverley Close, York Way, Royston, Hertfordshire, SG8 9DU	OutPPG	04/12/2008	21/01/2009	Business (B1a)	938	Gross sq m	North Hertfordshire District Council
The Old Grammar School, Broadway, Letchworth Garden City, Hertfordshire, SG6 3PS	PPG	22/08/2008	24/07/2013	Business (B1a)	4680	Gross sq m	North Hertfordshire District Council
Titmore Green Farm, Titmore Green, Hitchin, Hertfordshire, SG4 7JT	PPG	01/08/2008	26/09/2008	Business (B1a), Business (B1c), Industrial (B8)	82	Gross sq m	North Hertfordshire District Council
Art House, Lumen Road, Royston, Hertfordshire, SG8 7AG	App	11/10/2007		Business (B1a)	N/A	N/A	North Hertfordshire District Council
Garages At Womback Yard Rear Of 25 & 23, Whitehorse Street, Baldock, Hertfordshire, SG7 6PY	With	17/09/2007		Retail (A1), Business (B1a), Industrial (B8)	N/A	N/A	North Hertfordshire District Council
Node Farm, Drivers End, Hitchin, Hertfordshire, SG4 8TR	App	20/08/2007		Business (B1a)	2470	Gross sq m	North Hertfordshire District Council
Johnson Matthey, Orchard Road, Royston, Hertfordshire, SG8 5HE	App	21/05/2007		Business (B1b)	2475	Gross sq m	North Hertfordshire District Council
Land At Corner Of, Protea Way, Pixmore Avenue, Letchworth Garden City, Hertfordshire, SG6 1JT	App	03/08/2006		Business (B1a)	1293	Gross sq m	North Hertfordshire District Council

Retail Deals Listing



Area: North Hertfordshire (2012 Districts and Council Areas)

Base: Great Britain

The 20 most recent deals for this area and sector are displayed below, click on the arrows on the date heading to show all the deals.

Date	Postcode	Address	Type	Lessee/ Purchaser	Total Space	Price (£)	Zone A Rent	Yield (%)
01/06/2016	SG5 1DG	88-90 Hermitage Road, Hitchin, Hertfordshire, SG5 1DG	Lease	Lessee: Amplifon	302.861 Net sq m	N/A	£25000	N/A
01/06/2016	SG5 1DG	88-90 Hermitage Road, Hitchin, Hertfordshire, SG5 1DG	Lease	Lessee: Century 21	220.364 Net sq m	N/A	£25000	N/A
01/06/2016	SG5 1DG	88-90 Hermitage Road, Hitchin, Hertfordshire, SG5 1DG	Lease	Lessee: Cantina	N/A	N/A	£28500	N/A
14/04/2016	SG8 9AQ	Sillence Court, Upper King Street, Royston, Hertfordshire, SG8 9AQ	Investment Sale	N/A	48 Net sq m	£95000	N/A	N/A
01/03/2016	SG8 9AW	46 High Street, Royston, Hertfordshire, SG8 9AW	Lease	N/A	120 Net sq m	N/A	£14000	N/A
01/02/2016	SG8 9AG	30 High Street, Royston, Hertfordshire, SG8 9AG	Lease	Lessee: Shoecare	39.2048 Net sq m	N/A	£11000	N/A
15/01/2016	SG6 3EZ	34 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EZ	Lease	N/A	118.915 Net sq m	N/A	£14500	N/A
15/01/2016	SG6 3BL	12-13 The Gallery, Letchworth Garden City, Hertfordshire, SG6 3BL	Lease	N/A	51.5608 Net sq m	N/A	£5500	N/A
15/12/2015	SG3 6EY	126 London Road, Knebworth, Hertfordshire, SG3 6EY	Lease	Lessee: Personalised Precious Gifts	45.8008 Net sq m	N/A	£11000	N/A
15/12/2015	SG5 1AT	20 High Street, Hitchin, Hertfordshire, SG5 1AT	Lease	Lessee: Ballyhimikin Stud	52.304 Net sq m	N/A	£42500	N/A
15/12/2015	SG6 3BB	19-29 Station Road, Letchworth Garden City, Hertfordshire, SG6 3BB	Lease	N/A	121.423 Net sq m	N/A	£19500	N/A
15/12/2015	SG8 9JT	Mitre Works & The Priory Kiosk, Priory Lane, Royston, Hertfordshire, SG8 9JT	Lease	N/A	287.068 Net sq m	N/A	£17500	N/A
15/12/2015	SG8 9DW	Mitre Works, 1 Priory Lane, Royston, Hertfordshire, SG8 9DW	Lease	N/A	278.707 Net sq m	N/A	£17500	N/A
19/11/2015	SG8 8AH	The Cabinet, High Street, Royston, Hertfordshire, SG8 8AH	Sale	Purchaser: Albanwise Limited	200.855 Net sq m	£442500	N/A	N/A
15/11/2015	SG5 1AH	29 Sun Street, Hitchin, Hertfordshire, SG5 1AH	Lease	Lessee: Hitchin Coffee Company Limited	131.828 Net sq m	N/A	£20000	N/A
15/11/2015	SG5 1AH	25 Sun Street, Hitchin, Hertfordshire, SG5 1AH	Lease	Lessee: Hitchin Coffee Company Limited	54.4407 Net sq m	N/A	£20000	N/A
15/10/2015	SG4 8XD	69-71 High Street, Hitchin, Hertfordshire, SG4 8XD	Sale	Purchaser: Townstone (Codicote) Limited	N/A	£485000	N/A	N/A
09/10/2015	SG4 0TZ	Unit 19, Cam Square, Wilbury Way, Hitchin, Hertfordshire, SG4 0TZ	Sale	N/A	104.98 Net sq m	£126000	N/A	N/A
01/10/2015	SG5 1LS	121-123 Bancroft, Hitchin, Hertfordshire, SG5 1LS	Lease	Lessee: Next	118.079 Net sq m	N/A	£57500	N/A

29/09/2015	SG8 9JR	Corn Exchange (The), Market Hill, Royston, Hertfordshire, SG8 9JR	Lease	Lessee: Jennys Repairs and Alterations	34 Net sq m	N/A	£7200	N/A
29/09/2015	SG8 9JR	Corn Exchange (The), Market Hill, Royston, Hertfordshire, SG8 9JR	Lease	Lessee: Private individual(s)	N/A	N/A	£16800	N/A

Planning Applications - Retail



Area: North Hertfordshire (2012 Districts and Council Areas)
Base: Great Britain

Planning applications for this use type in this area. The most recent 20 are displayed, use the filter arrows to display more.

Address	Status	Application Date	Permission Date	Subsector	Proposed Size	Units	Planning Authority
12 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EU	PPG	23/05/2016	18/07/2016	Retail (A1), Retail (A3)	100	Gross sq m	North Hertfordshire District Council
12 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EU	PPG	23/05/2016	18/07/2016	Retail (A1), Retail (A3)	N/A	N/A	North Hertfordshire District Council
12 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EU	PPG	23/05/2016	18/07/2016	Retail (A1), Retail (A3)	100	Gross sq m	North Hertfordshire District Council
12 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EU	PPG	23/05/2016	18/07/2016	Retail (A1), Retail (A3)	N/A	N/A	North Hertfordshire District Council
Letchworth Business Park, Phoenix House, Dunhams Lane, Letchworth Garden City, Hertfordshire, SG6 1BE	Ref	10/02/2016		Retail (A3)	180	Gross sq m	North Hertfordshire District Council
14 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EU	PPG	04/11/2015	24/02/2016	Retail (A3)	147	Gross sq m	North Hertfordshire District Council
20 Bucklersbury, Hitchin, Hertfordshire, SG5 1BG	PPG	10/10/2014	25/11/2014	Retail (A2)	60	Gross sq m	North Hertfordshire District Council
Top Field, Fishponds Road, Hitchin, Hertfordshire, SG5 1NU	Screen	25/07/2014		Retail (A1)	N/A	N/A	North Hertfordshire District Council
Unit 663, Saunders Close, Green Lane, Letchworth Garden City, Hertfordshire, SG6 1PF	PPG	11/07/2014	02/09/2014	Retail (A1), Industrial (B8)	1670	Gross sq m	North Hertfordshire District Council
Garden Square Shopping Centre, Commerce Way, Letchworth, Hertfordshire, SG6 3DN	PPG	23/04/2014	24/02/2015	Residential (C3), Retail (A1/2/3/4/5)	499	Gross sq m	North Hertfordshire District Council
Garden Square Shopping Centre, Commerce Way, Letchworth, Hertfordshire, SG6 3DN	PPG	23/04/2014	23/02/2015	Residential (C3), Retail (A1/2/3/4/5)	499	Gross sq m	North Hertfordshire District Council
5 Sun Street, Hitchin, Hertfordshire, SG5 1AE	App	11/02/2014		Retail (A4)	851	Gross sq m	North Hertfordshire District Council
113 Bancroft, Hitchin, Hertfordshire, SG5 1LS	Ref	11/02/2014		Retail (A2)	145	Gross sq m	North Hertfordshire District Council
Lidl Uk Gmbh, Jubilee Road, Letchworth Garden City, Hertfordshire, SG6 1WG	PPG	02/02/2014	06/05/2014	Retail (A1)	2473	Gross sq m	North Hertfordshire District Council
32 Leys Avenue, Letchworth Garden City, Hertfordshire, SG6 3EW	PPG	31/12/2013	24/04/2014	Retail (A3)	N/A	N/A	North Hertfordshire District Council
Westmill, John Barker Place, Hitchin, Hertfordshire, SG5 2PD	App	20/12/2013		Residential (C3), Residential (C3), Retail (A1), Retail (A3), Retail (A5)	N/A	N/A	North Hertfordshire District Council
15 High Street, Royston, Hertfordshire, SG8 9AA	PPG	27/11/2013	22/01/2014	Retail (A2)	172	Gross sq m	North Hertfordshire District Council
Premier Inn (Former Hitchin Delivery Office), Portmill Lane, Hermitage Road, Hitchin, Hertfordshire, SG5 1AA	PPG	12/09/2013	30/01/2014	Residential (C3), Hotels (C1), Retail (A1/2/3)	501	Gross sq m	North Hertfordshire District Council
Land South Of Cockernhoe And East Of, Brick Kiln Lane, Luton, Hertfordshire, LU2 8PX	OutApp	19/08/2013		Residential (C3), Retail (A1/2/3/4/5/D2)	N/A	N/A	North Hertfordshire District Council
12 Churchgate, Hitchin, Hertfordshire, SG5 1DN	PPG	09/08/2013	03/10/2013	Retail (A2)	90	Gross sq m	North Hertfordshire District Council

Shopping Centre Details



Area: North Hertfordshire (2012 Districts and Council Areas)

Base: Great Britain

02/08/2016

Details from EGI's Shopping Centre Research. The Shopping Centre Research database contains information on purpose-built retail schemes - shopping centre, retail park, factory outlet, or shopping park. The database focuses on schemes of in excess of 50.

Address	Opening Date	Total Size (sq m)	Opening Hours	Anchor Tenants	Owner(s)
Plinston Retail Park, Jubilee Road, Letchworth, Hertfordshire, SG6 3NX	01/01/1997	6451.69	N/A	N/A	
Garden Square Shopping Centre, Commerce Way, Letchworth, Hertfordshire, SG6 3DN	01/06/1974	15557.7	Mon - Sat 09:00 - 17:30	Marks & Spencer Simply Food	Plessey Pension Fund

Industrial Deals Listing



Area: North Hertfordshire (2012 Districts and Council Areas)

Base: Great Britain

The 20 most recent deals for this area and sector are displayed below, click on the arrows on the date heading to show all the deals.

Date	Postcode	Address	Type	Lessee/ Purchaser	Total Space	Price (£)	Rental PSM	Yield (%)
15/03/2016	SG8 5TW	Anglian Business Park, Orchard Road, Royston, Hertfordshire, SG8 5TW	Lease	Lessee: Black Trace	775.827 Net sq m	N/A	N/A	N/A
01/01/2016	SG4 0UZ	Trust Industrial Estate, Wilbury Way, Hitchin, Hertfordshire, SG4 0UZ	Lease	N/A	883.408 Net sq m	N/A	£44.99	N/A
01/01/2016	SG4 0UZ	Trust Industrial Estate, Wilbury Way, Hitchin, Hertfordshire, SG4 0UZ	Lease	N/A	893.906 Net sq m	N/A	N/A	N/A
01/01/2016	SG6 1HP	Green Lane Industrial Estate, Green Lane, Letchworth Garden City, Hertfordshire, SG6 1HP	Lease	N/A	40.1338 Net sq m	N/A	N/A	N/A
27/12/2015	SG8 8BD	Silver Ball Garage, London Road, Royston, Hertfordshire, SG8 8BD	Lease	Lessee: Private individual(s)	180.602 Net sq m	N/A	N/A	N/A
15/12/2015	SG6 2HB	Letchworth Business Centre, Business Centre West, Avenue One, Letchworth, Hertfordshire, SG6 2HB	Lease	N/A	86.3991 Net sq m	N/A	N/A	N/A
15/12/2015	SG7 6HP	Baldock Industrial Estate, Bondor Business Centre, London Road, Baldock, Hertfordshire, SG7 6HP	Lease	N/A	107.767 Net sq m	N/A	N/A	N/A
04/12/2015	SG4 0TY	33 Knowl Piece, Wilbury Way, Hitchin, Hertfordshire, SG4 0TY	Sale	Purchaser: Billcole Haulage (Stevenage) Limited	130 Net sq m	£165000	N/A	N/A
04/12/2015	SG8 5HW	Industrial Units, Jarman Way, Royston, Hertfordshire, SG8 5HW	Lease	Lessee: Automation Partnership Cambridge Limited	354.794 Net sq m	N/A	N/A	N/A
01/11/2015	SG6 1LA	Woodside Industrial Park, Works Road, Letchworth, Hertfordshire, SG6 1LA	Lease	N/A	277.499 Net sq m	N/A	£55.00	N/A
15/10/2015	SG6 2HB	Letchworth Business Park, Business Centre East, Fifth Avenue, Letchworth Garden City, Hertfordshire, SG6 2HB	Lease	N/A	483.185 Net sq m	N/A	N/A	N/A
30/09/2015	SG7 6NG	Baldock Industrial Estate, London Road, Baldock, Hertfordshire, SG7 6NG	Sale	Purchaser: ARW Specialist Building Contractors Limited	567 Net sq m	£250000	N/A	N/A

01/09/2015	SG6 1TD	Ascot Industrial Estate, Icknield Way, Letchworth, Hertfordshire, SG6 1TD	Lease	N/A	261.427 Net sq m	N/A	£60.28	N/A
01/09/2015	SG6 2HX	Letchworth Business Park, Campus 5, Avenue Three, Letchworth, Hertfordshire, SG6 2HX	Lease	N/A	308.993 Net sq m	N/A	N/A	N/A
01/09/2015	SG6 1SP	Jubilee Trade Centre, Jubilee Road, Letchworth Garden City, Hertfordshire, SG6 1SP	Sale	Purchaser: Tektrix Limited	612.319 Net sq m	£330000	N/A	N/A
28/08/2015	SG6 1HJ	4 Flint Road, Letchworth, Hertfordshire, SG6 1HJ	Lease	N/A	225.938 Net sq m	N/A	£70.83	N/A
06/08/2015	SG4 0SE	Hitchin Industrial Estate, Wallace Way, Hitchin, Hertfordshire, SG4 0SE	Sale	Purchaser: Private individual(s)	1187.85 Net sq m	£352251	N/A	N/A
27/07/2015	SG8 5HN	Greenfield, Orchard Road, Royston, Hertfordshire, SG8 5HN	Sale	Purchaser: Prototype Projects Limited	205.407 Net sq m	£160000	N/A	N/A
01/07/2015	SG6 1JT	Protea Business Park, Protea Way, Pixmore Avenue, Letchworth Garden City, Hertfordshire, SG6 1JT	Lease	Lessee: Letchworth Garden City Heritage Foundation	91.5087 Net sq m	N/A	N/A	N/A
15/06/2015	SG8 5HW	19 Jarman Way, Royston, Hertfordshire, SG8 5HW	Lease	Lessee: Kevs Discount Spares Limited	110.554 Net sq m	N/A	N/A	N/A

Planning Applications - Industrial



Area: North Hertfordshire (2012 Districts and Council Areas)

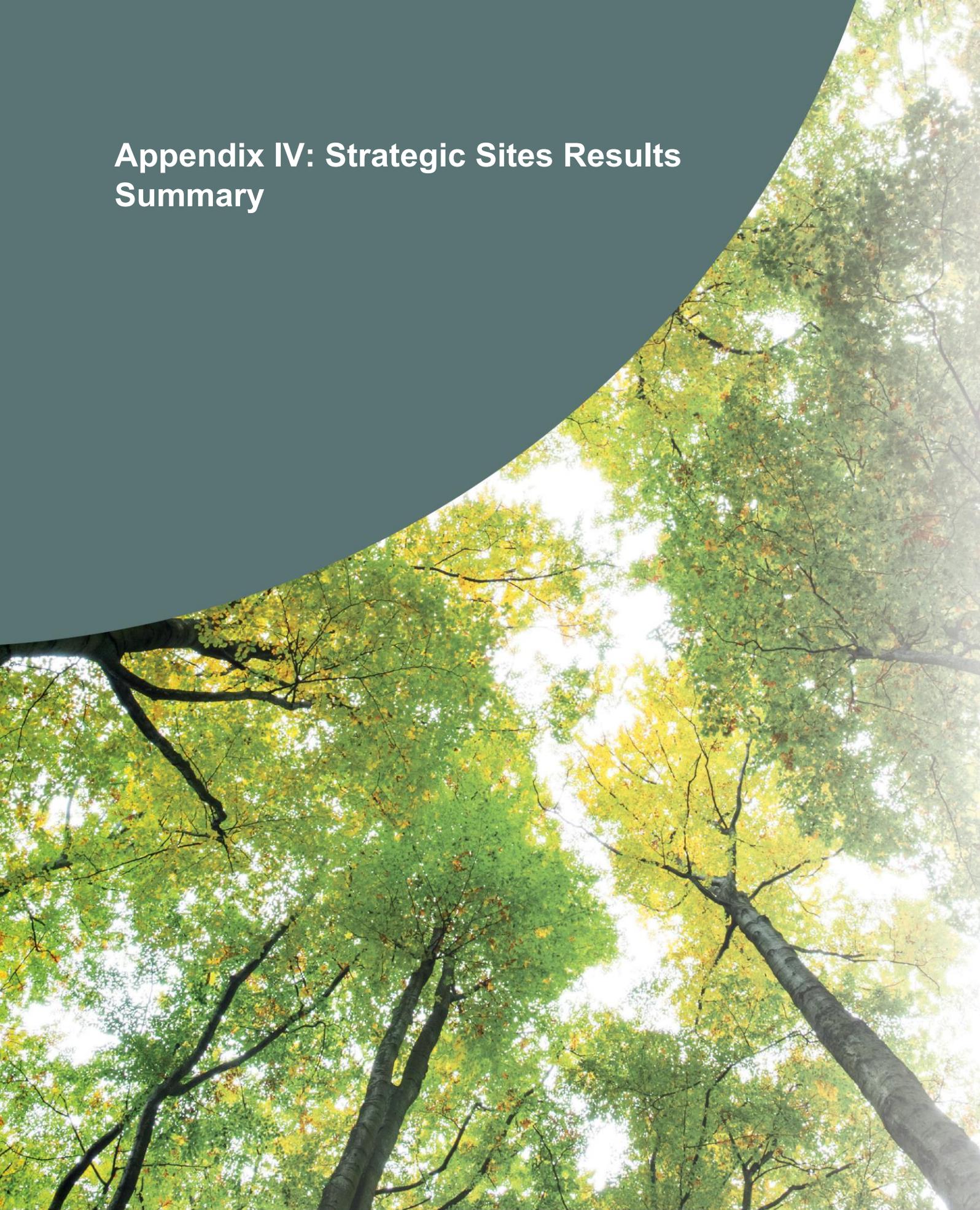
Base: Great Britain

Planning applications for this use type in this area. The most recent 20 are displayed, use the filter arrows to display more.

Address	Status	Application Date	Permission Date	Subsector	Proposed Size	Units	Planning Authority
Unit 1, Knap Close, Letchworth Garden City, Hertfordshire, SG6 1AQ	PPG	24/06/2015	14/08/2015	Industrial (B2), General	523	Gross sq m	North Hertfordshire District Council
Coleman Business Centre, Claggy Road, Hitchin, Hertfordshire, SG4 8HY	App	05/02/2015		Business (B1c), Industrial (B2)	N/A	N/A	North Hertfordshire District Council
Land Adj Wymondley Hall Farm, Priory Lane, Hitchin, Hertfordshire, SG4 7HE	PPG	26/11/2014	29/01/2015	Business (B1a), Industrial (B8), General	N/A	N/A	North Hertfordshire District Council
Unit 663, Saunders Close, Green Lane, Letchworth Garden City, Hertfordshire, SG6 1PF	PPG	11/07/2014	02/09/2014	Retail (A1), Industrial (B8)	6552	Gross sq m	North Hertfordshire District Council
Aztek Logistics, Works Road, Letchworth Garden City, Hertfordshire, SG6 1JZ	App	30/06/2014		Business (B1a), Industrial (B8)	2035	Gross sq m	North Hertfordshire District Council
Former Letchworth Power Station Site, Works Road, Letchworth Garden City, Hertfordshire, SG6 1JZ	PPG	01/04/2014	15/09/2014	Industrial (B1/2/8)	8426	Gross sq m	North Hertfordshire District Council
Units 1 And 2, Newark Close, Royston, Hertfordshire, SG8 5HL	PPG	19/03/2014	07/05/2014	Industrial (B2)	1200	Gross sq m	North Hertfordshire District Council
Land At, Orchard Road, Royston, Hertfordshire, SG8 5HA	PPG	27/01/2014	07/03/2014	Industrial (B8)	N/A	N/A	North Hertfordshire District Council
Enterprise Park, Jarman Way, Royston, Hertfordshire, SG8 5FE	With	22/01/2014		Industrial (B8)	525	Gross sq m	North Hertfordshire District Council
Chater Lea Building, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 1WT	PPG	03/01/2013	27/02/2013	Industrial (B2), Industrial (B8)	310	Gross sq m	North Hertfordshire District Council
Chater Lea Building, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 1WT	PPG	03/01/2013	27/02/2013	Industrial (B2), Industrial (B8)	600	Gross sq m	North Hertfordshire District Council
Chater Lea Building, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 1WT	PPG	03/01/2013	27/02/2013	Industrial (B2), Industrial (B8)	310	Gross sq m	North Hertfordshire District Council
Chater Lea Building, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 1WT	PPG	03/01/2013	27/02/2013	Industrial (B2), Industrial (B8)	600	Gross sq m	North Hertfordshire District Council
Enterprise Park, Jarman Way, Royston, Hertfordshire, SG8 5FE	PPG	15/10/2012	30/01/2013	Industrial (B8)	900	Gross sq m	North Hertfordshire District Council

Northend Industrial Estate, Bury Mead Road, Hitchin, Hertfordshire, SG5 1RT	PPG	11/06/2012	25/10/2012	Industrial (B2)	N/A	N/A	North Hertfordshire District Council
Wheatley House, Works Road, Letchworth Garden City, Hertfordshire, SG6 1LP	PPG	05/10/2011	04/01/2012	Industrial (B2), Industrial (B8)	500	Gross sq m	North Hertfordshire District Council
Wheatley House, Works Road, Letchworth Garden City, Hertfordshire, SG6 1LP	PPG	05/10/2011	04/01/2012	Industrial (B2), Industrial (B8)	572	Gross sq m	North Hertfordshire District Council
Wheatley House, Works Road, Letchworth Garden City, Hertfordshire, SG6 1LP	PPG	05/10/2011	04/01/2012	Industrial (B2), Industrial (B8)	500	Gross sq m	North Hertfordshire District Council
Wheatley House, Works Road, Letchworth Garden City, Hertfordshire, SG6 1LP	PPG	05/10/2011	04/01/2012	Industrial (B2), Industrial (B8)	572	Gross sq m	North Hertfordshire District Council
B O C, Dunhams Lane, Letchworth Garden City, Hertfordshire, SG6 1LL	PPG	12/09/2011	03/11/2011	Industrial (B8)	751	Gross sq m	North Hertfordshire District Council

Appendix IV: Strategic Sites Results Summary



**North Hertfordshire District Council
Viability Update - Appendix IV Strategic Sites
Results Summary Showing Potential Maximum
Residual Surplus for s106 (per unit)**

	2,800 Unit Strategic Site (N of Baldock)	
Percentage Affordable Housing	20%	40%
Strategic Infrastructure Costs (per unit)	£23,000	£23,000
Sales Values - £3,300/m²	£48,036	£21,607
Sales Values - £3,600/m²	N/A	£36,071

	2,100 Unit Strategic Site (E of Luton)	
Percentage Affordable Housing	20%	40%
Strategic Infrastructure Costs (per unit)	£23,000	£23,000
Sales Values - £3,000/m²	£26,905	£5,476
Sales Values - £3,300/m²	£44,762	£19,048

	900 Unit Strategic Site (N of Letchworth)	
Percentage Affordable Housing	20%	40%
Strategic Infrastructure Costs (per unit)	£23,000	£23,000
Sales Values - £3,300/m²	N/A	£21,667
Sales Values - £3,600/m²	N/A	£35,556

	900 Unit Strategic Site (N of Stevenage)	
Percentage Affordable Housing	20%	40%
Strategic Infrastructure Costs (per unit)	£23,000	£23,000
Sales Values - £3,000/m²	£29,444	£7,778
Sales Values - £3,300/m²	N/A	£21,667

North Hertfordshire District Council

Strategic Sites Appraisals

900 Unit Residential Scheme (N of Stevenage)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

20% AH

£3,000/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	113	5,650.00	3,000.00	150,000	16,950,000	0	16,950,000
2BF - Private	72	5,040.00	3,000.00	210,000	15,120,000	0	15,120,000
2BH - Private	67	5,695.00	3,000.00	255,000	17,085,000	0	17,085,000
3BH - Private	360	36,000.00	3,000.00	300,000	108,000,000	0	108,000,000
4BH - Private	108	14,040.00	3,000.00	390,000	42,120,000	0	42,120,000
1BF - AR	18	900.00	1,620.36	81,018	1,458,324	0	1,458,324
2BF - AR	9	630.00	1,469.64	102,875	925,875	0	925,875
2BH - AR	18	1,422.00	1,302.22	102,875	1,851,750	0	1,851,750
3BH - AR	45	4,185.00	1,327.51	123,458	5,555,610	0	5,555,610
4BH - AR	27	3,024.00	1,411.76	158,117	4,269,159	0	4,269,159
1BF - SO	18	900.00	1,800.00	90,000	1,620,000	0	1,620,000
2BF - SO	18	1,260.00	1,800.00	126,000	2,268,000	0	2,268,000
2BH - SO	27	2,133.00	1,800.00	142,200	3,839,400	0	3,839,400
Totals	900	80,879.00			221,063,118	0	221,063,118

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	185	250	46,250	46,250
Totals	185		46,250	46,250

Investment Valuation

Current Rent	46,250	YP @	5.5000%	18.1818	840,909
					840,909

GROSS DEVELOPMENT VALUE

				221,904,027
Purchaser's Costs		5.85%	(49,193)	(49,193)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE

221,854,834

NET REALISATION

221,854,834

OUTLAY

ACQUISITION COSTS

Residualised Price (44.00 Ha 374,164.12 pHect)

16,463,221

16,463,221

Stamp Duty

1,111,452

Agent Fee

1.50% 246,948

Legal Fee

0.75% 123,474

1,481,875

CONSTRUCTION COSTS**Construction**

	m ²	Rate m ²	Cost
1BF - Private	6,277.78 m ²	1,082.00 pm ²	6,792,556
2BF - Private	5,600.00 m ²	1,082.00 pm ²	6,059,200
2BH - Private	5,695.00 m ²	1,082.00 pm ²	6,161,990
3BH - Private	36,000.00 m ²	1,082.00 pm ²	38,952,000
4BH - Private	14,040.00 m ²	1,082.00 pm ²	15,191,280
1BF - AR	1,000.00 m ²	1,082.00 pm ²	1,082,000
2BF - AR	700.00 m ²	1,082.00 pm ²	757,400
2BH - AR	1,422.00 m ²	1,082.00 pm ²	1,538,604
3BH - AR	4,185.00 m ²	1,082.00 pm ²	4,528,170
4BH - AR	3,024.00 m ²	1,082.00 pm ²	3,271,968
1BF - SO	1,000.00 m ²	1,082.00 pm ²	1,082,000
2BF - SO	1,400.00 m ²	1,082.00 pm ²	1,514,800
2BH - SO	2,133.00 m ²	1,082.00 pm ²	2,307,906
Totals	82,476.78 m²		89,239,874

89,239,874

Contingency

5.00% 4,461,994

S106 (Residual)

26,500,000

Sustainable Design & Construction

2.00% 1,784,797

32,746,791

INFRASTRUCTURE COSTS

Infrastructure Costs

20,700,000

20,700,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	7,315,703	
Professional & Other Fees		10.00%	1,608,285	
				8,923,987

DISPOSAL FEES

Sales Agent Fee		3.00%	5,978,250	
Sales Legal Fee	900.00 un	750.00 /un	675,000	
				6,653,250

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				3,921,521

TOTAL COSTS**180,130,519****PROFIT****41,724,315****Performance Measures**

Profit on Cost%	23.16%
Profit on GDV%	18.80%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

900 Unit Residential Scheme (N of Stevenage)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,000/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	90	4,500.00	3,000.00	150,000	13,500,000	0	13,500,000
2BF - Private	90	6,300.00	3,000.00	210,000	18,900,000	0	18,900,000
2BH - Private	90	7,650.00	3,000.00	255,000	22,950,000	0	22,950,000
3BH - Private	216	21,600.00	3,000.00	300,000	64,800,000	0	64,800,000
4BH - Private	54	7,020.00	3,000.00	390,000	21,060,000	0	21,060,000
1BF - AR	18	900.00	1,620.36	81,018	1,458,324	0	1,458,324
2BF - AR	18	1,260.00	1,469.64	102,875	1,851,750	0	1,851,750
2BH - AR	18	1,422.00	1,302.22	102,875	1,851,750	0	1,851,750
3BH - AR	144	13,392.00	1,327.51	123,458	17,777,952	0	17,777,952
4BH - AR	36	4,032.00	1,411.76	158,117	5,692,212	0	5,692,212
1BF - SO	72	3,600.00	1,800.00	90,000	6,480,000	0	6,480,000
2BF - SO	18	1,260.00	1,800.00	126,000	2,268,000	0	2,268,000
2BH - SO	36	2,844.00	1,800.00	142,200	5,119,200	0	5,119,200
Totals	900	75,780.00			183,709,188	0	183,709,188

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	180	250	45,000	45,000
Totals	180		45,000	45,000

Investment Valuation

Current Rent	45,000	YP @	5.5000%	18.1818	818,182
					818,182

GROSS DEVELOPMENT VALUE

				184,527,370
Purchaser's Costs		5.85%	(47,864)	(47,864)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE

184,479,506

NET REALISATION

184,479,506

OUTLAY

ACQUISITION COSTS

Residualised Price (44.00 Ha 375,399.81 pHect)

16,517,592

16,517,592

Stamp Duty

1,092,817

Agent Fee

1.50% 247,764

Legal Fee

0.75% 123,882

1,464,463

CONSTRUCTION COSTS**Construction**

	m ²	Rate m ²	Cost	
1BF - Private	5,000.00 m ²	1,082.00 pm ²	5,410,000	
2BF - Private	7,000.00 m ²	1,082.00 pm ²	7,574,000	
2BH - Private	7,650.00 m ²	1,082.00 pm ²	8,277,300	
3BH - Private	21,600.00 m ²	1,082.00 pm ²	23,371,200	
4BH - Private	7,020.00 m ²	1,082.00 pm ²	7,595,640	
1BF - AR	1,000.00 m ²	1,082.00 pm ²	1,082,000	
2BF - AR	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - AR	1,422.00 m ²	1,082.00 pm ²	1,538,604	
3BH - AR	13,392.00 m ²	1,082.00 pm ²	14,490,144	
4BH - AR	4,032.00 m ²	1,082.00 pm ²	4,362,624	
1BF - SO	4,000.00 m ²	1,082.00 pm ²	4,328,000	
2BF - SO	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - SO	2,844.00 m ²	1,082.00 pm ²	3,077,208	
Totals	77,760.00 m²		84,136,320	84,136,320

Contingency

5.00% 4,206,816

S106 (Residual)

7,000,000

Sustainable Design & Construction

2.00% 1,682,726

12,889,542

INFRASTRUCTURE COSTS

Infrastructure Costs

20,700,000

20,700,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	5,222,814	
Professional & Other Fees		10.00%	3,190,818	
				8,413,632

DISPOSAL FEES

Sales Agent Fee		3.00%	4,236,300	
Sales Legal Fee	900.00 un	750.00 /un	675,000	
				4,911,300

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				3,593,314

TOTAL COSTS**152,626,163****PROFIT****31,853,343****Performance Measures**

Profit on Cost%	20.87%
Profit on GDV%	17.26%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

900 Unit Residential Scheme (N of Stevenage)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	90	4,500.00	3,300.00	165,000	14,850,000	0	14,850,000
2BF - Private	90	6,300.00	3,300.00	231,000	20,790,000	0	20,790,000
2BH - Private	90	7,650.00	3,300.00	280,500	25,245,000	0	25,245,000
3BH - Private	216	21,600.00	3,300.00	330,000	71,280,000	0	71,280,000
4BH - Private	54	7,020.00	3,300.00	429,000	23,166,000	0	23,166,000
1BF - AR	18	900.00	1,620.36	81,018	1,458,324	0	1,458,324
2BF - AR	18	1,260.00	1,469.64	102,875	1,851,750	0	1,851,750
2BH - AR	18	1,422.00	1,302.22	102,875	1,851,750	0	1,851,750
3BH - AR	144	13,392.00	1,327.51	123,458	17,777,952	0	17,777,952
4BH - AR	36	4,032.00	1,411.76	158,117	5,692,212	0	5,692,212
1BF - SO	72	3,600.00	1,980.00	99,000	7,128,000	0	7,128,000
2BF - SO	18	1,260.00	1,980.00	138,600	2,494,800	0	2,494,800
2BH - SO	36	2,844.00	1,980.00	156,420	5,631,120	0	5,631,120
Totals	900	75,780.00			199,216,908	0	199,216,908

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	180	250	45,000	45,000
Totals	180		45,000	45,000

Investment Valuation

Current Rent	45,000	YP @	5.5000%	18.1818	818,182
					818,182

GROSS DEVELOPMENT VALUE

				200,035,090
Purchaser's Costs		5.85%	(47,864)	(47,864)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE**199,987,226****NET REALISATION****199,987,226****OUTLAY****ACQUISITION COSTS**

Residualised Price (44.00 Ha 373,596.39 pHect)

16,438,241

16,438,241

Stamp Duty

1,053,330

Agent Fee

1.50%

246,574

Legal Fee

0.75%

123,287

1,423,190

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost
1BF - Private	5,000.00 m ²	1,082.00 pm ²	5,410,000
2BF - Private	7,000.00 m ²	1,082.00 pm ²	7,574,000
2BH - Private	7,650.00 m ²	1,082.00 pm ²	8,277,300
3BH - Private	21,600.00 m ²	1,082.00 pm ²	23,371,200
4BH - Private	7,020.00 m ²	1,082.00 pm ²	7,595,640
1BF - AR	1,000.00 m ²	1,082.00 pm ²	1,082,000
2BF - AR	1,400.00 m ²	1,082.00 pm ²	1,514,800
2BH - AR	1,422.00 m ²	1,082.00 pm ²	1,538,604
3BH - AR	13,392.00 m ²	1,082.00 pm ²	14,490,144
4BH - AR	4,032.00 m ²	1,082.00 pm ²	4,362,624
1BF - SO	4,000.00 m ²	1,082.00 pm ²	4,328,000
2BF - SO	1,400.00 m ²	1,082.00 pm ²	1,514,800
2BH - SO	2,844.00 m ²	1,082.00 pm ²	3,077,208
Totals	77,760.00 m²		84,136,320

84,136,320

Contingency

5.00%

4,206,816

S106 (Residual)

19,500,000

Sustainable Design & Construction

2.00%

1,682,726

25,389,542

INFRASTRUCTURE COSTS

Infrastructure Costs

20,700,000

20,700,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	5,222,814	
Professional & Other Fees		10.00%	3,190,818	
				8,413,632

DISPOSAL FEES

Sales Agent Fee		3.00%	4,659,930	
Sales Legal Fee	900.00 un	750.00 /un	675,000	
				5,334,930

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				3,551,751

TOTAL COSTS**165,387,607****PROFIT****34,599,619****Performance Measures**

Profit on Cost%	20.92%
Profit on GDV%	17.30%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

900 Unit Residential Scheme (N of Letchworth)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	90	4,500.00	3,300.00	165,000	14,850,000	0	14,850,000
2BF - Private	90	6,300.00	3,300.00	231,000	20,790,000	0	20,790,000
2BH - Private	90	7,650.00	3,300.00	280,500	25,245,000	0	25,245,000
3BH - Private	216	21,600.00	3,300.00	330,000	71,280,000	0	71,280,000
4BH - Private	54	7,020.00	3,300.00	429,000	23,166,000	0	23,166,000
1BF - AR	18	900.00	1,620.36	81,018	1,458,324	0	1,458,324
2BF - AR	18	1,260.00	1,469.64	102,875	1,851,750	0	1,851,750
2BH - AR	18	1,422.00	1,302.22	102,875	1,851,750	0	1,851,750
3BH - AR	144	13,392.00	1,327.51	123,458	17,777,952	0	17,777,952
4BH - AR	36	4,032.00	1,411.76	158,117	5,692,212	0	5,692,212
1BF - SO	72	3,600.00	1,980.00	99,000	7,128,000	0	7,128,000
2BF - SO	18	1,260.00	1,980.00	138,600	2,494,800	0	2,494,800
2BH - SO	36	2,844.00	1,980.00	156,420	5,631,120	0	5,631,120
Totals	900	75,780.00			199,216,908	0	199,216,908

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	180	250	45,000	45,000
Totals	180		45,000	45,000

Investment Valuation

Current Rent	45,000	YP @	5.5000%	18.1818	818,182
					818,182

GROSS DEVELOPMENT VALUE

				200,035,090
Purchaser's Costs		5.85%	(47,864)	(47,864)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****NET DEVELOPMENT VALUE****199,987,226****NET REALISATION****199,987,226****OUTLAY****ACQUISITION COSTS**

Residualised Price (44.00 Ha 373,596.39 pHect)		16,438,241		16,438,241
Stamp Duty		1,053,330		
Agent Fee	1.50%	246,574		
Legal Fee	0.75%	123,287		
				1,423,190

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
1BF - Private	5,000.00 m ²	1,082.00 pm ²	5,410,000	
2BF - Private	7,000.00 m ²	1,082.00 pm ²	7,574,000	
2BH - Private	7,650.00 m ²	1,082.00 pm ²	8,277,300	
3BH - Private	21,600.00 m ²	1,082.00 pm ²	23,371,200	
4BH - Private	7,020.00 m ²	1,082.00 pm ²	7,595,640	
1BF - AR	1,000.00 m ²	1,082.00 pm ²	1,082,000	
2BF - AR	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - AR	1,422.00 m ²	1,082.00 pm ²	1,538,604	
3BH - AR	13,392.00 m ²	1,082.00 pm ²	14,490,144	
4BH - AR	4,032.00 m ²	1,082.00 pm ²	4,362,624	
1BF - SO	4,000.00 m ²	1,082.00 pm ²	4,328,000	
2BF - SO	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - SO	2,844.00 m ²	1,082.00 pm ²	3,077,208	
Totals	77,760.00 m²		84,136,320	84,136,320

Contingency	5.00%	4,206,816		
S106 (Residual)		19,500,000		
Sustainable Design & Construction	2.00%	1,682,726		
				25,389,542

INFRASTRUCTURE COSTS

Infrastructure Costs		20,700,000		20,700,000
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This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	5,222,814	
Professional & Other Fees		10.00%	3,190,818	
				8,413,632

DISPOSAL FEES

Sales Agent Fee		3.00%	4,659,930	
Sales Legal Fee	900.00 un	750.00 /un	675,000	
				5,334,930

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				3,551,751

TOTAL COSTS**165,387,607****PROFIT****34,599,619****Performance Measures**

Profit on Cost%	20.92%
Profit on GDV%	17.30%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

900 Unit Residential Scheme (N of Letchworth)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,600/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	90	4,500.00	3,600.00	180,000	16,200,000	0	16,200,000
2BF - Private	90	6,300.00	3,600.00	252,000	22,680,000	0	22,680,000
2BH - Private	90	7,650.00	3,600.00	306,000	27,540,000	0	27,540,000
3BH - Private	216	21,600.00	3,600.00	360,000	77,760,000	0	77,760,000
4BH - Private	54	7,020.00	3,600.00	468,000	25,272,000	0	25,272,000
1BF - AR	18	900.00	1,620.36	81,018	1,458,324	0	1,458,324
2BF - AR	18	1,260.00	1,469.64	102,875	1,851,750	0	1,851,750
2BH - AR	18	1,422.00	1,302.22	102,875	1,851,750	0	1,851,750
3BH - AR	144	13,392.00	1,327.51	123,458	17,777,952	0	17,777,952
4BH - AR	36	4,032.00	1,411.76	158,117	5,692,212	0	5,692,212
1BF - SO	72	3,600.00	2,160.00	108,000	7,776,000	0	7,776,000
2BF - SO	18	1,260.00	2,160.00	151,200	2,721,600	0	2,721,600
2BH - SO	36	2,844.00	2,160.00	170,640	6,143,040	0	6,143,040
Totals	900	75,780.00			214,724,628	0	214,724,628

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	180	250	45,000	45,000
Totals	180		45,000	45,000

Investment Valuation

Current Rent	45,000	YP @	5.5000%	18.1818	818,182
					818,182

GROSS DEVELOPMENT VALUE

				215,542,810
Purchaser's Costs		5.85%	(47,864)	(47,864)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****NET DEVELOPMENT VALUE****215,494,946****NET REALISATION****215,494,946****OUTLAY****ACQUISITION COSTS**

Residualised Price (44.00 Ha 371,526.72 pHect)		16,347,176	
			16,347,176
Stamp Duty		1,013,101	
Agent Fee	1.50%	245,208	
Legal Fee	0.75%	122,604	
			1,380,913

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
1BF - Private	5,000.00 m ²	1,082.00 pm ²	5,410,000	
2BF - Private	7,000.00 m ²	1,082.00 pm ²	7,574,000	
2BH - Private	7,650.00 m ²	1,082.00 pm ²	8,277,300	
3BH - Private	21,600.00 m ²	1,082.00 pm ²	23,371,200	
4BH - Private	7,020.00 m ²	1,082.00 pm ²	7,595,640	
1BF - AR	1,000.00 m ²	1,082.00 pm ²	1,082,000	
2BF - AR	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - AR	1,422.00 m ²	1,082.00 pm ²	1,538,604	
3BH - AR	13,392.00 m ²	1,082.00 pm ²	14,490,144	
4BH - AR	4,032.00 m ²	1,082.00 pm ²	4,362,624	
1BF - SO	4,000.00 m ²	1,082.00 pm ²	4,328,000	
2BF - SO	1,400.00 m ²	1,082.00 pm ²	1,514,800	
2BH - SO	2,844.00 m ²	1,082.00 pm ²	3,077,208	
Totals	77,760.00 m²		84,136,320	84,136,320

Contingency	5.00%	4,206,816	
S106 (Residual)		32,000,000	
Sustainable Design & Construction	2.00%	1,682,726	
			37,889,542

INFRASTRUCTURE COSTS

Infrastructure Costs		20,700,000	
			20,700,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	5,222,814	
Professional & Other Fees		10.00%	3,190,818	
				8,413,632

DISPOSAL FEES

Sales Agent Fee		3.00%	5,083,560	
Sales Legal Fee	900.00 un	750.00 /un	675,000	
				5,758,560

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				3,511,917

TOTAL COSTS**178,138,060****PROFIT****37,356,886****Performance Measures**

Profit on Cost%		20.97%		
Profit on GDV%		17.33%		

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,100 Unit Residential Scheme (East of Luton)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

20% AH

£3,000/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	264	13,200.00	3,000.00	150,000	39,600,000	0	39,600,000
2BF - Private	168	11,760.00	3,000.00	210,000	35,280,000	0	35,280,000
2BH - Private	156	13,260.00	3,000.00	255,000	39,780,000	0	39,780,000
3BH - Private	840	84,000.00	3,000.00	300,000	252,000,000	0	252,000,000
4BH - Private	252	32,760.00	3,000.00	390,000	98,280,000	0	98,280,000
1BF - AR	42	2,100.00	1,620.36	81,018	3,402,756	0	3,402,756
2BF - AR	21	1,470.00	1,469.64	102,875	2,160,375	0	2,160,375
2BH - AR	42	3,318.00	1,302.22	102,875	4,320,750	0	4,320,750
3BH - AR	105	9,765.00	1,327.51	123,458	12,963,090	0	12,963,090
4BH - AR	63	7,056.00	1,411.76	158,117	9,961,371	0	9,961,371
1BF - SO	42	2,100.00	1,800.00	90,000	3,780,000	0	3,780,000
2BF - SO	42	2,940.00	1,800.00	126,000	5,292,000	0	5,292,000
2BH - SO	63	4,977.00	1,800.00	142,200	8,958,600	0	8,958,600
Totals	2,100	188,706.00			515,778,942	0	515,778,942

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	432	250	108,000	108,000
Totals	432		108,000	108,000

Investment Valuation

Current Rent	108,000	YP @	5.5000%	18.1818	1,963,636
					1,963,636

GROSS DEVELOPMENT VALUE

				517,742,578
Purchaser's Costs		5.85%	(114,873)	(114,873)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****NET DEVELOPMENT VALUE**

517,627,706

NET REALISATION

517,627,706

OUTLAY**ACQUISITION COSTS**

Residualised Price (118.20 Ha 368,777.38 pHect)

43,589,486

43,589,486

Stamp Duty

3,051,264

Agent Fee

1.50%

653,842

Legal Fee

0.75%

326,921

4,032,027

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost
1BF - Private	14,666.67 m ²	1,082.00 pm ²	15,869,333
2BF - Private	13,066.67 m ²	1,082.00 pm ²	14,138,133
2BH - Private	13,260.00 m ²	1,082.00 pm ²	14,347,320
3BH - Private	84,000.00 m ²	1,082.00 pm ²	90,888,000
4BH - Private	32,760.00 m ²	1,082.00 pm ²	35,446,320
1BF - AR	2,333.33 m ²	1,082.00 pm ²	2,524,667
2BF - AR	1,633.33 m ²	1,082.00 pm ²	1,767,267
2BH - AR	3,318.00 m ²	1,082.00 pm ²	3,590,076
3BH - AR	9,765.00 m ²	1,082.00 pm ²	10,565,730
4BH - AR	7,056.00 m ²	1,082.00 pm ²	7,634,592
1BF - SO	2,333.33 m ²	1,082.00 pm ²	2,524,667
2BF - SO	3,266.67 m ²	1,082.00 pm ²	3,534,533
2BH - SO	4,977.00 m ²	1,082.00 pm ²	5,385,114
Totals	192,436.00 m²		208,215,752

208,215,752

Contingency

5.00%

10,410,788

S106 (Residual)

56,500,000

Sustainable Design & Construction

2.00%

4,164,315

71,075,103

INFRASTRUCTURE COSTS

Infrastructure Costs

48,300,000

48,300,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	17,068,911	
Professional & Other Fees		10.00%	3,752,665	
				20,821,575

DISPOSAL FEES

Sales Agent Fee		3.00%	13,948,200	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				15,523,200

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				8,779,191

TOTAL COSTS**420,336,334****PROFIT****97,291,372****Performance Measures**

Profit on Cost%	23.15%
Profit on GDV%	18.79%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,100 Unit Residential Scheme (East of Luton)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,000/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	210	10,500.00	3,000.00	150,000	31,500,000	0	31,500,000
2BF - Private	210	14,700.00	3,000.00	210,000	44,100,000	0	44,100,000
2BH - Private	210	17,850.00	3,000.00	255,000	53,550,000	0	53,550,000
3BH - Private	504	50,400.00	3,000.00	300,000	151,200,000	0	151,200,000
4BH - Private	126	16,380.00	3,000.00	390,000	49,140,000	0	49,140,000
1BF - AR	42	2,100.00	1,620.36	81,018	3,402,756	0	3,402,756
2BF - AR	42	2,940.00	1,469.64	102,875	4,320,750	0	4,320,750
2BH - AR	42	3,318.00	1,302.22	102,875	4,320,750	0	4,320,750
3BH - AR	336	31,248.00	1,327.51	123,458	41,481,888	0	41,481,888
4BH - AR	84	9,408.00	1,411.76	158,117	13,281,828	0	13,281,828
1BF - SO	168	8,400.00	1,800.00	90,000	15,120,000	0	15,120,000
2BF - SO	42	2,940.00	1,800.00	126,000	5,292,000	0	5,292,000
2BH - SO	84	6,636.00	1,800.00	142,200	11,944,800	0	11,944,800
Totals	2,100	176,820.00			428,654,772	0	428,654,772

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	420	250	105,000	105,000
Totals	420		105,000	105,000

Investment Valuation

Current Rent	105,000	YP @	5.5000%	18.1818	1,909,091
					1,909,091

GROSS DEVELOPMENT VALUE

				430,563,863
Purchaser's Costs		5.85%	(111,682)	(111,682)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE**430,452,181****NET REALISATION****430,452,181****OUTLAY****ACQUISITION COSTS**

Residualised Price (118.20 Ha 368,237.48 pHect)

43,525,670

43,525,670

Stamp Duty

3,046,797

Agent Fee

1.50%

652,885

Legal Fee

0.75%

326,443

4,026,124

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost	
1BF - Private	11,666.67 m ²	1,082.00 pm ²	12,623,333	
2BF - Private	16,333.33 m ²	1,082.00 pm ²	17,672,667	
2BH - Private	17,850.00 m ²	1,082.00 pm ²	19,313,700	
3BH - Private	50,400.00 m ²	1,082.00 pm ²	54,532,800	
4BH - Private	16,380.00 m ²	1,082.00 pm ²	17,723,160	
1BF - AR	2,333.33 m ²	1,082.00 pm ²	2,524,667	
2BF - AR	3,266.67 m ²	1,082.00 pm ²	3,534,533	
2BH - AR	3,318.00 m ²	1,082.00 pm ²	3,590,076	
3BH - AR	31,248.00 m ²	1,082.00 pm ²	33,810,336	
4BH - AR	9,408.00 m ²	1,082.00 pm ²	10,179,456	
1BF - SO	9,333.33 m ²	1,082.00 pm ²	10,098,667	
2BF - SO	3,266.67 m ²	1,082.00 pm ²	3,534,533	
2BH - SO	6,636.00 m ²	1,082.00 pm ²	7,180,152	
Totals	181,440.00 m²		196,318,080	196,318,080

Contingency

5.00%

9,815,904

S106 (Residual)

11,500,000

Sustainable Design & Construction

2.00%

3,926,362

25,242,266

INFRASTRUCTURE COSTS

Infrastructure Costs

48,300,000

48,300,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	12,186,566	
Professional & Other Fees		10.00%	7,445,242	
				19,631,808

DISPOSAL FEES

Sales Agent Fee		3.00%	9,884,700	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				11,459,700

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				7,635,564

TOTAL COSTS**356,139,212****PROFIT****74,312,969****Performance Measures**

Profit on Cost%	20.87%
Profit on GDV%	17.26%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,100 Unit Residential Scheme (East of Luton)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

20% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
1BF - Private	264	13,200.00	3,300.00	165,000	43,560,000
2BF - Private	168	11,760.00	3,300.00	231,000	38,808,000
2BH - Private	156	13,260.00	3,300.00	280,500	43,758,000
3BH - Private	840	84,000.00	3,300.00	330,000	277,200,000
4BH - Private	252	32,760.00	3,300.00	429,000	108,108,000
1BF - AR	42	2,100.00	1,620.36	81,018	3,402,756
2BF - AR	21	1,470.00	1,469.64	102,875	2,160,375
2BH - AR	42	3,318.00	1,302.22	102,875	4,320,750
3BH - AR	105	9,765.00	1,327.51	123,458	12,963,090
4BH - AR	63	7,056.00	1,411.76	158,117	9,961,371
1BF - SO	42	2,100.00	1,980.00	99,000	4,158,000
2BF - SO	42	2,940.00	1,980.00	138,600	5,821,200
2BH - SO	63	4,977.00	1,980.00	156,420	9,854,460
Totals	2,100	188,706.00			564,076,002

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	432	250	108,000	108,000
Totals	432		108,000	108,000

Investment Valuation

Current Rent	108,000	YP @	5.5000%	18.1818	1,963,636
					1,963,636

GROSS DEVELOPMENT VALUE

				566,039,638
Purchaser's Costs		5.85%	(114,873)	(114,873)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE

565,924,766

NET REALISATION

565,924,766

OUTLAY

ACQUISITION COSTS

Residualised Price (118.20 Ha 369,461.56 pHect)

43,670,356

43,670,356

Stamp Duty

3,056,925

Agent Fee

1.50%

655,055

Legal Fee

0.75%

327,528

4,039,508

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost
1BF - Private	14,666.67 m ²	1,082.00 pm ²	15,869,333
2BF - Private	13,066.67 m ²	1,082.00 pm ²	14,138,133
2BH - Private	13,260.00 m ²	1,082.00 pm ²	14,347,320
3BH - Private	84,000.00 m ²	1,082.00 pm ²	90,888,000
4BH - Private	32,760.00 m ²	1,082.00 pm ²	35,446,320
1BF - AR	2,333.33 m ²	1,082.00 pm ²	2,524,667
2BF - AR	1,633.33 m ²	1,082.00 pm ²	1,767,267
2BH - AR	3,318.00 m ²	1,082.00 pm ²	3,590,076
3BH - AR	9,765.00 m ²	1,082.00 pm ²	10,565,730
4BH - AR	7,056.00 m ²	1,082.00 pm ²	7,634,592
1BF - SO	2,333.33 m ²	1,082.00 pm ²	2,524,667
2BF - SO	3,266.67 m ²	1,082.00 pm ²	3,534,533
2BH - SO	4,977.00 m ²	1,082.00 pm ²	5,385,114
Totals	192,436.00 m²		208,215,752

208,215,752

Contingency

5.00%

10,410,788

S106 (Residual)

94,000,000

Sustainable Design & Construction

2.00%

4,164,315

108,575,103

INFRASTRUCTURE COSTS

Infrastructure Costs

48,300,000

48,300,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	17,068,911	
Professional & Other Fees		10.00%	3,752,665	
				20,821,575

DISPOSAL FEES

Sales Agent Fee		3.00%	15,343,020	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				16,918,020

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				8,915,003

TOTAL COSTS**459,455,317****PROFIT****106,469,448****Performance Measures**

Profit on Cost%	23.17%
Profit on GDV%	18.81%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,100 Unit Residential Scheme (East of Luton)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
1BF - Private	210	10,500.00	3,300.00	165,000	34,650,000
2BF - Private	210	14,700.00	3,300.00	231,000	48,510,000
2BH - Private	210	17,850.00	3,300.00	280,500	58,905,000
3BH - Private	504	50,400.00	3,300.00	330,000	166,320,000
4BH - Private	126	16,380.00	3,300.00	429,000	54,054,000
1BF - AR	42	2,100.00	1,620.36	81,018	3,402,756
2BF - AR	42	2,940.00	1,469.64	102,875	4,320,750
2BH - AR	42	3,318.00	1,302.22	102,875	4,320,750
3BH - AR	336	31,248.00	1,327.51	123,458	41,481,888
4BH - AR	84	9,408.00	1,411.76	158,117	13,281,828
1BF - SO	168	8,400.00	1,980.00	99,000	16,632,000
2BF - SO	42	2,940.00	1,980.00	138,600	5,821,200
2BH - SO	84	6,636.00	1,980.00	156,420	13,139,280
Totals	2,100	176,820.00			464,839,452

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	420	250	105,000	105,000
Totals	420		105,000	105,000

Investment Valuation

Current Rent	105,000	YP @	5.5000%	18.1818	1,909,091
					1,909,091

GROSS DEVELOPMENT VALUE

				466,748,543
Purchaser's Costs		5.85%	(111,682)	(111,682)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE**466,636,861****NET REALISATION****466,636,861****OUTLAY****ACQUISITION COSTS**

Residualised Price (118.20 Ha 370,444.12 pHect)

43,786,495

43,786,495

Stamp Duty

3,065,055

Agent Fee

1.50%

656,797

Legal Fee

0.75%

328,399

4,050,251

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost	
1BF - Private	11,666.67 m ²	1,082.00 pm ²	12,623,333	
2BF - Private	16,333.33 m ²	1,082.00 pm ²	17,672,667	
2BH - Private	17,850.00 m ²	1,082.00 pm ²	19,313,700	
3BH - Private	50,400.00 m ²	1,082.00 pm ²	54,532,800	
4BH - Private	16,380.00 m ²	1,082.00 pm ²	17,723,160	
1BF - AR	2,333.33 m ²	1,082.00 pm ²	2,524,667	
2BF - AR	3,266.67 m ²	1,082.00 pm ²	3,534,533	
2BH - AR	3,318.00 m ²	1,082.00 pm ²	3,590,076	
3BH - AR	31,248.00 m ²	1,082.00 pm ²	33,810,336	
4BH - AR	9,408.00 m ²	1,082.00 pm ²	10,179,456	
1BF - SO	9,333.33 m ²	1,082.00 pm ²	10,098,667	
2BF - SO	3,266.67 m ²	1,082.00 pm ²	3,534,533	
2BH - SO	6,636.00 m ²	1,082.00 pm ²	7,180,152	
Totals	181,440.00 m²		196,318,080	196,318,080

Contingency

5.00%

9,815,904

S106 (Residual)

40,000,000

Sustainable Design & Construction

2.00%

3,926,362

53,742,266

INFRASTRUCTURE COSTS

Infrastructure Costs

48,300,000

48,300,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	12,186,566	
Professional & Other Fees		10.00%	7,445,242	
				19,631,808

DISPOSAL FEES

Sales Agent Fee		3.00%	10,873,170	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				12,448,170

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				7,760,920

TOTAL COSTS**386,037,990****PROFIT****80,598,871****Performance Measures**

Profit on Cost%	20.88%
Profit on GDV%	17.27%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,800 Unit Residential Scheme (N of Baldock)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

20% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	352	17,600.00	3,300.00	165,000	58,080,000	0	58,080,000
2BF - Private	224	15,680.00	3,300.00	231,000	51,744,000	0	51,744,000
2BH - Private	208	17,680.00	3,300.00	280,500	58,344,000	0	58,344,000
3BH - Private	1120	112,000.00	3,300.00	330,000	369,600,000	0	369,600,000
4BH - Private	336	43,680.00	3,300.00	429,000	144,144,000	0	144,144,000
1BF - AR	56	2,800.00	1,620.36	81,018	4,537,008	0	4,537,008
2BF - AR	28	1,960.00	1,469.64	102,875	2,880,500	0	2,880,500
2BH - AR	56	4,424.00	1,302.22	102,875	5,761,000	0	5,761,000
3BH - AR	140	13,020.00	1,327.51	123,458	17,284,120	0	17,284,120
4BH - AR	84	9,408.00	1,411.76	158,117	13,281,828	0	13,281,828
1BF - SO	56	2,800.00	1,980.00	99,000	5,544,000	0	5,544,000
2BF - SO	56	3,920.00	1,980.00	138,600	7,761,600	0	7,761,600
2BH - SO	84	6,636.00	1,980.00	156,420	13,139,280	0	13,139,280
Totals	2,800	251,608.00			752,101,336	0	752,101,336

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	576	250	144,000	144,000
Totals	576		144,000	144,000

Investment Valuation

Current Rent	144,000	YP @	5.5000%	18.1818	2,618,182
					2,618,182

GROSS DEVELOPMENT VALUE

				754,719,518
Purchaser's Costs		5.85%	(153,164)	(153,164)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE**754,566,354****NET REALISATION****754,566,354****OUTLAY****ACQUISITION COSTS**

Residualised Price (142.00 Ha 369,228.23 pHect)

52,430,409

52,430,409

Stamp Duty

3,474,074

Agent Fee

1.50%

786,456

Legal Fee

0.75%

393,228

4,653,758

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost	
1BF - Private	19,555.56 m ²	1,082.00 pm ²	21,159,111	
2BF - Private	17,422.22 m ²	1,082.00 pm ²	18,850,844	
2BH - Private	17,680.00 m ²	1,082.00 pm ²	19,129,760	
3BH - Private	112,000.00 m ²	1,082.00 pm ²	121,184,000	
4BH - Private	43,680.00 m ²	1,082.00 pm ²	47,261,760	
1BF - AR	3,111.11 m ²	1,082.00 pm ²	3,366,222	
2BF - AR	2,177.78 m ²	1,082.00 pm ²	2,356,356	
2BH - AR	4,424.00 m ²	1,082.00 pm ²	4,786,768	
3BH - AR	13,020.00 m ²	1,082.00 pm ²	14,087,640	
4BH - AR	9,408.00 m ²	1,082.00 pm ²	10,179,456	
1BF - SO	3,111.11 m ²	1,082.00 pm ²	3,366,222	
2BF - SO	4,355.56 m ²	1,082.00 pm ²	4,712,711	
2BH - SO	6,636.00 m ²	1,082.00 pm ²	7,180,152	
Totals	256,581.33 m²		277,621,003	277,621,003

Contingency

5.00%

13,881,050

S106 (Residual)

134,500,000

Sustainable Design & Construction

2.00%

5,552,420

153,933,470

INFRASTRUCTURE COSTS

Infrastructure Costs

64,400,000

64,400,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	22,758,548	
Professional & Other Fees		10.00%	5,003,553	
				27,762,100

DISPOSAL FEES

Sales Agent Fee		3.00%	20,457,360	
Sales Legal Fee	2,800.00 un	750.00 /un	2,100,000	
				22,557,360

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				9,264,047

TOTAL COSTS**612,622,148****PROFIT****141,944,206****Performance Measures**

Profit on Cost%		23.17%		
Profit on GDV%		18.81%		

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,800 Unit Residential Scheme (N of Baldock)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,300/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	280	14,000.00	3,300.00	165,000	46,200,000	0	46,200,000
2BF - Private	280	19,600.00	3,300.00	231,000	64,680,000	0	64,680,000
2BH - Private	280	23,800.00	3,300.00	280,500	78,540,000	0	78,540,000
3BH - Private	672	67,200.00	3,300.00	330,000	221,760,000	0	221,760,000
4BH - Private	168	21,840.00	3,300.00	429,000	72,072,000	0	72,072,000
1BF - AR	56	2,800.00	1,620.36	81,018	4,537,008	0	4,537,008
2BF - AR	56	3,920.00	1,469.64	102,875	5,761,000	0	5,761,000
2BH - AR	56	4,424.00	1,302.22	102,875	5,761,000	0	5,761,000
3BH - AR	448	41,664.00	1,327.51	123,458	55,309,184	0	55,309,184
4BH - AR	112	12,544.00	1,411.76	158,117	17,709,104	0	17,709,104
1BF - SO	224	11,200.00	1,980.00	99,000	22,176,000	0	22,176,000
2BF - SO	56	3,920.00	1,980.00	138,600	7,761,600	0	7,761,600
2BH - SO	112	8,848.00	1,980.00	156,420	17,519,040	0	17,519,040
Totals	2,800	235,760.00			619,785,936	0	619,785,936

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	560	250	140,000	140,000
Totals	560		140,000	140,000

Investment Valuation

Current Rent	140,000	YP @	5.5000%	18.1818	2,545,455
					2,545,455

GROSS DEVELOPMENT VALUE

				622,331,391
Purchaser's Costs		5.85%	(148,909)	(148,909)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE**622,182,481****NET REALISATION****622,182,481****OUTLAY****ACQUISITION COSTS**

Residualised Price (142.00 Ha 372,186.51 pHect)

52,850,484

52,850,484

Stamp Duty

3,377,591

Agent Fee

1.50% 792,757

Legal Fee

0.75% 396,379

4,566,726

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost
1BF - Private	15,555.56 m ²	1,082.00 pm ²	16,831,111
2BF - Private	21,777.78 m ²	1,082.00 pm ²	23,563,556
2BH - Private	23,800.00 m ²	1,082.00 pm ²	25,751,600
3BH - Private	67,200.00 m ²	1,082.00 pm ²	72,710,400
4BH - Private	21,840.00 m ²	1,082.00 pm ²	23,630,880
1BF - AR	3,111.11 m ²	1,082.00 pm ²	3,366,222
2BF - AR	4,355.56 m ²	1,082.00 pm ²	4,712,711
2BH - AR	4,424.00 m ²	1,082.00 pm ²	4,786,768
3BH - AR	41,664.00 m ²	1,082.00 pm ²	45,080,448
4BH - AR	12,544.00 m ²	1,082.00 pm ²	13,572,608
1BF - SO	12,444.44 m ²	1,082.00 pm ²	13,464,889
2BF - SO	4,355.56 m ²	1,082.00 pm ²	4,712,711
2BH - SO	8,848.00 m ²	1,082.00 pm ²	9,573,536
Totals	241,920.00 m²		261,757,440

261,757,440

Contingency

5.00% 13,087,872

S106 (Residual)

60,500,000

Sustainable Design & Construction

2.00% 5,235,149

78,823,021

INFRASTRUCTURE COSTS

Infrastructure Costs

64,400,000

64,400,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	16,248,755	
Professional & Other Fees		10.00%	9,926,989	
				26,175,744

DISPOSAL FEES

Sales Agent Fee		3.00%	14,497,560	
Sales Legal Fee	2,800.00 un	750.00 /un	2,100,000	
				16,597,560

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				9,256,279

TOTAL COSTS**514,427,255****PROFIT****107,755,227****Performance Measures**

Profit on Cost%	20.95%
Profit on GDV%	17.31%

This appraisal report does not constitute a formal valuation.

North Hertfordshire District Council

Strategic Sites Appraisals

2,800 Unit Residential Scheme (N of Baldock)

s106 Calculated Residual & CIL £0/m²

£23k/unit site infrastructure / externals

40% AH

£3,600/m² Sales Values

Development Appraisal
Prepared by DSP Ltd
Dixon Searle Partnership
04 Jul 2016

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

Summary Appraisal for Merged Phases 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1BF - Private	280	14,000.00	3,600.00	180,000	50,400,000	0	50,400,000
2BF - Private	280	19,600.00	3,600.00	252,000	70,560,000	0	70,560,000
2BH - Private	280	23,800.00	3,600.00	306,000	85,680,000	0	85,680,000
3BH - Private	672	67,200.00	3,600.00	360,000	241,920,000	0	241,920,000
4BH - Private	168	21,840.00	3,600.00	468,000	78,624,000	0	78,624,000
1BF - AR	56	2,800.00	1,620.36	81,018	4,537,008	0	4,537,008
2BF - AR	56	3,920.00	1,469.64	102,875	5,761,000	0	5,761,000
2BH - AR	56	4,424.00	1,302.22	102,875	5,761,000	0	5,761,000
3BH - AR	448	41,664.00	1,327.51	123,458	55,309,184	0	55,309,184
4BH - AR	112	12,544.00	1,411.76	158,117	17,709,104	0	17,709,104
1BF - SO	224	11,200.00	2,160.00	108,000	24,192,000	0	24,192,000
2BF - SO	56	3,920.00	2,160.00	151,200	8,467,200	0	8,467,200
2BH - SO	112	8,848.00	2,160.00	170,640	19,111,680	0	19,111,680
Totals	2,800	235,760.00			668,032,176	0	668,032,176

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	560	250	140,000	140,000
Totals	560		140,000	140,000

Investment Valuation

Current Rent	140,000	YP @	5.5000%	18.1818	2,545,455
					2,545,455

GROSS DEVELOPMENT VALUE

				670,577,631
Purchaser's Costs		5.85%	(148,909)	(148,909)

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

North Hertfordshire District Council

NET DEVELOPMENT VALUE

670,428,721

NET REALISATION

670,428,721

OUTLAY

ACQUISITION COSTS

Residualised Price (142.00 Ha 372,429.21 pHect)

52,884,948

52,884,948

Stamp Duty

2,115,398

Agent Fee

1.50% 793,274

Legal Fee

0.75% 396,637

3,305,309

CONSTRUCTION COSTS**Construction**

	m ²	Rate m ²	Cost
1BF - Private	15,555.56 m ²	1,082.00 pm ²	16,831,111
2BF - Private	21,777.78 m ²	1,082.00 pm ²	23,563,556
2BH - Private	23,800.00 m ²	1,082.00 pm ²	25,751,600
3BH - Private	67,200.00 m ²	1,082.00 pm ²	72,710,400
4BH - Private	21,840.00 m ²	1,082.00 pm ²	23,630,880
1BF - AR	3,111.11 m ²	1,082.00 pm ²	3,366,222
2BF - AR	4,355.56 m ²	1,082.00 pm ²	4,712,711
2BH - AR	4,424.00 m ²	1,082.00 pm ²	4,786,768
3BH - AR	41,664.00 m ²	1,082.00 pm ²	45,080,448
4BH - AR	12,544.00 m ²	1,082.00 pm ²	13,572,608
1BF - SO	12,444.44 m ²	1,082.00 pm ²	13,464,889
2BF - SO	4,355.56 m ²	1,082.00 pm ²	4,712,711
2BH - SO	8,848.00 m ²	1,082.00 pm ²	9,573,536
Totals	241,920.00 m²		261,757,440

261,757,440

Contingency

5.00% 13,087,872

S106 (Residual)

101,000,000

Sustainable Design & Construction

2.00% 5,235,149

119,323,021

INFRASTRUCTURE COSTS

Infrastructure Costs

64,400,000

64,400,000

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****North Hertfordshire District Council****PROFESSIONAL FEES**

Professional & Other Fees		10.00%	16,248,755	
Professional & Other Fees		10.00%	9,926,989	
				26,175,744

DISPOSAL FEES

Sales Agent Fee		3.00%	15,815,520	
Sales Legal Fee	2,800.00 un	750.00 /un	2,100,000	
				17,915,520

FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				8,654,441

TOTAL COSTS**554,416,423****PROFIT****116,012,298****Performance Measures**

Profit on Cost%		20.93%		
Profit on GDV%		17.30%		

This appraisal report does not constitute a formal valuation.