

For: Havant Borough Council

**Havant**  
BOROUGH COUNCIL

**Local Plan Viability Assessment:  
Initial Viability Analysis for Affordable  
Housing Options – Stage 1**

**Appendix 1 – Residential  
Assumptions Summary  
(Tables 1a – 1c)**

**October 2024  
DSP24873**



**Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options: Residential Assumptions**  
**- Table 1a: High-Level Site Typologies and Value Levels / Revenue Assumptions**

**High-Level Sample Typology Tests**

Scheme Size Appraised	Type	Site Type	AH Proportion <i>(variable tenure testing - see below)</i>	Density (dph)	Net Land area (ha)	Gross Land Area (ha)*	Main Build Period (Months)
10	Houses	PDL	10% 20% 30%	35	0.29	0.33	12
15	Houses	PDL	10% 20% 30%	40	0.38	0.43	12
15	Flats	PDL	10% 20% 30%	100	0.15	0.17	12
20	Houses	GF	20% 30% 40%	40	0.50	0.58	12
50	Mixed (Houses/Flats)	GF	20% 30% 40%	40	1.25	1.44	18
50	Mixed (Houses/Flats)	PDL	10% 20% 30%	55	0.91	1.05	18
50	Flats	PDL - Town Centre	10% 20% 30%	150	0.33	0.38	18
100	Flats	PDL - Town Centre	10% 20% 30%	150	0.67	0.77	18
100	Mixed (Houses/Flats)	GF	20% 30% 40%	40	2.50	2.88	18

\* assumes additional land area adjustment - 15% added

**Affordable Housing Tenure - Sensitivity Testing Scope**

The above sample residential typologies have been tested at a range of affordable housing proportions from 10% - 40% depending on the assumed scheme type/characteristics. Each typology has been tested at the range of affordable housing proportions noted above (i.e. between 10% - 40% AH) per typology. Extensive sensitivity testing for potential affordable housing tenure scenarios was carried out on the 50 unit typologies with the final selected tenure position tested across a wider typology set. Further DSP analysis and interpolation has been carried out between the range of scenario results and reflected in the main report discussion.  
**Note: Following the initial sensitivity testing assessment stage, the selected tenure scenario taken forward for the final testing phase assumes 20% Affordable Rent, 42.5% Social Rent and 37.5% Affordable Home Ownership (highlighted below).**  
 Indexed CIL Rates have been applied per scenario. First Homes have been modelled at an initial baseline position of 30% discount with further analysis and commentary within the main report on the impact of a variable or increasing level of discount. This testing approach presents an extensive results matrix as shown in Appendix 2.

<b>AH Tenure Scenario (1)</b>	<b>75% Social Rent</b> <b>25% First Homes (30% baseline discount)</b>
<b>AH Tenure Scenario (2)</b>	<b>75% Affordable Rent</b> <b>25% First Homes (30% baseline discount)</b>
<b>AH Tenure Scenario (3)</b>	<b>75% Social Rent</b> <b>25% Shared Ownership</b>
<b>AH Tenure Scenario (4)</b>	<b>75% Affordable Rent</b> <b>25% Shared Ownership</b>
<b>AH Tenure Scenario (5)</b>	<b>50% Social Rent</b> <b>25% First Homes (30% baseline discount)</b> <b>25% Shared Ownership</b>
<b>AH Tenure Scenario (6)</b>	<b>50% Affordable Rent</b> <b>25% First Homes (30% baseline discount)</b> <b>25% Shared Ownership</b>
<b>Additional AH Tenure Option 1</b>	<b>31.25% Affordable rent</b> <b>31.25% Social Rent</b> <b>37.5% Affordable Home Ownership (assuming Shared Ownership)</b>
<b>Additional AH Tenure Option 2 (Key scenario selected as base position for final assessment phases)</b>	<b>20% Affordable rent</b> <b>42.5% Social Rent</b> <b>37.5% Affordable Home Ownership (assuming Shared Ownership)</b>

**Unit sizes and dwelling mix assumptions**

Property Type	Assumed Unit Sizes*	Dwelling Mix (%)**
1-bed	50	8.0%
2-bed	61 - 79	25.0%
3-bed	93	46.0%
4-bed	130	21.0%

\*Based on Nationally Described Space Standard October 2015  
 \*\*rounded, based on the Housing Needs Analysis (October 2023)

**Affordable Housing Revenue Assumptions**

Unit Type	Social Rent (% MV)	Affordable Rent (% MV)	First Homes	Shared Ownership
			% Market Value	% Market Value
1-Bed Flat	45%	55%	50% - 70%	65%
2-Beds Flat				
2-Bed House				
3-Bed House				
4-Bed House				

Note: % MV based on VL3 £4,500 (below).

**Residential Sales Value Level (VL) Assumptions - Indicative relevance by area within Borough**

Market Values (MV)	VL1	VL2	VL3	VL4	VL5	VL6
	<b>Typical New Build Values Range</b>					
1-bed flat	£200,000	£212,500	£225,000	£237,500	£250,000	£262,500
2-bed flat	£244,000	£259,250	£274,500	£289,750	£305,000	£320,250
2-bed house	£316,000	£335,750	£355,500	£375,250	£395,000	£414,750
3-bed house	£372,000	£395,250	£418,500	£441,750	£465,000	£488,250
4-bed house	£520,000	£552,500	£585,000	£617,500	£650,000	£682,500
MV (£ / sq. m.)	£4,000	£4,250	£4,500	£4,750	£5,000	£5,250

**Value Levels - Locations by ward area**

Ward Area	Value Level Range
Bedhampton	VL1 - VL3
Cowplain	VL1 - VL3
Emsworth	VL4 - VL6
Hart Plain	VL1 - VL3
Havant St Faith's	VL1 - VL3
Hayling East	VL3 - VL6
Hayling West	VL3 - VL6
Leigh Park Central & West Leigh	VL1 - VL3
Leigh Park Hermitage	VL1 - VL3
Purbrook	VL1 - VL3
Stakes	VL1 - VL3
Waterloo	VL1 - VL3

**Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options: Residential Assumptions**  
**- Table 1b: Development Cost Assumptions & Key Sensitivity Testing Parameters**

Base Appraisal Cost Description	Cost Assumption	Notes
<b>Build cost - Mixed Developments (generally - houses/flats)</b>	£1,705/sq. m.	<i>Based on BCIS 'median' rebased to Havant location factor (5yr data sample), excludes external works. Lower Quartile (LQ) rates applied to specific/strategic site testing.</i>
<b>Build cost - Estate Housing (generally)</b>	£1,741/sq. m.	
<b>Build cost - Flats (generally)</b>	£1,888/sq. m.	
<b>External Works</b>	10% (Flats) 15% (Houses)	<i>Applied to base build costs</i>
<b>Site Prep Contingency (on gross land area)</b>	£500,000/ha	
<b>Contingency (% of build cost)</b>	5%	
<b>Professional Fees (% of build cost)</b>	10%	
<b>Indexed CIL Rates</b>	Variable by Zone	<i>CIL indexed rates (2024) assumed for appraisal modelling: Residential Area A - Emsworth and Hayling Island - £170.09 Residential Area B - Rest of the Borough - £136.07  Adopted rates (2013) : Residential Area A = £100, Residential Area B = £80</i>
<b>Residual s106</b>	£3,000/dwelling	
<b>Sustainable design/climate change/carbon reduction (% of build cost)</b>	5.00%	<i>Representing current Building Regulations (2021), based on a range of data sources. Note: blended rate for mixed schemes (houses and flats), weighted by dwelling mix proportions.</i>
<b>Electric Vehicle Charging Points (£/unit)<sup>1</sup></b>	£865/unit (houses) £1,961 (flats)	<i>Houses only typologies - assumes 1x EVCP per dwelling Flats typologies - assumes 1x EVCP per dwelling Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling</i>
<b>Water efficiency standards</b>	110 litres per person per day	<i>Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.</i>
<b>Biodiversity Net Gain (BNG) (% of build cost)</b>	2.4% (Greenfield) 0.5% (PDL)	<i>Assuming 10%, variable by site type. Costs based on Impact Assessment (Scenario C)<sup>2</sup> plus uplift for latest information from the 10% minimum baseline.</i>
<b>Nitrates (nutrient neutrality)</b>	£2,000/dwelling	
<b>SPA - Solent Recreation Mitigation</b>	£777/dwelling	
<b>M4(2) Accessible and adaptable dwellings compliance</b>	£15.5/sq. m.	<i>30% provision on all dwellings for M4(2) 2% provision for M4(3) on all dwellings on schemes of 50+ dwellings only.</i>
<b>M4(3-a) Wheelchair user dwellings compliance</b>	£115/sq. m.	<i>High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document<sup>3</sup></i>
<b>Marketing &amp; Sales Costs (% of GDV)</b>	3%	
<b>Legal Fees on sale (£ per unit)</b>	£750	
<b>Developer's Return for Risk &amp; Profit</b>		
<b>Open Market Housing Profit (% of GDV)</b>	Range of 15-20%	<i>DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%.</i>
<b>Affordable Housing Profit (% of GDV)</b>	6%	
<b>Finance &amp; Acquisition Costs</b>		
<b>Agents Fees (% of site value)</b>	1.50%	
<b>Legal Fees (% of site value)</b>	0.75%	
<b>Stamp Duty Land Tax (% of site value)</b>	0% to 5%	<i>HMRC Scale</i>
<b>Finance Rate - Build (%)</b>	6.50%	
<b>Finance Rate - Land (%)</b>	6.50%	

<sup>1</sup> Costs adopted from the DfT Residential Charging Infrastructure Provision Impact Assessment (September 2021)

<sup>2</sup> Biodiversity Net Gain Impact Assessment - Natural England (Table 19-20)

<sup>3</sup> <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes>

DSP (2024)

**Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options:  
Residential Assumptions  
- Table 1c: Older Persons accommodation**

Scheme Size Appraised	Type	Site type	Density <i>(based on residential net developable area)</i>	Net Land Area (ha)	Gross Land Area (ha)	Build Period (Months) <i>(6-month lead-in)</i>	Sales Rate <sup>1</sup>	AH % Requirement <i>(on-site)</i>
30	Flats (Sheltered)	PDL	150	0.20	0.23	18	1.5 unit / month 20 month (total)	10% 20% 30%
60	Flats (Extra Care)	PDL	150	0.40	0.46	18	1.5 unit / month 40 month (total)	10% 20% 30%

<sup>1</sup> Sales rate based on average across the sales period and is considered a cautious assumption. In practice sales will be weighted towards the earlier months and may include some off-plan sales

**Unit sizes and dwelling mix assumptions**

Property Type	Assumed Unit Sizes	Non-Saleable Floor Area Allowance <i>(net to gross ratio)</i>	Dwelling Mix (%)
1-bed flat (Sheltered)	55	75%	60%
2-bed flat (Sheltered)	75		40%
1-bed flat (Extra Care)	58.5	65%	60%
2-bed flat (Extra Care)	76		40%

**Note:** We see a range of different levels of communal facilities and the above assumptions represent the upper end of communal areas seen at application stage viability assessment.

**Value Levels - Havant Borough**

Market Value (MV) - Private units	VL5 £5,000	VL6 £5,250	VL7 £5,500	VL8 £5,750	VL9 £6,000	VL10 £6,250
	Lower VL Sensitivity Tests	Typical New Build "Sheltered" Values Range			Upper VL Sensitivity Tests	
1-bed flat (Sheltered)	£275,000	£288,750	£302,500	£316,250	£330,000	£343,750
2-bed flat (Sheltered)	£375,000	£393,750	£412,500	£431,250	£450,000	£468,750
MV (£/sq. m.)	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250

Market Value (MV) - Private units	VL5 £5,000	VL6 £5,250	VL7 £5,500	VL8 £5,750	VL9 £6,000	VL10 £6,250
	Lower VL Sensitivity Tests			Typical New Build "Extra Care" Values Range		
1-bed flat (Extra Care)	£292,500	£307,125	£321,750	£336,375	£351,000	£365,625
2-bed flat (Extra Care)	£380,000	£399,000	£418,000	£437,000	£456,000	£475,000
MV (£/sq. m.)	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250

**Bespoke Cost Assumptions**

*Note: Base cost assumptions set out in Table 1b*

<b>Base Build Cost - Supported Housing</b>	£2,103	Based on BCIS - Median rebased to the Havant location factor (5yr data sample), excludes external works.  17.5% represents base position with sensitivity test at 20%.
<b>External Works</b>	7.50%	
<b>Legal Fees</b>	£750/unit	
<b>Empty Property Costs - Sheltered</b>	£2,000/unit	
<b>Empty Property Costs - Extra Care</b>	£5,000/unit	
<b>Open Market Housing Profit (% of GDV)</b>	17.5% and 20%	

DSP (2024)