Local Plan Viability Assessment Stage 2 Final Report - Notes and Limitations

1. This assessment does not provide formal valuation advice; it provides an overview not intended for other purposes nor to override particular site considerations as the Council's policies will be applied from case to case.

2. DSP conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. DSP has acted for Havant Borough Council (HBC) on strategic level viability in previous planning projects. We have also undertaken viability assessments for planning stage viability submission reviews for HBC, which is also a service DSP provides to Councils.

3. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base.

4. In the preparation of this assessment DSP has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.

5. This has been a desk-top exercise based on information provided by HBC, supplemented with information gathered by and assumptions made by DSP.

6. 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 including whole plan viability, affordable housing and CIL economic viability as well as providing site-specific viability reviews and advice. In order to carry out this type of assessment many assumptions are required alongside the consideration of a wide range of information which rarely fits all eventualities.

7. It should be noted that every scheme is different, and no review of this nature can reflect all the variances seen in site-specific cases. Accordingly, this assessment (as with similar studies of its type) is not intended to directly prescribe

assumptions. Assumptions applied for our test scenarios are unlikely to be appropriate for all developments. A degree of professional judgement is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing and supporting the Council's approach to and proposals for a robust and viable Local Plan.

8. Small changes in assumptions can have a significant individual or cumulative effect on the indicative residual land value (RLV) or other surplus or deficit output generated – the indications generated by the development appraisals for this strategic purpose will not necessarily reflect site specific circumstances. Nevertheless, the assumptions used within this study reflect the HBC provided information on the emerging requirements of the new Local Plan as well as national standards and therefore take into account the cumulative costs of development.

9. The review work and reporting for this assessment has been considered and assembled at a time when there remain economic uncertainties and some challenging market circumstances in general.

10. This may run through into many potential areas affecting development viability or deliverability, particularly in the short term. However, there could be a range of influences and effects, not necessarily all negative in their impact on viability. It is only possible to work with available information at the point of carrying out the assessment.