Added 18.9.26
NOTE ONLY - FULL REVIEW DIRECTLY FROM REP
Ref: 306372860

Representations

Pre-Submission Havant Local Plan:

Building a Better Future

Hargreaves Management Ltd

Property Reference:	HASRP2-N/HASP3/HASRP-NA/HASTPWVWP
Location:	Havant Borough
Date:	9th September 2026
Author:	Sarah Hufford

Contents

1. Introduction 4
2. Allocation 24: Waterloo Park 5
2.1. Summary 5
2.2. The Proposed Allocation 5
2.3. Site Boundary and Description 6
2.4. Quantum and Use 7
2.5. Key Features and Development Requirements 9
2.6. Summary of Changes 10
3. Comments on Other Policies 11
3.1. Summary 11
3.2. Policy 1 (Development Strategy) 11
3.3. Policy 2 (Defined Settlement Boundary) 11
3.4. Policy 7 (Amount of Employment) 11
3.5. Policy 10 (Supporting a Strong and Prosperous Economy) 13
3.6. Policy 12 (Health) 14
3.7. Policy 16 (Low Carbon Development) 15
3.8. Policy 17 (Preventing Overheating) 16
3.9. Policy 27 (Drainage) 16
3.10. Policy 44 (Protecting Employment Uses) 17
3.11. Policy 47 (Food, Drink and Entertainment Uses) 19
3.12. Policy 53 (Employment and Skills Plans) 19
4. Conclusion 20

Appendix A: Local Plan Viability Assessment Stakeholder Response

1. Introduction

1.1. These representations are submitted by **Hargreaves Management Ltd** ("Hargreaves") in response to the Regulation 19 consultation by Havant Borough Council on the Pre-Submission 'Building a Better Future Plan' ("the Plan").

1.2. Hargreaves is a property management and development company with significant landholdings across the Southeast of England. Within Havant Borough, commercial assets include Waterloo Park (Allocation 24 within the Plan), as well as the Solent Retail Park and Solent Trade Park in Havant.

1.3. Hargreaves has delivered a significant number of jobs to date through their development activities and the provision of a high-quality commercial real estate portfolio. They continue to deliver employment opportunities with the development of Waterloo Park.

1.4. Given the nature of Hargreaves' assets, comments are focused on policies dealing with commercial use and development, including the proposed allocation at Waterloo Park. Whilst strongly supportive of this policy, alterations are required to make it sound.

1.5. The representations first address Allocation 24 (Waterloo Park) and then comments on other policies in order. With respect to changes to make the policy sound, proposed text is shown in **bold**, with deleted text ~~struck through~~.

1.6. Finally, it is noted that the Plan is being submitted under the 2024 National Planning Policy Framework ("the 2024 Framework"), under the transitional provisions. None-the-less, policies within the 2026 National Planning Policy Framework ("the 2026 Framework") should not be ignored, particularly where these could lead to a significant conflict with development management policies, which attract significant weight moving forward. As such the 2026 Framework is also referred to as relevant.

2. Allocation 24: Waterloo Park

2.1. Summary

Policy Number: **NA**
Allocation Number: **24**
Paragraph Number: **NA**
Page Number: **144-145**
Legally Compliant: **Yes**
Sound: **No**

Examination Invitation: **Yes**
Reason: **Hargreaves are the landowner and pivotal to delivering the allocation**

2.1.1. The site is currently allocated within the Site Allocations Plan (2014) under Policy WA2, and noted as suitable for economic development, hotel and leisure uses. Since this time retail and café/restaurant/drive thru uses have been approved and built.

2.1.2. Hargreaves strongly supports the continued allocation of Waterloo Park and is committed to delivering the whole site for commercial use. However, several key changes are identified to make the policy sound and enable a viable development to come forward. Factual changes are also required to reflect the current consented development and to note the elements of the allocation which have already been developed.

2.2. The Proposed Allocation

2.2.1. The proposed allocation within the Plan is:

SHELAA Reference: ED01	**Use: Employment**
Size (ha): 5.02	**Indicative Yield (net): 12,000 sqm**
Site Description The site is bounded by Elettra Avenue, Hambledon Road and Silverthorne Way. It sits within the Brambles Farm Industrial Estate, west of Waterlooville Town Centre which is accessed via a roundabout on Elettra Avenue. The northern part of the site comprises a Lidl food store and McDonalds 'drive thru'. There are industrial units to the south and west with offices and industry to the north. **Key Features** The Council has identified the following key features on and around the site. Others may be present and prospective developers must undertake their own comprehensive site analysis and must satisfactorily address all opportunities and constraints in developing their proposals. • Brownfield site • Potential for protected species • Open mosaic habitat • Small section of site included within Local Nature Recovery Strategy (LNRS) Measures map, identifying opportunity for watercourse buffer habitat. • Risk of controlled waters from soil on site • Risk of fluvial and surface water flooding • Good accessibility to town centre services, facilities and public transport. • Mature trees, hedging and a grass verge lines • Source Protection Zone 1c on site • Catchment Management Plan Drainage Priority Area	 
• Sewerage infrastructure crossing the site • Wastewater Pumping Station adjacent to the site • Located within the Waterlooville Core Walking Zone identified by the Local Cycling and Walking Infrastructure Plan (LCWIP)	

Development Requirements

The site is allocated for employment development including around 12,000 sqm of floorspace. Planning permission will be granted where proposals:

a) Avoid areas at risk of flooding and demonstrate that development will be safe for its lifetime without increasing flood risk elsewhere;
b) Incorporate surface water management systems which produce a 50% betterment on the pre-development rate of flow;
c) Allow for the occupation of development to be phased to align with the delivery of sewerage infrastructure;
d) Protect and enhance the open mosaic habitat on site;
e) Pursue opportunities for habitat creation/restoration in accordance with the Local Nature Recovery Strategy;
f) Avoid risks to the protected aquifer underlying the site;
g) Retain and enhance the landscape buffer to Hambledon Road frontage;
h) Retain the character of Hambledon Road;
i) Ensure future access to existing underground infrastructure and
j) Provide a 15 metre gap between the Wastewater Pumping Station and the development to mitigate the impact of the Wastewater Pumping Station.

Figure 1: Proposed Allocation 24 (Waterloo Park)

2.3. Site Boundary and Description

2.3.1. The boundary and description of the allocation are currently unsound as they are not effective or justified.

2.3.2. The site previously comprised the former BAE Systems Technology Centre and associated car parking and facilities. It was demolished further to consents obtained in 2013 and 2016. It is being developed in 3 phases:

- Phase 1 (Lidl and McDonalds) is operational and should therefore be removed from the allocation. This phase delivered development pursuant to consents APP/15/00772 and APP/15/00773 respectively – **Complete 2019**.

- Phase 2 (Aldi, KFC and Costa Coffee) received planning consent pursuant to APP/21/00399 in October 2024, with development nearing completion and units set to open Winter 2026. Given that tenants are fitting out their units from this month, this should also be removed from the allocation. – **Operational Winter 2026**.

- Phase 3 (remainder of site) received consent under APP/24/00777 in June 2026 and remains extant. The consent also incorporates the Phase 2 development and follows an earlier outline consent achieved in 2021 under reference APP/18/01072. Marketing efforts are currently underway to secure tenants to underpin a future planning application.

2.3.3. Our primarily position is that the allocation boundary should be amended to omit the completed Phases 1 and 2. This is because this is an 'allocation' policy and not a policy designation. Our reserve position is that should the policy boundary remain unchanged; the wording of the Site Description should be amended as follows:

"The northern part of the site comprises a Lidl food store, McDonalds **'drive thru', Aldi, Costa Coffee and KFC**. **The southern part of the site is vacant and predominantly to hardstanding."**

2.3.4. The boundary should be amended to reflect the red line shown on the up-to-date plan below:

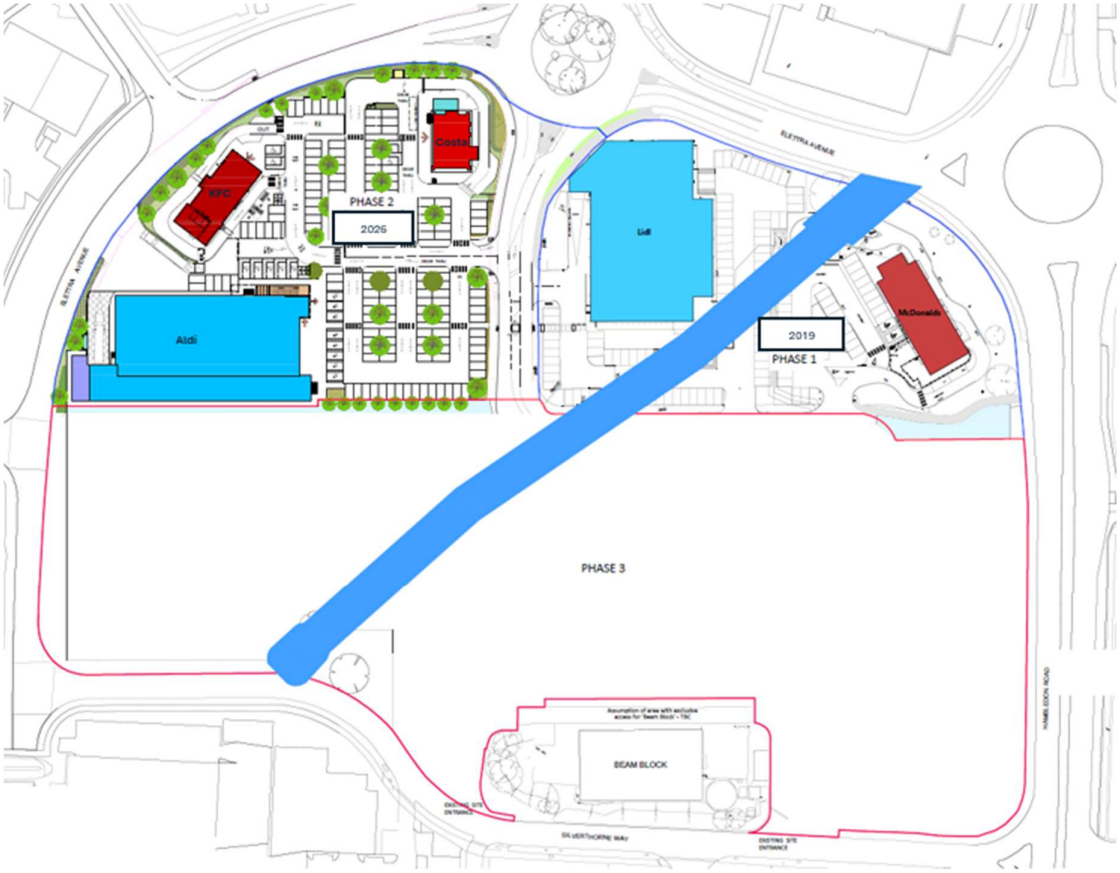

Figure 2: Proposed Allocation Boundary

2.4. Quantum and Use

2.4.1. The quantum and uses specified within Allocation 24 are considered unsound as they are not positively prepared, justified, effective or consistent with national policy.

2.4.2. The allocation proposes **12,000sqm** of employment development, based on a broad assessment of quantum within the Employment Land Review (2024) "(the ELR 2024") calculated using a 40% density on a land area for phase 3 of 2.95ha This area is broadly similar to our calculation for phase 3. However, the quantum does not reflect the consented development (APP/24/00777).

2.4.3. The outline consent (Phases 2 & 3) extends to 4.04ha and permits 19,105sqm floorspace covering light industrial, retail, café and restaurants, B2, B8 and B8 trade counter uses. This remains extant. Phase 2 has delivered 2,438sqm, meaning the remaining floorspace which is permissible under the extant outline is **16,667sqm**.

2.4.4. Accordingly, and to allow for flexibility in the final form of development, the allocation should indicate an 'Indicative Yield (net)' of up to **17,000 sqm**, rather than the 12,000sqm currently specified. The final amount will be determined by the type of occupier and their parking and servicing requirements, together with any other onsite planning requirements.

2.4.5. In terms of the use, it should be clarified that employment includes Class E uses, reflecting the outline planning consent, the more permissive approach to land use with the introduction of a consolidated class E, the changing requirements of the occupiers generally and the viability issues associated with delivering new build industrial/warehouse space.

2.4.6. Comments made in Section 3 relating to employment need and the ELR 2024 and 2026 are also of relevance here. Of note, our experience is that occupational demand for industrial use has softened significantly over the last 18 months, with both old and new stock levels increasing across the region. The ELR 2024 and 2026 note industrial, and warehousing uses are paying rents *below* those needed to deliver viable, new space. This is consistent with our findings. Viability is a key consideration in bringing the remaining allocation forward and further supports the need for a broader flexibility to bring the land into active use and to deliver jobs.

2.4.7. Hargreaves provided more detailed information regarding commercial development viability in response to the Local Plan Viability Assessment stakeholder consultation in January 2026 (**See Appendix A**). This noted that build cost and materials inflation is fast outpacing industrial rental levels and making new industrial development unviable.

2.4.8. Advice within the 2024 Framework and Planning Practice Guidance (PPG), also sets out that proposed employment allocations should not be oversupplied, as this sterilises land which could be used for other land uses. Other commercial, job generating uses could be accommodated where rental levels support their delivery, beyond the traditional use classes noted within the allocation. The 2026 Framework at Chapter 7, paragraph 2 acknowledges changing commercial property requirements and states that development plans should not be overly prescriptive about the types of uses or unit sizes on particular sites. In light of objections to Policies 7 and 44 below, more flexibility in the types of job generating uses should be expressly acknowledged on this site.

2.4.9. As noted within the text of the proposed allocation, the site has very good accessibility to Waterlooville town centre and is close to its designated boundary. Havant Borough Council has adopted the Waterlooville Town Centre Masterplan, aiming to consolidate the town centre retail offer and attract small and independent retailers and to repurpose space towards leisure, community and housing uses. Given its location, the Waterloo Park site offers an opportunity to deliver a broader range of uses which cannot be accommodated within the town centre given the size of the units available and multiple ownerships, and which would complement regeneration plans.

2.4.10. Finally, demand for hotel uses also remains and this use was previously included with the existing allocation WA2 of the Allocations Local Plan (2014). This should also be retained for maximum flexibility, with no justification given for its proposed deletion.

2.4.11. The changes sought to address this are set out as follows are:

SHELAA Reference: ED01	Use: Employment**, including Class E and Hotel**
Size (ha): ~~5.02~~ **2.95ha**	Indictive Yield (net): ~~12,000 sqm~~ **17,000 sqm**

2.5. Key Features and Development Requirements

2.5.1. As currently drafted, these sections could frustrate the regeneration of the site by over stating ecological constraints and sterilising land by stepping beyond the requirements of the 2024 and 2026 Frameworks. These sections are not considered to be positively prepared, justified, effective or consistent with national policy.

2.5.2. It must be remembered that Waterloo Park is a key brownfield, regeneration site for which a productive use must be found, and the Council has identified it as being required to deliver jobs. It is therefore not helpful to specify that certain (inaccurately recorded) habitats must be retained on site, before fully appreciating the impact this could have on the delivery of development. Any vegetation that has established recently should not hinder the site's redevelopment and flexibility should remain as to how to meet any BNG requirements, in accordance with the existing legislation.

Key Features

2.5.3. Reading the 'key features' of the allocated site, the reader would be forgiven for thinking that the site is dominated by habitats, species and other ecological features. This simply is not the case. It is a cleared, former industrial site, which is predominantly covered with concrete and tarmac and with significant remnants of the foundations and services infrastructure associated with the former BAE Systems technology buildings remaining below ground level. Vegetation is limited mainly to its boundaries.

2.5.4. An open, mosaic habitat is noted on site with specification that this should be retained and enhanced. The data underlining this has not been made available for comment. However, the site is characterised by concrete slabs from the previous BAE buildings and tarmac within the former car parking areas, with trees and shrubs on the boundaries and has established since the site was cleared.

2.5.5. Biodiversity Net Gain (BNG) is a statutory requirement (and covered by Policy 20). A baseline calculation and full metric assessment would be undertaken at the point of submission of a detailed or reserved matters stage, in line with statutory requirements, and BNG secured via condition. Of note, the metric submitted into application APP/24/00777 refers to various urban habitats but with no very high or high category habitats that would be lost through development and the sparsely vegetated urban land not having sufficient diversity and structure to provide conservation value. This has been accepted and approved by the Council.

2.5.6. The following changes are sought to make the policy sound:

- Brownfield site**, comprising concrete slabs and tarmac associated with the previous BAE buildings and car park, together with sub-surface services infrastructure**
- Potential for protected species **and open mosaic habitat**
- ~~Open mosaic habitat~~
- A **very** small ~~section~~ **area** of the site is within the Local Nature Recovery Strategy Measures (LNRS) map for a Riparian Buffer identifying opportunity for watercourse buffer habitat

Development Requirements

2.5.7. Some of the requirements step beyond national legislation and the 2024 and 2026 frameworks and should be amended to make sure the developable area is not unnecessarily constrained.

2.5.8. Of note, at part a), it is noted that proposals should avoid areas at risk of flooding. This is different to the draft Plan which stipulated that areas should be avoided, "where possible". This wording should be restored.

2.5.9. Appendix F of the 2026 NPPF classifies commercial development as 'less vulnerable'. Table 1 confirms that 'less vulnerable' development is appropriate in Flood Zones 2 and 3a. Whilst proposals would avoid areas at risk of flooding as far as possible, development should be acceptable where it is supported by suitable drainage design and mitigation, to be demonstrated through a site-specific Flood Risk Assessment and drainage strategy, as permitted by national guidance. This is also acknowledged at Policy 27 (Flood Risk).

2.5.10. Part d) requires that open mosaic habitat is protected and enhanced. As noted at paragraph 2.5.5 this was not a habitat which was identified at the time of the baseline BNG assessment. Should any such habitat exist when the site is redeveloped, there is already a statutory requirement for 10% BNG and the developer should be able to comply with this requirement undue restraint on delivering a viable layout.

2.5.11. Therefore, the following changes are required:

- a) Avoid areas at risk of flooding **where possible** and demonstrate that the development will be safe for its lifetime without increasing flood risk elsewhere;
- ~~d) Protect and enhance the open mosaic habitat on site~~

2.6. Summary of Changes

2.6.1. To correctly reflect the consented uses, maximise development and allow flexibility to meet changing market conditions, the following amendments are required:

- Alteration of the site boundary to reflect the redline in Figure 2 (or alteration of the description of the site to reflect current land use)
- Alteration of the size from 5.02ha to 2.95 ha (reflecting the undeveloped portion of the site)
- Alteration of the indicative yield from 12,000sqm to 17,000sqm, (in line with the outline application)
- Clarification that Employment use can include Class E uses and reinstatement of the option for hotel use.
- Deletion of reference to open mosaic habitat and the requirement to protect and enhance this (in view of metric provided alongside the outline application);
- Amendments to the Key Features as set out at paragraph 2.4.6; and
- Amendments to the Development Requirements as set out at paragraph 2.5.11.

3. Comments on Other Policies

3.1. Summary

3.1.1. Comments are made on other policies in the Plan, in order of policy number. Of note, there are objections to policies which seek to protect all employment sites, regardless of the employment opportunities and economic benefits which arise from other sources of development. Further objections are noted to policies which seek to impose excessive and unnecessary burdens on commercial development.

3.2. Policy 1 (Development Strategy)

Policy Number: **1** Examination Invitation: **No**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **32-35**
Legally Compliant: **Yes**
Sound: **Yes**

3.2.1. This policy sets out the over-arching development strategy for the borough. Hargreaves believes this policy is sound, particularly text at b), which seeks to maximise development in established urban and developed areas and on brownfield sites across the borough, and d) which promotes densities which make efficient use of land.

3.3. Policy 2 (Defined Settlement Boundary)

Policy Number: **2** Examination Invitation: **No**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **37-38**
Legally Compliant: **Yes**
Sound: **Yes**

3.3.1. Hargreaves agrees this policy is sound, which states that development within the urban area is acceptable in principle.

3.4. Policy 7 (Amount of Employment)

Policy Number: **7** Examination Invitation: **No**
Allocation Number: **NA**
Paragraph Number: **2.113, 2.115, 2.118, 2.119**
Page Number: **64-66**
Legally Compliant: **Yes**
Sound: **No**

3.4.1. This policy sets out the amount of employment space required within the Borough until 2043, further to the recommendations within the Employment Land Review (2024) ("the ELR 2024") and a further update in 2026 ("The ELR 2026"). The policy is unsound as it oversupplies industrial floorspace and is not effective, justified or consistent with national policy.

3.4.2. The base period for ELR and Policy 7 has been changed from 2023/4 to 2022/3, between the 2024 and 2026 publications. The amount of employment floorspace under Policy 7 has increased from 123,750sqm to 146,213sqm. Notably over this period there is reported to be little movement in industrial demand, but a further fall in office demand. There is an increase in supply from 123,775 sqm to 148,930 sqm, delivering a small surplus of land of circa 2,000sqm.

3.4.3. It is noted within the ELR 2024 that demand for new space is weak and that rents are not at a level to deliver new industrial space. The ELR 2026 notes a continuing softening of the industrial market and very 'lumpy' delivery in Havant, and with more recent delivery being warehousing rather than industrial. Despite agent optimism, and recent improvements in delivery through developments at Langstone Park and Dunsbury Park, 2024/25 delivered no new floorspace at all.

3.4.4. Table 3-2 shows projected industrial need which, on the new timeframes, range from 42,538 sqm (15-year average) sqm to 216,227 sqm (6-year average). Notably, the shorter timeframes include higher than normal delivery rates during these years, generated by a unique set of circumstances around Covid. The 8-year average has not been sufficiently justified within this context and particularly in view of the 'lumpy' delivery noted within Havant, with large scale completions not representative of future market conditions. This, in turn, could result in an over provision of allocated sites. Instead, a 10-year period should be used as it smooths out the impact of economic cycles, particularly within a small borough such as Havant.

3.4.5. Furthermore, at 1.13 of the ELR 2026 it is reported that rents within South Hampshire are about £14 per sqft. From Hargreaves' recent experience, this is below the cost at which small commercial developers can build viably. In the context of a healthy supply of sites, notably at Langstone Park and Dunsbury Park, a general softening of the industrial market and an acknowledgement within the ELR 2026 that the area is unlikely to contribute further to the growth in logistics sector, it is clear that there is a potential over supply of sites for use classes E(g), B2 and B8, with little recognition of other uses which contribute significantly to job provision and their role within the wider economy (see further at Policies 10 and 44 below).

3.4.6. Over allocating space for industrial uses, where rental levels are not sufficient to deliver development and forecast demand is softening ultimately sterilises land which could contribute employment opportunities and economic benefits by being put to other uses. Consideration should be given to widening permitted uses at existing allocations in this context, including at Waterloo Park (Allocation 24).

3.4.7. In addition, the amount of employment should be amended to reflect the 10-year pa average of 118,299, thereby acknowledging an oversupply in employment floorspace. Changes required for soundness:

Policy 7: Amount of Employment
During the period 2022-2042, ~~this plan makes provision for~~ a need for at least 118,299 sqm of industrial land floorspace (net) **is identified** across the Borough.

3.4.8. Subsequent changes would be required to paragraphs 2.113, 2.115, 2.118 and 2.119 accordingly.

3.5. Policy 10 (Supporting a Strong and Prosperous Economy)

Policy Number: **10**
Allocation Number: **NA**
Paragraph Number: **2.147**
Page Number: **72 - 74**
Legally Compliant: **Yes**
Sound: **No**
Examination Invitation: **Yes**

3.5.1. The ELR 2024 recognises the broad spectrum of commercial activities which generate jobs within the borough. However, Policy 10 focuses solely on 'traditional' employment opportunities. This does not provide sufficient flexibility to respond to evolving commercial needs and is unsound by virtue of not being effective or in accordance with national policy.

3.5.2. Hargreaves provides high-quality commercial floorspace within their Solent Retail and Solent Trade parks, in addition to retail space coming on stream at Waterloo Park. Whilst remaining committed to the provision of traditional employment space, flexibility is required within policies to minimise vacancy and to respond to changing market conditions and demand. This is a requirement of the NPPF 2024 which states at paragraph 86 (e) that planning policies should:

'be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.'

3.5.3. Of note, Paragraph 2 of the NPPF 2026 cannot be ignored despite the submission of the plan under the NPPF 2024 and acknowledges changing commercial property requirements. It is stated that development plans should not be overly prescriptive about the types of uses or unit sizes that would be acceptable on sites (paragraph 2).

3.5.4. The introduction of Use Class E in 2020 offers further support to this approach, with the express intention of importing flexibility to allow businesses to adapt. Whilst councils are required to plan proactively to encourage sustainable economic growth, which covers 'employment, retail, leisure and other commercial development' ((NPPF 2024, para 20(a)), they should take care not to overly restrict flexibility and the ability to adapt to changing market demands.

3.5.5. The wording at paragraph 2.147, which sets out a need to protect existing employment areas, is not sufficiently flexible and is not consistent with National Policy, particularly as there is also a disconnect between the findings of the ELR 2024 which notes significant employment generated from sources outside of use classes B2, B8 and E(g).

3.5.6. The ELR 2024 notes that the retail industry (wholesale and retail trade, including motor vehicle repairs) accounts for 16.9% of all Havant employee jobs, which is by far the largest provider of jobs within the borough.

3.5.7. It is considered that the development site at Waterlooville (Allocation 24), and the frontage units at Solent Trade Park could provide space for retail uses, which do not compete with town centres or cannot be accommodated within them, in accordance with the normal sequential and impact retail tests outlined in the NPPF.

3.5.8. To be found sound, it is considered that the following changes are required to paragraph 2.147:

Whilst there is a need to protect existing employment areas ~~from encroachment to alternative uses~~ and to provide future opportunities for redevelopment and intensification within these areas, **there is also a recognition that policies need to be sufficiently flexible to adapt to a changing commercial environment and to accommodate commercial enterprises beyond 'traditional' employment sectors** (Policy 44 – Protecting Employment Uses).

3.5.9. Further comments are noted in this regard to Policy 7 (Amount of Employment) and Policy 44 (Protecting Employment Uses).

3.6. Policy 12 (Health)

Policy Number: **12**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **79 - 83**
Legally Compliant: **Yes**
Sound: **No**

Examination Invitation: **No**

3.6.1. Whilst supporting the objectives of the policy overall, the requirement to provide a Health Impact Assessment on non-residential development over 1000sqm is not justified or effective. This provides an unnecessary burden on applications.

3.6.2. Whilst noting that planning outcomes have an impact on health, particularly with substantial development with potentially significant health implications, it has not been demonstrated why it is considered all commercial developments over 1000sqm require assessment. Rather, this should be targeted at strategic level development only.

3.6.3. Commercial development delivers employment, services and facilities which by default provide positive outcomes for communities. Issues such as permeable and active design and quality of access routes are already covered within other statements submitted alongside major applications, including Design and Access Statements (DAS) and Transport Assessments (TA). Commercial development must also satisfy BREEAM requirements which specifically address health & well-being. Health and wellbeing are therefore already imbedded in the design process.

3.6.4. The cost of putting together large-scale commercial applications is continuing to increase, and the amount of information required is burdensome, slowing down both validation and determination of planning applications. Health impacts of major commercial development are already adequately assessed during the local plan process and by other required documents at application stage.

3.6.5. In order to the found sound, the requirement for Health Impact Assessments for commercial developments over 1,000 sqm should be deleted:

Development proposals for residential developments of 100 or more dwellings (gross), ~~non-residential development over 1000sqm (gross),~~ and development proposals that will have a significant impact on health will be required to submit a Health Impact Assessment (HIA) as part of their planning application.

3.7. Policy 16 (Low Carbon Development)

Policy Number: **16**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **180 - 186**
Legally Compliant: **Yes**
Sound: **No**
Examination Invitation: **No**

3.7.1. Whilst broadly supportive of the policy's objective, the requirement for whole life carbon assessments on commercial development over 5,000sqm is not effective and is unsound. In addition, changes to the BREEAM policy are required to be effective and compliant with national policy.

3.7.2. Text g)i. explains that planning permission will be granted where BREEAM 'Excellent' standard is achieved. This imports additional costs to a development which can affect viability or present technical difficulties. This is recognised at paragraph 4.86 but not reflected in the policy wording.

3.7.3. Whilst well intentioned, text g)ii) places a substantial additional burden on developers through increased consultancy costs, extended design processes and additional planning documentation requirements. These obligations arrive alongside an already complex regulatory framework and may adversely affect scheme viability and delivery timescales.

3.7.4. There is also overlap with sustainability statements and BREEAM requirements, creating paperwork rather than a meaningful impact on carbon reduction, whilst planning stage assessments are uncertain, costly and resource-intensive, meaning this should only be requested for significant proposals and when design details are fully known.

3.7.5. To avoid overburdening development and to reflect the impacts on viability, the policy wording should be amended as follows:

g) Planning permission for new commercial and non-residential development over 1000sqm (gross) will be granted where:

i. BREEAM Excellent standard is achieved, **or where not financially viable or technically feasible meet the highest percentage BREEAM score that is viable**.

ii. For developments of 5,000 sqm or more (gross), a whole life carbon assessment ~~must~~ **is encouraged to** be submitted which demonstrates how both operational and embodied emissions have been reduced.

3.8. Policy 17 (Preventing Overheating)

Policy Number: **17**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **187 - 188**
Legally Compliant: **Yes**
Sound: **No**

Examination Invitation: **No**

3.8.1. This policy is not justified or proportionate and is therefore unsound. PM13 of the NPPF 2026 clearly states that policies should not cover matters that are already addressed by Building Regulations, save in limited circumstances which do not apply here.

3.8.2. The Council has not demonstrated why overheating should be controlled through planning policy when overheating is already addressed through the Building Regulations regime. Furthermore, no evidence has been provided to justify the application of the policy to commercial development or the selection of a 200 sqm threshold. The policy therefore risks duplicating existing regulatory requirements and imposing an unnecessary burden on development without clear evidence of additional planning benefit.

3.8.3. The policy duplicates existing regulation and imposes an unnecessary burden on development. It is unnecessary and the requirement for commercial developments to deal with this through the planning system should be deleted:

Development of one or more dwellings (gross) ~~or 200sqm of new commercial floorspace~~ will be permitted where:

3.9. Policy 27 (Drainage)

Policy Number: **27**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **241 - 246**
Legally Compliant: **Yes**
Sound: **No**

Examination Invitation: **No**

3.9.1. Whilst the objective of reducing flood risk is supported, the policy is not justified. The evidence base does not clearly explain why a 50% betterment over existing brownfield runoff rates has been selected in certain areas, nor does it demonstrate that this requirement is viable and deliverable on the brownfield sites expected to come forward during the Plan period.

3.9.2. It is noted that Hampshire County Council, as Lead Local Flood Authority (LLFA), has produced a Local Flood and Water Management Strategy (LFWMS) and a Catchment Management Plan (CMP) which set the 50% level, but these also do not justify how this has been arrived at.

3.9.3. Brownfield redevelopment is often subject to significant abnormal costs and site constraints, which may make achievement of a 50% betterment technically difficult and disproportionately expensive. The policy should therefore provide a clear evidence-based justification for the threshold and allow flexibility where a lower level of betterment represents the maximum reasonable improvement achievable.

3.9.4. Should the standard remain, for effectiveness, the policy should include flexibility to depart from it where it would be technically difficult to achieve or would render the development unviable when combined with other development costs.

3.9.5. To make the development sound, the following alteration is required, with consequential text changes to the supporting paragraphs:

e) iii. On brownfield sies in identified Priority Areas: produce a 50% betterment on the pre-development rate of flow**, unless it can be demonstrated that achieving this level of betterment is not technically unfeasible or would adversely affect the viability of the development.**

3.10. Policy 44 (Protecting Employment Uses)

Policy Number: **44** Examination Invitation: **Yes**
Allocation Number: **NA**
Paragraph Number: **4.428 (and Proposals Map)**
Page Number: **301 - 305**
Legally Compliant: **Yes**
Sound: **No**

3.10.1. Policy 44 is not positively prepared, justified, effective or consistent with national policy. It incorrectly includes Waterloo Park as an Established Employment Area. It also is overly restrictive and does not support economic growth and resilience.

3.10.2. The designation of Waterloo Park within the Wellington Gate and Brambles Business Park Established Employment Area is not justified. The site functions as a retail park and is anchored by Lidl and Aldi food stores. It does not comprise a 'traditional' employment area. The proposals map should be amended to delete this site from the designation (see redline boundary at Figure 2).

3.10.3. Policy 44 also provides insufficient flexibility to respond to changes in market demand. The policy is unduly restrictive and is not justified by current evidence on employment generation and changing business needs. The ELR 2024 notes significant employment generated from sources outside of use classes B2, B8 and E(g). The policy does not adequately recognise the contribution that a wider range of commercial, service, retail, leisure, health, education and innovation-based uses can make to employment creation and economic growth.

3.10.4. Furthermore, the policy is inconsistent with the direction of national planning policy. The 2026 NPPF (Chapter 7, paragraph 2) recognises that commercial and business requirements evolve over time and seeks to ensure that development plans are sufficiently flexible to respond to economic change rather than being overly prescriptive about specific land uses. Local plans should support growth, innovation and productivity and avoid unnecessary constraints that could inhibit the adaptation of employment areas to changing market demands.

3.10.5. The policy also fails to reflect the Government's intention, through the introduction of Use Class E, to provide greater flexibility between a range of commercial, business and service uses without the need for planning permission, with the express intention to allow businesses to adapt more readily to changing economic conditions and occupier requirements.

3.10.6. The Council should adopt a more flexible approach that allows consideration of alternative employment-generating uses where it can be demonstrated that they would support local economic objectives, maintain or increase job creation, and contribute to the local economy.

3.10.7. With respect to ‘traditional’ employment, it is also notable that there is potential for an oversupply, as noted in our response to Policy 10. There is also a higher-than-average level of vacancy within the Borough, with the 2026 ELR noting 12.6% currently. This includes Dunsbury Park, where 5 units are available on a pre-let basis and totalling 42,583 sqm. Langstone Park has current availability of 6units, totalling 12,923 sqm.

3.10.8. Solent Trade Park (south of Solent Road) is included as an Established Employment Area. Current occupiers include household names such as Halfords, Toolstation, Screwfix and Plumb link. One unit is currently vacant. Many of these units include showrooms and/or trade counters. The location of these units near Solent Retail Park also means that occupier interest from bulky goods retailers is strong, and those units fronting Solent Road would be additionally suited for bulky goods retail.

3.10.9. Retail and pseudo-retail uses are a strong contributor to the local economy and to employment. The contribution of retail and leisure sectors to jobs and the local economy should not be underestimated. The NPPF 2026 provides sufficient protections to ensure that town centres are protected (noting also regeneration plans for Havant and Waterlooville town centres), and therefore retail uses can play a role in established employment areas where these tests are met, and the function of employment areas is not undermined.

3.10.10. The changes needed to make the policy sound are:

- Remove Waterloo Park from the Established Employment Area designation for Wellington Gate and Brambles Business Park; and
- Existing Employment Areas
  The existing employment areas (as defined on the Policies Map) will be protected for existing and new office, industrial, storage and distribution employment uses **and other uses that demonstrably contribute to employment creation and do not undermine their function.**
- Consequential amendments to supporting paragraphs.

3.11. Policy 47 (Food, Drink and Entertainment Uses)

Policy Number: **47**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **310 - 313**
Legally Compliant: **Yes**
Sound: **No**
Examination Invitation: **No**

3.11.1. Policy 47 at subsection d) states that proposals for new drive-through takeaways will not be supported. This is not positively prepared or justified imposing a blanket restriction on drive-thru restaurants regardless of site-specific circumstances. Whilst the potential impacts are acknowledged, these will vary depending on location, scale, accessibility and design and can be assessed through the planning application process. Instead, the policy should adopt a criteria-based approach to consider individual merits of applications.

3.11.2. The text at 47 d) should be replaced with the following to make the policy sound:

Proposals for drive-thru restaurants will be assessed on their individual merits. Development will be supported where it can be demonstrated that any transport, environmental, health and amenity impacts can be satisfactorily mitigated.

3.12. Policy 59 (Employment and Skills Plans)

Policy Number: **59**
Allocation Number: **NA**
Paragraph Number: **NA**
Page Number: **358 - 359**
Legally Compliant: **Yes**
Sound: **No**
Examination Invitation: **No**

3.12.1. Whilst the objective of supporting local employment and skills is supported, the requirement for an Employment and Skills Plan for all commercial development above 2,000 sqm has not been adequately justified. The Council has not demonstrated why a 2,000 sqm threshold has been selected, nor provided evidence that all commercial developments of this scale are capable of delivering meaningful employment and skills outcomes.

3.12.2. Commercial developments vary significantly in their construction programmes. A blanket requirement risks imposing additional costs and administrative burdens on development without demonstrating a proportionate benefit. In particular, some developments may generate limited construction activity or employment opportunities and therefore may not warrant a formal Employment and Skills Plan

3.12.3. Evidence should be provided in support of the 2,000 sqm threshold. The policy should be amended as follows, with respect to commercial development:

Development proposals for commercial development over 2,000 sqm may be required to submit an Employment and Skills Plan where proportionate to the nature, scale and anticipated employment impacts of the development.

4. Conclusion

4.1. Hargreaves are a significant provider of commercial floorspace within Havant Borough Council and are continuing to bring new floorspace online with development at Waterloo Park.

4.2. The continued allocation of Waterloo Park is strongly supported, offering an important regeneration opportunity in the north of Waterlooville. This also aligns with the objectives of the Waterloo Town Centre SPD to repurpose the town centre towards smaller retailers, leisure, community and housing uses. Changes are required to Allocation 24 to reflect current planning consents, optimise development potential and deliver flexibility to respond to changing economic conditions.

4.3. Whilst supportive of the Council's overall aims of supporting a strong and prosperous economy, concerns are raised about potential over-allocation of 'traditional' employment sites and protection of B2, B8 and E(g) floorspace, with insufficient consideration given to employment opportunities and economic benefits from other sectors. Flexibility is required to ensure a responsive and robust local economy, in line with the requirements of national policy.

4.4. Hargreaves would like to be informed of future milestones as the Plan progresses.

Appendix A - Local Plan Viability Assessment Stakeholder Response



DixonSearle Partnership

Local Plan - Viability Assessment

Stakeholder Consultation – Introduction and Survey

Note: *Any information provided as part of this consultation will be treated in confidence in regard to any site specific information, involved parties or other potentially sensitive details that are noted. Responses reviewed will not be directly published and not linked to specific parties. The feedback sought is for the purposes of research in order to inform the development of the study approach and assumptions.*

As explained in the covering e-mail, we are contacting you on behalf of Havant Borough Council (HBC) to invite you to complete a consultation survey in relation to a strategic level viability assessment being undertaken by Dixon Searle Partnership (DSP). DSP completed the Stage 1 Local Plan Viability Assessment in October 2024 which focused primarily on affordable housing and tenure.

Havant Borough Council (HBC) has continued its work towards a new Local Plan to replace the Core Strategy (2011) and the Site Allocations Plan (2014). The Council has completed a first phase of Regulation 18 consultation 'Building a Better Future Plan' between May 2025 - July 2025. Following a review of responses and continued review and development, the Council is intending to conduct Regulation 19 consultation in Winter 2025/ Spring 2026.

To help inform the assessment, we would appreciate your response to this consultation relating to viability as soon as can be managed please.

The Council has commissioned the Stage 2 Viability Assessment building on the Stage 1 basis to continue informing and supporting the preparation of a development strategy and policies for the new Local Plan. This will form a key piece of work in understanding the viability of new development and the ability to fund associated infrastructure when seeking to meet the future needs of the borough, focussing on the economic viability of residential and commercial development.

The assessment will be conducted considering the Council's emerging Local Plan policies, with the potential influence of those considered alongside typical development costs (build and associated works costs, fees, finance etc.) so that the cumulative impact of policy and development costs can be considered.



DixonSearle Partnership

As is typical for strategic assessments such as this, residual valuation techniques will be used. We will consider the varying strength of the relationship between estimated development values and costs (value minus costs, including development profit) and then assess how the residual values compare with a range of benchmark land values (BLVs). This is consistent with the principles set out within the Planning Practice Guidance (PPG), with BLVs needing to be based on existing use value (EUV) plus a suitable premium level judged necessary to incentivise the release of varying types of sites from their existing uses (the now well-established 'EUV+' approach used within viability in planning).

This exercise will be undertaken mainly using a development typologies approach – i.e. testing the potential effect of variables on values and costs on a range of development scenarios that are not actual sites but representative of a range of scheme types likely to come forward. The selection of the development typologies used will be considered with the Council and could be usefully informed by this consultation process. The viability testing may also consider some specific and perhaps in particular strategic or larger-scale sites, depending on circumstances. The typology testing will include consideration of particular housing forms for the elderly and may also look at other more specific provision such as 'build-to-rent' as far as likely to be relevant locally.

To help inform ongoing study stages, we would appreciate your response as soon as can be managed please, ideally by 19th December 2025.

Therefore, we invite you to respond to the following survey please, returning by email to DSP for the attention of **Helena Jones** (helena@dixonsearle.co.uk), **Nick Molyneux** (nick@dixonsearle.co.uk) and **Magda Frysova** (magda@dixonsearle.co.uk).

Jade Ellis – Principal Planning Policy Officer in charge of Local Plan Viability Assessment for Havant Borough Council

Stakeholder and/or Representative Name/Organisation:

Hargreaves Management Ltd

Preferred Contact information, should you be able to spare further time to respond to any follow-up questions we may have.

sh@hprop.co.uk

1. **Please check the category listed below that best describe your interests in potential (or current) development within the Havant Borough area: -**
   - ☒ Site Promoter / Landowner
   - ☒ Developer
   - ☐ Construction
   - ☐ Property/Planning Agent
   - ☐ Other (please state):

   Please explain briefly what your interest is? *For example, does it relate to a particular site, if so which site; or is your activity/interest in development in the area more general/prospective?*

   Our main interest relates to Waterloo Park as landowner/developer (commercial). We hold other commercial property within Havant, including Solent Retail Park and Solent Trade Park.

Residential Development:

2. **Please note any particular site typologies (forms of development) that you think should be viability tested or considered as part of this study?** - *Including host site types (PDL/GF i.e. brownfield/greenfield), existing uses of sites and any other suggestions on matters such as relevant scheme types, scale and indicative densities of development etc. that should be considered to inform the typologies?*

   N/A

Please also provide any information/comment on the size of new dwellings, in relation for example to the Nationally Described Space Standard[1]. What dwelling types and sizes do you consider likely to be most appropriate, in demand and viable in the local market?

N/A

3. **Based on your experience, do you have any comments on the housing market generally given your activity/proposals in the area or nearby areas e.g. activity levels, demand (and for varying development types), enquiries, price movement trends etc.? Do you have any comments on the capacity of the local market for new development?**

   N/A

4. **Please can you provide your opinion on or examples of residential new build housing values/schemes and any particular value patterns/trends?** *(Noting specific unit types in relation to any examples in terms of both £price and £/sq. m. or £/sq. ft.*

   N/A

5. **Affordable Housing (AH):**

   To inform our testing of varying proportions (AH%) and types (varying tenure of AH) we are carrying out a separate, more specific consultation with Affordable Housing Providers (Registered Providers - RPs). However, your commentary/any experience is also welcomed. Our study will include testing for AH content (reflecting its reduced revenue levels) alongside market housing.

[1] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard____Final_Web_version.pdf

This will be a key matter put to providers but, if possible, please can you provide indicative values (revenue levels) and any other relevance experience of the following AH tenures?

Social Rent:

N/A

Affordable Rent:

N/A

Affordable Home Ownership:

Shared ownership *(Typical assumption levels at 35% initial share purchase and rent at 2.75% of unsold equity, but please indicate any variance).*

6. **Build to Rent:**

Are you considering or aware of any demand for/proposals for Build to Rent development in Havant? We would also welcome any information or suggestions that you may have on this or other newer housing models that you consider may be promoted locally (including affordable elements of those, such as affordable private rent).

Please share any information or comments on Build to Rent – for example around demand/appetite for this type of development generally as well as any views on likely rent levels and investment prospects in relevant areas of the borough.

N/A

Commercial Development:

We are also considering at a high-level the viability of non-residential typologies likely to represent a range of development uses that could come forward in the area. Information relating to rents and yields will be particularly useful and as noted above any data provided will be treated sensitively. We will be using online resources such as Co-Star property intelligence data but are looking to supplement that research with any locally available information.

7. **In your experience (if any), which of the following development use types are thought to be in demand locally and likely to be relevant to the strategic level viability considerations for the Community Infrastructure Levy?** *– please check all that apply, and provide any relevant comments.*

- ☒ Retail Warehousing
- ☒ Supermarket/Foodstore
- ☐ Convenience Stores
- ☐ Town Centre/Other Retail
- ☒ Restaurants
- ☐ Offices
- ☒ Industrial/Warehousing
- ☐ Distribution
- ☐ Hotel
- ☐ Residential Institution (Care Home)
- ☐ Purpose-build students housing
- ☐ Other *(please specify below)*

8. **Based on any experience that you can share, do you have any comments on the commercial property (lettings/sales/investment) market locally?** *- e.g. activity levels, demand, strength of the market, particularly poor performing and better/well-performing sectors locally?*

Whilst we are advised by our retained industrial agents that lettings have decreased this year compared to previous years within the central southeast coast area, this is because of a lack of quality units. In our experience, as a SME developer, this is because rising development costs are outstripping rental values, meaning development becomes unviable. This explains whilst there is little speculative development within the Waterlooville area and generally development is not coming on stream.

9. **Please can you provide any comments on typical rental values and yields for commercial development uses?** - *noting specific unit types in both £ and £/sq. m. or £/sq. ft and any geographical variation.*

> *Our retained occupational agents advise that prime industrial rents in Waterlooville and surroundings are achieving upwards of £12.50 psf, with small units of circa 1,000/2,000 sqft slightly higher at £14 psf. We are advised that Unit 111 Proxima Park (6,600 sqft) achieved a rent of £13.50 with 5 months rent free and Unit 320 Proxima Park (41,570 sqft) £10.65 psf, with 12 months' incentive. Trade Counter type units in prominent locations across the wider central southeast area are generally attracting an additional £1-2 psf.*

Land Values within the viability in planning context:

We will consider a range of Benchmark Land Values (BLVs) based on Existing Use Value (EUV) plus a suitable premium as advocated by the Planning Practice Guidance (PPG). As part of setting our assumptions, we will consider land values information published by MHCLG, any available comparable examples (reflecting up to date PPG principles), other similar assessment benchmarks and our own experience of working with many Local Authorities in relation to both strategic studies and development management stage viability reviews. Generally, we will usually expect to consider a range of land values representing greenfield values through to a range of PDL uses including former commercial sites and those with established residential use (e.g. potential residential redevelopment / intensification).

10. **From your experience, please can you provide any information relating to land values based on a range of existing uses (and any premium levels) as are relevant to developments likely to continue to come forward in the borough.** Our experience is such that we will expect to apply a circa 10x multiplier to EUV as the premium for greenfield (agricultural) land and a premium at +20% on the EUV of PDL sites. *Please include the basis of any suggested comparables or examples provided (with land or premises sales on EUV basis the most informative together with any comparables in regard to premium levels established locally using the current viability in planning principles – as per the PPG)*

> *This is too site specific for brownfield, industrial land. However, for land we hold we tend to value this at a low level to assist with viability.*

Development Costs / Assumptions:

The table below sets out a sample of typical development cost assumptions likely to be included within our appraisals. These are not fixed and any comments or amended/suggested alternative assumptions will be considered as part of developing assumptions. Some of these sources and/or assumptions are typical based on experience of a suitable robust approach for viability assessment, but any comments / suggested adjustments are welcomed.

***Note:** Unless needing to be considered in respect of a strategic site or similar, site-specific abnormal costs are not typically allowed for, consistent with established methodology for an overview study of this type – those are site-specific and may need to be considered at DM stage. However, if you consider that locally there is a regular incidence of a type of abnormal cost/development issue, please let us know and provide any information.*

11. **Please either agree, amend or provide suggested alternative assumptions where applicable in the table below?** – *any additional comments are also welcome.*
    a. **Land related and other costs**

Cost Assumption / DSP Notes	Response / Comments
Stamp Duty *Statutory HMRC scale applied.*	
Agents' Fees on acquisition *(% of land value)* *1% - 1.5%*	*1.5%*
Legal Fees on acquisition *(% of land value)* *0.5% - 0.75%*	*Agreed (commercial)*

    b. **Other development costs**

Cost Assumption / DSP Notes	Response / Comments
Sites enabling/infrastructure/external works allowance:	
10% - 15% of base build cost for external works plus allowance for site preparation – TBC but provisionally @ c. £500,000 per net developable ha on general typologies. Bespoke allowances made for any strategic sites reviewed/typologies of c. 500+ dwellings (TBC).	
CIL & s.106/s.278 *Indexed CIL rates will be tested alongside an allowance for s106 costs that continues to be requested on a site by site basis. Amount TBC but any information based on experience would be welcomed.*	*The largest costs for new major development are often related to highways with S278 works and related Highway improvement payments. The costs for highway related works and contributions at Phase 2 at Waterloo Park were £300k+ (on top of £250K CIL for retail related development)*
Experience of the cost of meeting biodiversity net gain requirements, and on-going open space green infrastructure maintenance liabilities (and any viability implications of management of open space via a private management company or similar as opposed to the local authority)?	*Whilst we have not delivered any schemes yet with BNG, current schemes are factoring in BNG on site, as offsite credits and units are prohibitively expensive. This has a significant impact, reducing the net developable area and development yields whilst also increasing costs. The reporting and management requirements for a 30-year period also have to have to be factored in.*
Build costs *(base / typical costs and notes including any particular local issues – design / materials / regularly experienced abnormals in the local context, etc.)* *Source: BCIS (RICS Building Cost Information Service)* ***DSP will review BCIS category specific data.*** *Latest available* ***build costs data - rebased for Havant****. Various categories considered* ***(Residential & Commercial).*** *Please advise if you consider that larger scale development should be looked at using assumptions on economies of scale on the housebuilding costs (for example lower quartile BCIS costs on volume housebuilding base costs).*	*Build costs are continuing to rise, impacting the deliverability of new commercial units. Whilst some larger companies are able to make new development work at current market rates, this is likely to be because of economies of scale across a number of development sites (such as Proxima Park). As a SME commercial developer, we need to achieve rental values of circa £16 psf to deliver a viable development.*

Cost Assumption / DSP Notes	Response / Comments
Build periods *Variable by scheme type and size/reference to BCIS duration calculator and experience of appropriate assumptions.*	*The Waterloo Phase 2 development (26,242 sqft) is programmed to be a circa 8 month build period*
Sales rates / periods *Range driven by scheme type – experience of current local market indications for various scheme types and sizes would be welcomed.*	*We would not build speculatively*
Sustainable Design / Construction Standards ***We expect to reflect Building Regulations current Part L 2021. Please provide any cost indications to achieve this standard.*** *Costs of electric vehicles charging provision? Typically, we expect to allow an additional c. £500 - £2,000/dwelling (all dwellings) to reflect a mix of individual and communal provision).*	*BREEAM (commercial) costs require energy and water efficiencies above Part L*
Water conservation/efficiency *Currently Building Regulations require water efficiency of 125lpppd or a lower level of 110lpppd in areas of demonstratable water stress as applied in Havant Borough – Policy 18 (Draft Building a Better Future Plan) requires a water efficiency level of 110lpppd. In our experience meeting the tighter standard is quite common, with minimal additional costs involved.*	*See above regarding commercial*
Design considerations *Viability testing at this stage is high-level and specific design detail is a consideration at a site-specific level. However, please state any key design factors you believe likely to have a cost impact for viability consideration.* *Note: aspects such as Biodiversity Net Gain and space standards are considered separately below.*	*BREEAM (commercial) also requires improvements which have implications on space and costs, such as shower facilities, reduced operational energy and low carbon technologies. Depending, this can inflate costs and add an initial capital uplift for developers.*

Cost Assumption / DSP Notes	Response / Comments
Biodiversity Net Gain (BNG) *Development proposals will be expected to provide the 10% minimum net gain requirement, as per Policy 19 (Draft Building a Better Future Plan) and as per National Policy. Assumptions to be based on the central scenario as set out in the Impact Assessment associated with the Government consultation on BNG, representing a proxy cost allowance as appropriate for the high-level nature of the assessment.* ***It would be helpful to understand any experience you may have of BNG requirements and of the estimated associated costs?***	*See above*
Space Standards *Carry out testing assuming dwelling sizes within parameters of Nationally Described Space Standard. At least some provision of homes with enhanced accessibility likely to be assumed – Building Reg.s M4(3) and M4(2) in accordance with Policy 14 (Draft Building a Better Future Plan) - For new build schemes of 10 units or more, commit to delivering at least 20% of homes to meet the M4(2) and at least 2% of total number of affordable dwellings (on 50 + units) should comply with Part M4(3) standard for wheelchair user dwellings.*	*NA*
Professional Fees *8% - 10% of build costs*	*We are experiencing circa 12.5% to 15%*
Contingency *3% - 5% of build costs*	*We consider this to be low and would ordinarily allow for 5%-10%*
Developer's Return (Profit): **Residential: 15% - 20% of GDV** (market sale housing) and **6% of GDV** (affordable housing) **Commercial: 15% of GDV** (where applicable)	*For commercial development, in an ideal world, we would like to achieve these rates. However, in reality we are proceeding with lower rates of 5%-10% to bring development forward. For land bank we already own we hold at low land values to assist further with viability.*

Cost Assumption / DSP Notes	Response / Comments
Promotion costs for letting (commercial) *1% of rental value (where applicable)*	*Circa 1% reasonable*
Letting / purchaser's costs (commercial) *10% of rental value / purchaser's costs @ 5.75% value.*	*1.5% of value for purchaser's costs (agents/lawyers)* *10%-15% of rent letting fees (agents)*
Sales & marketing (residential) *2.5% - 3% of GDV (where applicable)*	*NA*
Legal Fees *0.75% land cost on acquisition; £750/unit residential on sale*	*0.5% - 0.75% legals on land acquisition cost (commercial)*
Finance *Finance interest rate (applied to land and build costs)* *6% - 7% interest rate representing all-in finance cost.*	*Currently, borrowing at 6-8% for secured lending*

Additional Notes:

- BCIS – Royal Institution of Chartered Surveyors (RICS) Building Cost Information Service
- Collective ('cumulative') cost impacts considered consistent with NPPF, PPG and experience of good practice (examined outcomes, Harman Report principles etc.) All in conjunction with the affordable housing policy target, s106/ infrastructure contributions, dwelling mix together with other Local Plan policy and application of national standards where viability is influenced by those.

12. Finally, please add any other details or comments that you think may be useful as part of the available information review for this Local Plan evidence base study.

Many thanks for your time and assistance.