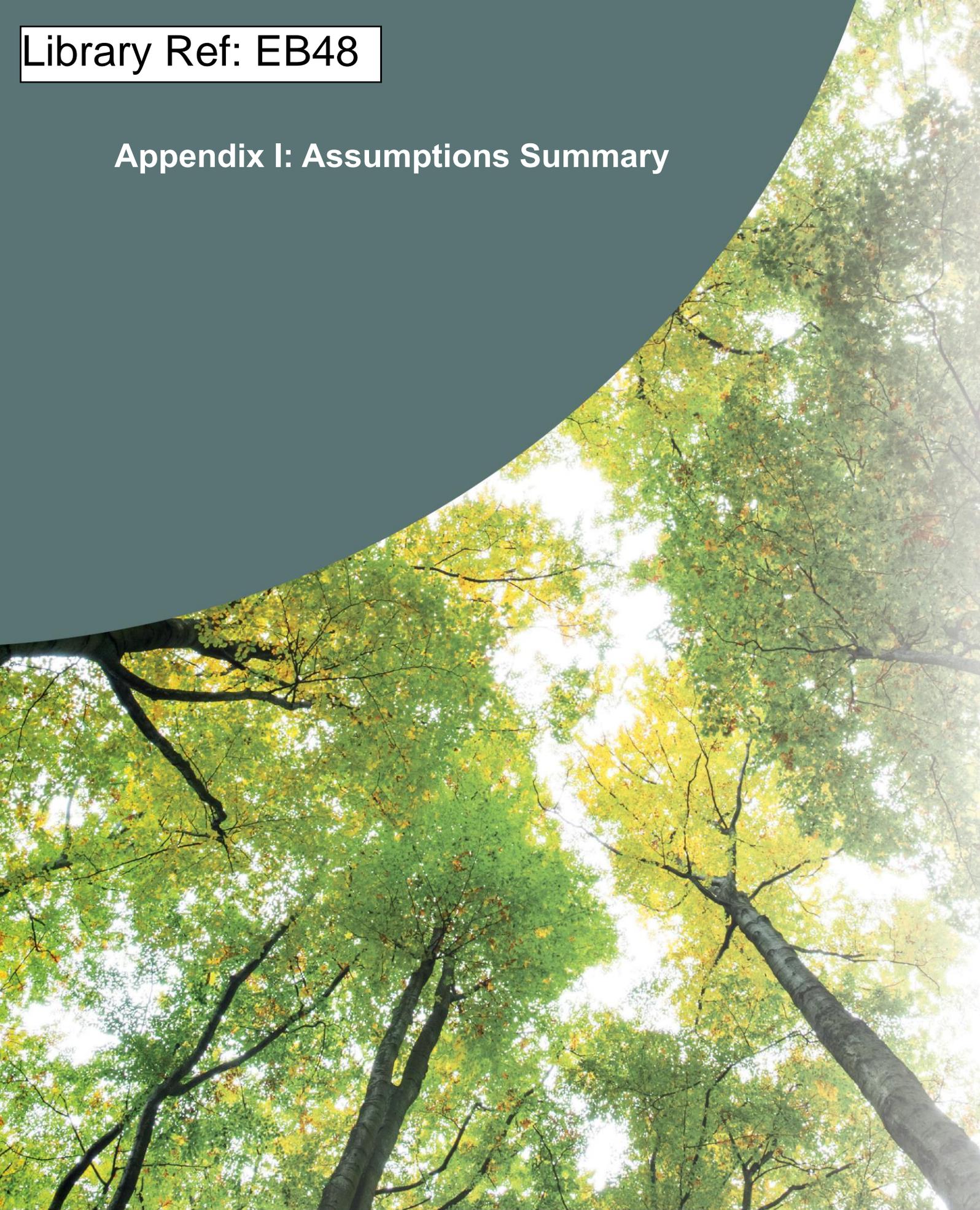


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Appendix I: Assumptions Summary



Havant BC - Appendix I - Viability Assessment Update - Residential Assumptions (1)

Scenario Type Appraised	Gross Land Area (ha)	Net Land Area (ha)	Overall Dwelling Mix	Build Period (months)
6 Houses (Greenfield / PDL)	0.15	0.13	2 x 2BH, 4 x 3BH	6
10 Houses (Greenfield / PDL)	0.26	0.22	5 x 2BH, 5 x 3BH	9
11 Houses (Greenfield / PDL)	0.28	0.24	5 x 2BH, 6 x 3BH	9
15 Houses (Greenfield / PDL)	0.38	0.33	7 x 2BH, 7 x 3BH, 1 x 4BH	9
15 Flats (PDL - Town Centre)	0.10	0.10	9 x 1BF, 6 x 2BF	9
25 Flats (PDL - Town Centre)	0.17	0.17	11 x 1BF, 14 x 2BF	18
25 Flats GF Convenience Retail* (PDL - Town Centre)	0.17	0.17	11 x 1BF, 14 x 2BF	18
30 Flats Sheltered (PDL - Town Centre)	0.20	0.20	22 x 1BF, 8 x 2BF	18
50 Flats (PDL - Town Centre)	0.33	0.33	22 x 1BF, 28 x 2BF	18
50 Flats incl. Studio Flats (PDL - Town Centre)	0.33	0.33	7 x SF, 15 x 1BF, 28 x 2BF	18
50 Mixed (Greenfield / PDL)	1.09	0.91	9 x 1BF, 8 x 2BF, 9 x 2BH, 19 x 3BH, 5 x 4BH	24
100 Mixed (Greenfield / PDL)	2.18	1.82	18 x 1BF, 16 x 2BF, 18 x 2BH, 38 x 3BH, 10 x 4BH	24
350 Mixed (Greenfield)	8.27	6.36	63 x 1BF, 56 x 2BF, 63 x 2BH, 133 x 3BH, 35 x 4BH	48***

Note: The above scenarios have been tested at 20%, 30% and 40% AH on sites of 10+. AH financial contributions have been assumed on sites of <10 units as set out in Policy H2 of the emerging Plan. AH tenure split assumes 66% Affordable Rent and 33% Shared Ownership with 10% of the total number of new homes to be shared ownership as a minimum - based on Policy H2 as informed by HBC. Land area adjustment @ 15% (excluding town centre) on sites of <100 units. 20% land area adjustment on 100 Mixed and 30% on the 350 Mixed scheme. *The mixed use 25 Flats scenario assumes 310sq. m. of convenience retail floorspace, annual rent of £100/sq. m. and a 6% Yield based on BCIS rates.

Density Standards
40 - 55 dph (Housing / Mixed)
150 dph (Flats - Town Centre)

Dwelling mix principles (based on South Hampshire SHMA 2014)
DSP Assumed Overall Mix 1-Beds 25%, 2-Beds 35% 3-Beds 30%, 4-Beds 10%
Market Housing 1-Beds 10%, 2-Beds 35% 3-Beds 45%, 4-Beds 10%
Affordable Housing 1-Beds 40%, 2-Beds 35% 3-Beds 20%, 4-Beds 5%
Note: All subject to 'best fit scenario' within assumed mix

Policy H4 Housing Mix - latest position (October 2018)
Overall Mix 35% 2-Beds

Dwelling Sizes (Nationally Described Space Standards)

Unit Sizes (sq. m)*	Affordable	Private (market)
Studio Flat (SF)	n/a	39
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

150 (Large)

Assumed Market Value Level (VL) range & indicative match with localities	HBC lower-end			HBC typical new-build values			HBC upper-end new-build
	VL1	VL2	VL3	VL4	VL5	VL6	VL7+
Location (Range)	Havant Core & NW Suburbs, Waterlooville		Purbrook, Stakes, Horndean, Cowplain, Hayling Island				Upper-end coastal properties, Emsworth south of A259 & rural pockets etc.
	Leigh Park	West Leigh, Bedhampton, Hart Plain		Langstone, New Brighton, Emsworth (North of A259), Warblington, East of Borough, Denvilles			
1 Bed Flat	£137,500	£150,000	£162,500	£175,000	£187,500	£200,000	£225,000
2 Bed Flat	£192,500	£210,000	£227,500	£245,000	£262,500	£280,000	£315,000
2 Bed House	£217,250	£237,000	£256,750	£276,500	£296,250	£316,000	£355,500
3 Bed House	£275,000	£300,000	£325,000	£350,000	£375,000	£400,000	£450,000
4 Bed House	£357,500	£390,000	£422,500	£455,000	£487,500	£520,000	£585,000
Value House (£/m2)	£2,750	£3,000	£3,250	£3,500	£3,750	£4,000	£4,500

Sheltered Housing modelled at VL6 £4,000, VL7 £4,500, and VL8 £4,750

July 2017 Affordable Housing Revenue Assumptions (Portsmouth LHA Rates covering the majority of the Borough)

Unit	LHA (Average) Cap
1BF	£116.53
2BF	£144.36
2BH	£144.36
3BH	£172.60
4BH	£240.00

Unit	Market Size	Average AH Transfer Price (LHA Cap)
1BF	50	£84,873
2BF	70	£105,144
2BH	79	£105,144
3BH	100	£125,712
4BH	130	£174,803

Development / Policy Costs		Notes
Residential Building, Marketing and S106 Costs		
Build Costs Mixed Developments - generally (£/sq. m.) ¹	£1,341	
Build Costs 'One-off' Detached Housing (3 units or less)	£2,203	1 House only
Build Costs Estate Housing - generally (£/sq. m)	£1,495	Only applicable to scenarios <10 units. Increased by 14% from updated base figures - adjustment based on BCIS FSB report. ²
Build Costs Estate Housing - generally (£/sq. m)	£1,311	11+ units
Build Costs Flats - generally (£/sq. m)	£1,526	11+ units
Build Costs Flats - 3-5 Storey (£/sq. m)	£1,513	50 Flats only
Build Costs Flats (Sheltered) - generally (£/sq.m)	£1,794	Sheltered Flats only
Site Works	£300,000/ha	
Contingencies	5%	% of build cost
Professional & Other Fees	10%	% of build cost
Sustainable Design / Construction Standards ³	2%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations.
Building Regs M4(2) Compliance (£ per unit) ⁴	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only(10+)) - tested at 30% base cost assumption. Sensitivity Tested at 98%
Building Regs M4(3) Compliance (£ per unit) ⁴	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only(50+)) - tested at 2% base cost assumption.
CIL Rates (£/sq. m.)	Tested at £25/m2 intervals from £0 to £200/m2	
Residual s.106 /non-CIL costs (£ per unit) - non-strategic sites	£3,000	per unit
Residual s.106 /non-CIL costs (£ per unit) - large scale strategic greenfield sites	n/a	Strategic Site Only
Water Efficiency Standards	110 litres per person per day	based on the Housing Standards Review
Electric Vehicle Charging	£500	per unit
Solent Recreational Mitigation Partnership Contribution (£ per unit)	£564/unit	includes £20 administration fee and 5% monitoring fee
Brent Goose and wader feeding and roosting sites	Primary Support Area = On site refuge area Secondary Use = £85,464/ha Low Use = £35,610/ha	Land East of College Rd, Campdown lies within a Primary Support Area. Southleigh is unaffected. Potential Sensitivity Test for standard typologies.
Marketing & Sales Costs	3%	% of GDV
Legal Fees on sale (£ per unit)	£750	
Developer's Return for Risk and Profit		
Open Market Housing Profit	20%	% of GDV. Also sensitivity tested at 17.5%
Affordable Housing Profit	6%	% of GDV
Finance and Acquisition Costs		
Agents Fees	1.50%	% of Site Value
Legal Fees	0.75%	% of Site Value
Stamp Duty Land Tax	0% - 5%	HMRC Scale
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - 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 Havant has been used and averaged across both areas. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works included at 10%.

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 CISH 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 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.

Havant BC - Appendix I - Viability Assessment Update - Residential Assumptions (2) - Larger typology & Strategic Site (Southleigh)

Scheme Characteristics / Assumptions	Southleigh Strategic Site (K55)	Larger site typology (informed e.g. by Campdown)
Scheme Size (no. units)	2100	560
Site Type	Greenfield	Greenfield
Density (dph)	40	40
Gross Land Area (ha)	154	26.7
Net Land Area (ha)	52.5	15.78
Affordable Housing	30% / 40%	30% / 40%
Value Level (£)	£4,000/sq. m.	£3,500/sq. m

Note: dwelling mix assumptions as set out in Residential Assumptions (1)

Development / Policy Costs	Oct-18	Notes
Residential Building, Marketing and S106 Costs		
Build Costs Mixed Developments - generally (£/sq. m.) ¹	£1,341	
Site enabling infrastructure	n/a	See site specific infrastructure table
Contingencies	5%	% of build cost
Professional & Other Fees	10%	% of build cost
Sustainable Design / Construction Standards	2% / 6%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations. Sensitivity Testing at +6% representing exploration of potential increased criteria to 19% emissions reduction over Bldg Regs
Building Regs M4(2) Compliance (£ per unit)	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only(10+)) - tested at 30% base cost assumption.
Building Regs M4(3) Compliance (£ per unit)	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only(50+)) - tested at 2% base cost assumption.
CIL Rates (£/sq. m.)	£125 £100 £0	based on DSP recommended rates.
Residual s.106 /non-CIL costs (£ per unit) - large scale strategic greenfield sites	n/a	Output of appraisal model
Water Efficiency Standards	110 litres per person per day	based on the Housing Standards Review
Electric Vehicle Charging	£500	per unit
Solent Recreational Mitigation Partnership Contribution (£ per unit)	£564/unit	includes £20 administration fee and 5% monitoring fee
Brent Goose and wader feeding and roosting sites	Primary Support Area = On-site refuge area Secondary Use = £85,464/ha Low Use = £35,610/ha	Land East of College Rd, Campdown lies within a Primary Support Area. Southleigh is unaffected.
Marketing & Sales Costs	3%	% of GDV
Legal Fees on sale (£ per unit)	£750	
Developer's Return for Risk and Profit		
Open Market Housing Profit	20%	% of GDV. Also sensitivity tested at 17.5%
Affordable Housing Profit	6%	% of GDV
Finance and Acquisition Costs		
Agents Fees	1.50%	% of Site Value
Legal Fees	0.75%	% of Site Value
Stamp Duty Land Tax	0% - 5%	HMRC Scale
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - 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 Havant has been used and averaged across both areas. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works included at 10%.

² 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).

³ 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.

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Site Specific Infrastructure	Southleigh Strategic Site (K55)	Notes
Abnormals	£53.82/sq m. (£5/sq ft.)	Provided by GVA
Utilities Offsite	£7,000,000	Provided by the Pell Frischmann report
Site Access - new junction on A27 (Southleigh)	£18,000,000	Southleigh Only - sensitivity test (with/without). Provided by the Pell Frischmann report.
Utilities Onsite	£5,000,000	Provided by the Pell Frischmann report
Green Infrastructure	£14,000,000	Provided by the Pell Frischmann report
New Primary School	£11,385,819	provided by HBC

Havant BC - Appendix I - Local Plan Viability Assessment - Commercial Assumptions Overview Sheet

Development Use Type / Use Class indication	Example Scheme Type	GIA (sq. m)	Site Coverage	Site Size (Ha)	Build Period (Months)**	Values Range - Annual Rents £/sq. m (unless stated otherwise)			Build Cost (£/sq. m)*	External works cost addition (%)	Total Build Cost (£/sq. m excl fees etc.)	Notes:
						Low	Mid	High				
A1 Large Retail	Retail Warehousing / Foodstore	1250	40%	0.31	12	£200	£225	£250	£838	15%	£964	BCIS - Retail Warehousing - up to 1000 sq. m
Small Retail (Town Centre)	Comparison shops (general/non-shopping centre)	300	70%	0.04	6	£150	£200	£250	£1,104	50%	£1,656	BCIS - Shops - Generally
Small Retail	Local convenience stores and local shops	300	50%	0.06	6	£100	£125	£150	£1,104	15%	£1,270	BCIS - Shops - Generally
Business - Offices - Town Centre	Office Building	500	60%	0.08	6	£150	£190	£230	£1,857	15%	£2,136	BCIS - Offices - 3-5 stories; air-conditioned
Business - Offices - Outside Town Centre	Office Building	1000	40%	0.25	12	£150	£190	£230	£1,754	15%	£2,017	BCIS - Offices generally
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	500	40%	0.13	6	£70	£85	£100	£1,368	15%	£1,573	BCIS - Advance factories / offices - mixed facilities (B1) 500 - 2,000 sq. m
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	2000	40%	0.50	12	£50	£60	£70	£1,021	15%	£1,174	BCIS - Advance factories / offices - mixed facilities (B1) > 2,000 sq. m
Hotel (budget)	Hotel - town centre / edge of town (60 Beds)	2100	50%	0.42	18	£3,000	£3,500	£4,000	£2,042	15%	£2,348	BCIS data - hotels (median average figure shown - range applied)
C2 - Residential Institution	40-bed Nursing home / care home	1900	60%	0.32	16	£200	£250	£300	£1,685	15%	£1,938	BCIS - Care Homes for the Elderly - generally
Student Accommodation	100% Cluster type Accommodation with ensuite (150 rooms)	1800	50%	0.36	18	£110	£120	£130	£1,951	5%	£2,049	BCIS - Student Accommodation
Other / Sui Generis	Variable - considered on strength of values / costs relationship basis for a range of other development uses including community / clinics / fitness/ leisure / nurseries etc.	Value / costs relationship strength considered in report										

* Convenience stores with sales area of less than 3,000 sq ft (280 sq m), assuming longer opening hours.

Development Costs	
BREAAAM / other enhancements addition contingency (% of cost) ¹	5%
Professional Fees (% of cost)	10%
Contingencies (% of cost)	5%
Planning / Building Regs etc. / insurances (% of cost)	2.0%
Site survey / preparation costs / S106	Variable
Finance Costs	
Finance rate p.a. (including over lead-in and letting / sales period)	6.5%
Arrangement / other fees (% of cost)	0.0% included within higher overall finance rate
Marketing Costs	
Advertising Fees (% of annual income)	1%
Letting Fees (% of annual income)	10%
Purchaser's costs	5.75%
Developer Profit (% of GDV)	20%
Yields	Variable applicability - tested across range at 5% to 8%
Site Acquisition Costs	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

*BCIS Median - Location Factor for Havant

¹ For non-residential developments - include a contingency equivalent to requirement for BREEAM. Cost addition estimate only

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Havant BC - Appendix I - Local Plan Viability Assessment - Policy Analysis based on Draft Local Plan (Consultation Version)

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Yes (minor)	
		No	
IN1 - Effective Provision of Infrastructure	Yes		Considered through range of s.106/other costs sensitivity testing including Electric Vehicle Charging Points. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details. Parking in new development would also be considered as part of overall design / development management criteria.
IN2 - Improving Transport Infrastructure	Yes		
IN3 - Transport and Parking in New Development	Yes		
E1 - Health and Wellbeing	Yes		Considered through range of s.106/ other costs assumptions including open space allowance and overall design quality principles.
E2 - Green Infrastructure	Yes		Generally within build costs and externals / Planning obligations cost assumption
E3 - Sports and Recreation	Yes (minor)		N/A - more of a planning and land use implication than for viability consideration. Range of other uses considered within report text including sports / recreation related development
E4 - Local Green Spaces	No		N/A - more of a planning and land use implication than for viability consideration.
E5 - Hermitage Stream	No		N/A - more of a planning and land use implication than for viability consideration.
E6 - High Quality Design	Yes (minor)		Firstly in respect of the general nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals. Secondly, additional cost allowances have been made in relation to sustainability to meet Part M of the Building Regulations as part of sensitivity testing - see Appendix I Residential Assumptions
E7 - High Quality New Homes	Yes		
E8 - Low Carbon Design	Yes		Firstly, we would assume an element of this to be factored into the overall development design linked to Policy E6 and E7 above. Secondly specific allowances have been made for sustainability (including higher level sensitivity tests) and electric vehicle charging points - see Appendix I cost assumption detail.
E9 - Historic Environment and Heritage Assets	No		Planning / design issue rather than direct cost impact except in exceptional circumstances. Any costs included within fees assumptions.
E10 - Landscape and Townscape	No		N/A - more of a planning and land use implication than for viability consideration.
E11 - Chichester Harbour AONB	No		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.
E12 - Managing Flood Risk in New Development	Yes (minor)		Allowed for within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
E13 - Drainage Infrastructure in New Development	Yes (minor)		Allowed for within build costs and fees so far as normal works extent is concerned. However could have very site specific impacts and as such would need to be treated as abnormal costs in weighing-up the overall viability position on a particular site.
E14 - Areas of Coastal Change	No		N/A - more of a planning and land use implication than for viability consideration.
E15 - Ecological Conservation	Yes (minor)		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Yes (minor)	
		No	
E16 - Solent Special Protection Areas	Yes		Specific allowance made within cost assumptions for mitigation measures as provided by HBC.
E17 - Brent Goose and wader feeding and roosting sites	Yes (minor)		Specific allowance made where applicable within cost / overall typology assumptions for mitigation measures as provided by HBC.
E18 - Protected Species	Yes (minor)		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.
E19 - Best and Most Versatile Agricultural Land	Yes (minor)		Considered through range of s.106/other costs sensitivity testing together with general land take % assumption based on DSP experience. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
E20 - Amenity and Pollution	Yes (minor)		More of a planning and land use implication than for viability consideration. However, any potential mitigation costs allowed for within the general build cost and fee assumptions
E21 - Contamination	Yes (minor)		
E22 - Aquifer Source Protection Zones	No		More of a planning and land use implication than for viability consideration. However, any potential mitigation costs allowed for within the general build cost and fee assumptions
E23 - New and Extended Cemeteries	No		N/A - more of a planning and land use implication than for viability consideration.
H1 - Housing need, supply and brownfield sites	Yes		A variety of residential and commercial (non-residential) scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in different areas of the District, all in accordance with the emerging Plan. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).
H2 - Affordable housing	Yes		A range of AH levels have been tested (20% - 40%) as part of informing plan development for a range of residential development typologies.
H3 - Housing Density and Mix	Yes		A variety of residential scenarios have been modelled with different density assumptions, also covering a range of values levels overall representing the variety relevant in the different areas. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions). Dwelling mix assumptions agreed with HBC and based on the latest SHMA
H4 - Housing for older people, people with specialist medical needs and annexes	Yes		A variety of residential scenarios have been modelled including sheltered housing and care homes in different areas of the District. See Appendix I for detail.
H5 - Gypsies, travellers and travelling showpeople	No		N/A - more of a planning and land use implication than for viability consideration.
H6 - H48 (Policy relating to specific sites / development areas)	Yes		All considered at the appropriate high level as part of the range of residential scenario testing as set out in Appendix I detail.
C1 - New employment provision	Yes		A variety of commercial scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in the different areas. (See Appendix I - Development Assumptions). Dwelling mix assumptions agreed with HBC and based on the latest SHMA
C2 - Protection of existing employment sites	No		N/A - more of a planning and land use implication than for viability consideration.
C3 - C9 (Policies relating to a range of commercial development areas)	Yes		All considered at the appropriate high level as part of the range of commercial scenario testing as set out in Appendix I detail.
C10 - Tourism	Yes (minor)		N/A - more of a planning and land use implication than for viability consideration. However a range of other commercial uses have been considered within the report detail.
C11 - Protection of existing community facilities and shops	No		N/A - more of a planning and land use implication than for viability consideration.