

Home Builders Federation

Matter 7

HAVANT LOCAL PLAN EXAMINATION

Matter 7 – Viability

Overall, is the methodology and assumptions in the Local Plan CIL Viability Study (Ref EB48) and its update note (Ref EB49) robust?

In answering the above question, the Council should have particular regard to representation number R256 to the 2019 Regulation 19 Consultation.

7.2 Have all potential costs been suitably assessed in the viability studies?

When considering viability, it is important to make the assumption, as set out in paragraph 57 of the NPPF and paragraph 10-002 of PPG that the decision maker can assume a development to be viable on the basis of the it being compliant with all national and local policy requirements. As such it is vital that the costs are properly assessed and that any costs placed on development will not take development to the margins of viability.

We did not query the assumptions made in the plan as part of the regulation 19 consultation. However, on revisiting the viability evidence we would query two elements of the potential cost consideration in the study. Firstly, we could not find considered within the viability assessment the potential impact of delivering a 10% net gain in biodiversity as set out in the Environment Bill. We recognise that the local plan itself does not require this level of net gain, but it would appear likely that some development delivered though this local plan will be required to meet this requirement and as such it should have been considered in the viability assessment. The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies: Impact Assessment Table 14: Net Gain Delivery Costs (Residential) sets out regional costs (based on 2017 prices) in the South East of £18,552 per hectare of development based on a central estimate but there are significant increases in costs to £64,941 per hectare for the higher levels of off-site delivery required under Scenario C.

Secondly, the cost of implementing electric vehicle charging points may also have been underestimated at £500. The Government has estimated installation of such charging points add on an additional cost of approximately £976 per car parking space



for an average home¹. In addition, there is the concern that the introduction of Electric Vehicle Charging Points (EVCP) in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment. Any such additional infrastructure requirements would likely see average S106 costs increased from the Council's current estimates of £3,000 per dwelling.

7.3 Do the viability studies suitably demonstrate that the spatial strategy of the Plan and its policies can be delivered?

What is evident from the outcomes of the viability study is that certain types of development in lower value areas are made either unviable by the policy costs or pushed towards being marginal. Our particular concern relates to the deliverability of higher density development in the Borough's urban areas with lower average house prices. Figure 5 shows that Leigh Park, Havant and Waterlooville all fall within value point 1 to 3 and all are expected to achieve a minimum density of between 55 and 70 dwellings per hectare. In these areas the viability study shows in tables 1e to 1j of Appendix 2 that flatted development even at 20% affordable housing is made unviable by the policy costs. Similar mixed developments in these areas also face a challenging scenario with regard to viability. The study shows at table 1k that the viability of mixed sites 50 on PDL only becomes marginally viable with a 20% affordable housing contribution at value point 2.

Given that the Council expects a significant amount of higher density development to come forward on PDL in the lower value areas of Havant, Waterlooville, and Leigh Park this would suggest that a lower level of affordable housing contribution or exemptions from other policy costs may be required in these areas than is currently set out in the local plan. Without reductions in the policy costs faced by such development we are concerned that the cumulative impact of the policies in this plan could mean the proposed spatial strategy failing to meet housing needs in full.

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¹ Electric Vehicle Charging in Residential and Non-Residential Buildings, July 2019 (Department for Transport)