

For:

Havant
BOROUGH COUNCIL

**Stage 2 of the Havant Borough Council
Local Plan Viability Assessment**

Appendix 1 – Assumptions Summary

(Tables 1a – 1e)

May 2026

DSP24873A

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Havant BC - Appendix 1: Stage 2 Local Plan Viability Assessment - Residential Assumptions
- Table 1a: High-Level Site Typologies and Value Levels / Revenue Assumptions

High-Level Sample Typology Tests

| Scheme Size Appraised | Type | Site Type | Density (dph) | Net Land area (ha) | Gross Land Area (ha)* | Main Build Period (Months) |
|-----------------------|----------------------|-------------------|---------------|--------------------|-----------------------|----------------------------|
| 5 | Houses | GF | 30 | 0.17 | 0.19 | 6 |
| 5 | Houses | PDL | 35 | 0.14 | 0.16 | 6 |
| 10 | Houses | PDL | 35 | 0.29 | 0.33 | 12 |
| 15 | Flats | PDL | 100 | 0.15 | 0.17 | 12 |
| 20 | Houses | GF | 40 | 0.50 | 0.58 | 12 |
| 50 | Mixed (Houses/Flats) | GF | 45 | 1.11 | 1.28 | 18 |
| 50 | Mixed (Houses/Flats) | PDL | 55 | 0.91 | 1.05 | 18 |
| 50 | Flats | PDL - Town Centre | 150 | 0.33 | 0.38 | 18 |
| 75 | Mixed (Houses/Flats) | PDL | 50 | 1.50 | 1.73 | 18 |
| 100 | Flats | PDL - Town Centre | 150 | 0.67 | 0.87 | 18 |
| 150 | Mixed (Houses/Flats) | GF | 45 | 3.33 | 3.83 | 24 |
| 150 | Mixed (Houses/Flats) | PDL | 80 | 1.88 | 2.44 | 24 |
| 350 | Mixed (Houses/Flats) | PDL | 80 | 4.38 | 5.69 | Variable |
| 550 | Mixed (Houses/Flats) | GF | 40 | 13.75 | 20.63 | Variable |

*assumes additional land area adjustment - 15% added

Notes: The above typologies have been tested at a range of affordable housing proportions from 0% - 40% depending on the assumed scheme type/characteristics. The appraisals have been completed in each case to the point at which a negative result is returned - we considered there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable housing tenure split assumed at 20% Affordable Rent (AR), 42.5% Social Rent (SR) and 37.5% Affordable Home Ownership.
 On sites of 200+ dwellings 5% of the overall dwellings to provided as a self-build (as per Policy 36 - Draft Building Better Future Plan 2025).

Unit sizes and dwelling mix assumptions

| Property Type | Assumed Market Unit Sizes* | Assumed Unit Sizes* | Housing Mix (%)** | |
|---------------|----------------------------|---------------------|-------------------|------------------|
| | | | Market Units | Affordable Units |
| 1-bed flat | 50 | 50 | 8.0% | 30.0% |
| 2-bed flat | 61 | 61 | | 10.0% |
| 2-bed house | 79 | 79 | 25.0% | 25.0% |
| 3-bed house | 93 | 93 | 46.0% | 25.0% |
| 4-bed house | 130 | 130 | 21.0% | 10.0% |

*Based on Nationally Described Space Standard October 2015

**rounded, based on the current Housing Needs Analysis - Havant Borough Council (October 2023) for the affordable housing units.

Affordable Housing Revenue Assumptions

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

Note: % MV based on VL6 £4,500 (below).

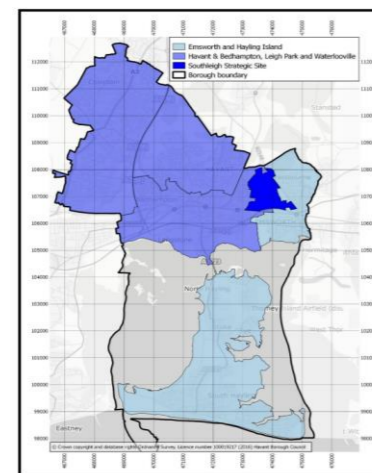
Residential Sales Value Level (VL) Assumptions - Indicative relevance by area within Borough

| Only | VL1 | VL2 | VL3 | VL4 | VL5 | VL6 | VL7 | VL8 | VL9 | VL10 | VL11 | VL12 | VL13 | |
|-----------------|---|----------|----------|-----------------------------|----------|----------|------------|----------|----------|----------|----------|----------|----------|--|
| | Typical New Build Values Range | | | | | | | | | | | | | |
| | Leigh Park (VL1-2) | | | Havant, Haying Island (E&W) | | | | | Emsworth | | | | | |
| | Waterlooville, Stakes, Cowplain, Hart Plain, Purbrook | | | | | | Bedhampton | | | | | | | |
| 1-bed flat | £200,000 | £205,000 | £210,000 | £215,000 | £220,000 | £225,000 | £230,000 | £235,000 | £240,000 | £245,000 | £250,000 | £255,000 | £260,000 | |
| 2-bed flat | £244,000 | £250,100 | £256,200 | £262,300 | £268,400 | £274,500 | £280,600 | £286,700 | £292,800 | £298,900 | £305,000 | £311,100 | £317,200 | |
| 2-bed house | £316,000 | £323,900 | £331,800 | £339,700 | £347,600 | £355,500 | £363,400 | £371,300 | £379,200 | £387,100 | £395,000 | £402,900 | £410,800 | |
| 3-bed house | £372,000 | £381,300 | £390,600 | £399,900 | £409,200 | £418,500 | £427,800 | £437,100 | £446,400 | £455,700 | £465,000 | £474,300 | £483,600 | |
| 4-bed house | £520,000 | £533,000 | £546,000 | £559,000 | £572,000 | £585,000 | £598,000 | £611,000 | £624,000 | £637,000 | £650,000 | £663,000 | £676,000 | |
| MV (£ / sq. m.) | £4,000 | £4,100 | £4,200 | £4,300 | £4,400 | £4,500 | £4,600 | £4,700 | £4,800 | £4,900 | £5,000 | £5,100 | £5,200 | |

Value Levels - Locations by CIL Zones area

| CIL Zone Area | Value Level Range |
|---|-------------------|
| Typical New Build Value - Residential Area A - Emsworth and Haying Island | VL5 - VL12 |
| Typical New Build Value - Residential Area B - Rest of the Borough | VL3 - VL9 |
| Typical New Build Value - Southleigh Strategic Site | VL5 - VL11 |

Differential CIL Zones Map



Source: Havant BC - Community Infrastructure Levy Draft Charging Schedule (2021)

**Havant BC - Appendix 1: Stage 2 Local Plan Viability Assessment - Residential Assumptions
- Table 1b: Development Cost Assumptions & Key Sensitivity Testing Parameters**

| Base Appraisal Cost Description | Cost Assumption [2026 - Stage 2] | Notes |
|--|--|--|
| Build cost - Mixed Developments (generally - houses/flats) | £1,779/sq. m. | |
| Build cost - Estate Housing (generally) | £1,817/sq. m. | <i>Based on BCIS 'median' rebased to Havant location factor (5yr data sample), excludes external works. Lower Quartile (LQ) rates applied to specific/strategic site testing at £1,588/sq. m. BCIS data uplifted by TPI following the Stage 1 LPVA AH Options.</i> |
| Build cost - Flats (generally) | £1,970/sq. m. | |
| External Works | 10% (Flats) 15% (Houses) | |
| Site Prep Contingency (on gross land area) | £500,000/ha | <i>Site works e.g. prep, servicing etc. Larger-scale typologies assume £30,000/dwelling.</i> |
| Contingency (% of build cost) | 5% | <i>Large-scale typologies assume contingency @ 3% (housebuilding) / 5% on all other works</i> |
| Professional Fees (% of build cost) | 10% | <i>Large-scale typologies assume professional fees @ 8% (housebuilding) / 10% all other works</i> |
| <u>CIL indexed rates (2026)</u> | | |
| Indexed CIL Rates | Residential Area A - £178.57 | Residential Area A - Emsworth and Hayling Island - £178.57 |
| | Residential Area B - £142.86 | Residential Area B - Rest of the Borough - £142.86 |
| | | <i>The residential rate does not include extra care housing or residential institutions but does apply to sheltered housing which is CIL liable.</i> |
| Residual s106 | £3,000/dwelling | <i>Adopted rates (2013): Residential Area A = £100, Residential Area B = £80 Based on a review of HBC s106 monitoring data.</i> |
| Sustainability Allowance / BREEAM Excellent / other enhancements addition contingency (% of cost) | £94/m2 | <i>Uplift equates to +5% on base build cost assuming current Part L baseline.</i> |
| Electric Vehicle Charging Points (£/unit)¹ | £500/unit | <i>Assumes the majority of the costs for EV infrastructure is already incorporated within BCIS baseline data, reflecting Building Regulations Part S.</i> |
| Water efficiency standards | 110 litres per person per day | <i>Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.</i> |
| Biodiversity Net Gain (BNG) (% of build cost) | 2.4% (Greenfield) 0.5% (PDL) | <i>Assuming 10%, variable by site type. Proxy costs based on Impact Assessment (Scenario C) ¹.</i> |
| Nitrates (nutrient neutrality) | £2,193 (Greenfield) /dwelling | <i>Based on information provided by HBC.</i> |
| | £3,322 (PDL) /dwelling | |
| SPA - Solent Recreation Mitigation | £805/dwelling (plus 5% monitoring fee and £25.50 administration fee) | <i>Based on the Bird Aware Solent Revised Strategy 2025/2026 rates. 5% monitoring fee and £25.50 administration fee.</i> |
| M4(2) Accessible and adaptable dwellings compliance | £15.5/sq. m. | <i>40% of the total dwellings to comply with M4(2) - on schemes of 10+ dwellings 2% of the total dwellings to comply with M4(3) - on schemes of 50+ dwellings High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document ^{2 & 3}</i> |
| M4(3) Wheelchair user dwellings compliance | £155/sq. m. | |
| Building Safety Levy | £34.83/sq. m. (GF) | <i>Cost allowance included as appropriate. BSL only applies to schemes of 10 units or more. Small sites (1-9 dwellings) are exempt as set out in paragraph 3.4 of the BSL Guidance.</i> |
| | £17.41/sq. m. (PDL) | |
| Marketing & Sales Costs (% of GDV) | 3% | |
| Legal Fees on sale (£ per unit) | £750 | |
| <u>Developer's Return for Risk & Profit</u> | | |
| Open Market Housing Profit (% of GDV) | Range of 15-20% | <i>DSP assumed testing at mid-point of range at 17.5%.</i> |
| Affordable Housing Profit (% of GDV) | 6% | |
| <u>Finance & Acquisition Costs</u> | | |
| Agents Fees (% of site value) | 1.50% | <i>HMRC Scale</i> |
| Legal Fees (% of site value) | 0.75% | |
| Stamp Duty Land Tax (% of site value) | 0% to 5% | |
| Finance Rate - Build (%) | 6.50% | |
| Finance Rate - Land (%) | 6.50% | |

¹ Biodiversity Net Gain Impact Assessment - Natural England (Table 19-20)

² <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes>

³ Draft Building a Better Future Plan (Havant BC 2025)

DSP (2026)

**Havant BC - Appendix 1: Stage 2 Local Plan Viability Assessment - Residential Assumptions
- Table 1c: Older Persons accommodation**

| Scheme Size Appraised | Type | Site type | Density (based on residential net developable area) | Net Land Area (ha) | Gross Land Area (ha) | Build Period (Months) (6-month lead-in) | Sales Rate ¹ | AH % Requirement (on-site) |
|-----------------------|--------------------|-----------|--|--------------------|----------------------|--|--------------------------------------|-------------------------------|
| 45 | Flats (Sheltered) | PDL | 150 | 0.30 | 0.35 | 18 | 1.5 unit / month 20 month (total) | 0% 10% 20% 30% |
| 75 | Flats (Extra Care) | PDL | 150 | 0.50 | 0.58 | 18 | 1.5 unit / month 40 month (total) | 0% 10% 20% 30% |

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

Unit sizes and dwelling mix assumptions

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

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

Value Levels - Havant Borough

| Market Value (MV) - Private units | VL11 £5,000 | VL12 £5,100 | VL13 £5,200 | VL14 £5,400 | VL15 £5,600 | VL16 £5,800 | VL17 £6,000 | VL18 £6,200 | VL19 £6,400 | VL20 £6,600 | VL21 £6,800 | VL22 £7,000 |
|-----------------------------------|----------------------------|----------------|----------------|--|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|
| | Lower VL Sensitivity Tests | | | Typical New Build "Sheltered" Values Range | | | | | Upper VL Sensitivity Tests | | | |
| 1-bed flat (Sheltered) | £275,000 | £280,500 | £286,000 | £297,000 | £308,000 | £319,000 | £330,000 | £341,000 | £352,000 | £363,000 | £374,000 | £385,000 |
| 2-bed flat (Sheltered) | £375,000 | £382,500 | £390,000 | £405,000 | £420,000 | £435,000 | £450,000 | £465,000 | £480,000 | £495,000 | £510,000 | £525,000 |
| MV (£/sq. m.) | £5,000 | £5,100 | £5,200 | £5,400 | £5,600 | £5,800 | £6,000 | £6,200 | £6,400 | £6,600 | £6,800 | £7,000 |

| Market Value (MV) - Private units | VL11 £5,000 | VL12 £5,100 | VL13 £5,200 | VL14 £5,400 | VL15 £5,600 | VL16 £5,800 | VL17 £6,000 | VL18 £6,200 | VL19 £6,400 | VL20 £6,600 | VL21 £6,800 | VL22 £7,000 |
|-----------------------------------|----------------------------|----------------|----------------|---|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|
| | Lower VL Sensitivity Tests | | | Typical New Build "Extra Care" Values Range | | | | | Upper VL Sensitivity Tests | | | |
| 1-bed flat (Extra Care) | £292,500 | £298,350 | £304,200 | £315,900 | £327,600 | £339,300 | £351,000 | £362,700 | £374,400 | £386,100 | £397,800 | £409,500 |
| 2-bed flat (Extra Care) | £380,000 | £387,600 | £395,200 | £410,400 | £425,600 | £440,800 | £456,000 | £471,200 | £486,400 | £501,600 | £516,800 | £532,000 |
| MV (£/sq. m.) | £5,000 | £5,100 | £5,200 | £5,400 | £5,600 | £5,800 | £6,000 | £6,200 | £6,400 | £6,600 | £6,800 | £7,000 |

Bespoke Cost Assumptions

Note: Base cost assumptions set out in Table 1b

| | | |
|--|---------------|---|
| Base Build Cost - Supported Housing | £2,194 | BCIS data uplifted by TPI following the Stage 1 LPVA AH Options. Excludes external works. |
| External Works | 7.50% | |
| Legal Fees | £750/unit | |
| Empty Property Costs - Sheltered | £4,000/unit | |
| Empty Property Costs - Extra Care | £7,000/unit | |
| Open Market Housing Profit (% of GDV) | 17.5% and 20% | 17.5% represents base position with sensitivity test at 20%. |

DSP (2026)

**Havant BC - Appendix 1: Stage 2 Local Plan Viability Assessment - Residential Assumptions
- Table 1d: Specific Site Allocations**

| | |
|--|---|
| Site Name: | Southleigh Strategic Site - Allocation 1 |
| Gross Site Area (ha) | 146.32 |
| Site Type: | Greenfield |
| Indicative capacity: (approx. no. of dwellings) | 2,100 dwellings Assuming 5% self-build plots - 105 plots (assuming £150,000 value per plot) |
| Non-residential element (where applicable): | Local Centre Primary School (see below) |
| Affordable Housing %: | Tested at 20% / 30% / 35% / 40% Affordable housing tenure: 20% Affordable Rent (AR), 42.5% Social Rent (SR) and 37.5% Affordable Home Ownership. |
| Site works including on/off-site infrastructure: | £30,000/dwelling. Note: these costs relate to site works e.g. prep, servicing and some other transport requirements as defined in policy. |
| Housing Trajectory - timescales/phasing: | Assumes 150 dwellings per year as per HBC current information. |
| Indicative Residential Market Value (£/sq.m.): | Key range VL6 £4,500 to VL10 £4,900/sq. m. |
| DSP Additional Assumptions / Comments / Site Specific Costs | Local Centre (1.5ha) Primary School (2.4ha) - cost of provision £14,000,000 (includes land servicing). |

DSP (2026)

Havant BC - Appendix 1: Stage 2 Local Plan Viability Assessment - Residential Assumptions
Table 1e: Commercial Assumptions, Site Typologies and Value Levels/ Revenue Assumptions

| Use Class / Type | Example Scheme Type | GIA (m ²) | Site Coverage | Site Size (Ha) | Build Period (Months)* | Values Range - Annual Rents £ per sq m | | | Build Cost (£ per sq m)** | External works cost addition (%) | Total Build Cost (£/sq m excl fees etc) | Notes: |
|--|--|-----------------------|---------------|----------------|------------------------|--|------|------|---------------------------|----------------------------------|---|---|
| | | | | | | Low | Mid | High | | | | |
| Business - Offices - Out of town centre or Business Park | Office complex | 12000 | 30% | 4.00 | 12 | £160 | £200 | £230 | £2,275 | 15% | £2,616 | BCIS - Offices - 1-2 Storey; airconditioned |
| Business - Research & Development | R&D / Mixed high spec. space | 40000 | 30% | 13.33 | 18 | £150 | £250 | £350 | £2,786 | 15% | £3,204 | BCIS - Research facilities |
| Business - Industrial or Warehousing | Medium industrial / warehousing unit including offices - industrial estate | 2000 | 40% | 0.50 | 12 | £100 | £140 | £180 | £1,136 | 15% | £1,306 | BCIS - Advance factories / offices - mixed facilities (E) - >2000 |
| Business - Industrial or Warehousing | Larger industrial / warehousing unit including offices - industrial estate | 4000 | 40% | 1.00 | 13 | £100 | £140 | £180 | £1,136 | 15% | £1,306 | BCIS - Advance factories / offices - mixed facilities (E) - >2000 |

| Development Costs | |
|--|---|
| Sustainability Allowance / other enhancements addition contingency (% of cost) | 5% |
| Professional Fees (% of cost) | 10% |
| Contingencies (% of cost) | 5% |
| Site preparation/servicing/S106 | £600,000/ha £47,885 per ha |
| Biodiversity Net Gain (BNG) (£ per ha) | (based on Scenario C, Table 15 of the Government's Impact Assessment - Net Gain Delivery Costs (non-residential)) |
| Finance Costs | |
| Finance rate p.a. (including over lead-in and letting / sales period) | 6.5% |
| Sales, Lettings & Marketing Costs | |
| Purchaser's costs | 5.75% |
| Marketing, letting & sales costs | 3.00% |
| Developer Profit (% of GDV) | 15% |
| Yields | Variable applicability - sensitivity tested across range at 4.5% to 8.0% |
| 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 Construction Duration Calculator
**BCIS Median - Havant Location Factor