

South Lakeland Viability Study – Stakeholder Workshop

13th July 2017

Assembly Room, Kendal Town Hall (11 to 1pm)

Attendees

Rachel Bagshaw (Holker Estate)
Charlotte Morris (Holker Estate)
Stephen Ellis (Landowner)
Chris Garner (Garner Planning Associates)
Rachael Graham (Persimmon Homes)
Claire Norris (Persimmon Homes)
Richard Hayes (South Lakes Housing)
Pam Houghton (Houghton Parkhouse)
Kayleigh Lancaster (PFK Planning)
Richard Harkness (Hackney & Leigh)
Matt Messenger (Lambert Smith Hampton)
Andrew Murphy (Leck Construction Ltd)
Martyn Nicholson (Russell Armer)
David Porter (Lancaster City Council)
Angela Scarr (ASC Planning Ltd)
Andrew Tait (Steven Abbott Associates LLP)
Richard Wood (Russell Armer)
Ben Aspinall (Aspinall Verdi)
Josh Wedge (Aspinall Verdi)
Alexander Freeman-Laverack (Aspinall Verdi)
Dan Hudson (South Lakeland District Council)
Alastair McNeill (South Lakeland District Council)
Laura Chamberlain (South Lakeland District Council)
Lorayne Woodend (South Lakeland District Council)
Elizabeth Scott-Clarke (South Lakeland District Council)
David Porter (Lancaster City Council)



South Lakeland DPD and CIL Viability Assessment – Stakeholder Workshop

Ben Aspinall MRTPI, MRICS, RICS Registered Valuer, RICS
Accredited Civil Commercial Mediator, Managing Director
Thursday, 13th July 2017 1100 - 1300

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About AspinallVerdi



- Specialist Property Development Consultants
- RICS GP and P&D Surveyors / RTPI
- CIL Viability Studies
- Local Plan / Affordable Housing Viability
- Economic Viability Appraisals for S106
- Heritage - Conservation Deficit / Enabling Dev. Appraisals
- Market Studies to support change of use



Overview

1. Introduction
2. CIL / Local Plan Viability Context
3. Methodology
4. Research and Emerging Assumptions
5. Feedback and Next Steps

Viability is embedded in the planning system

- Informs Policy and Delivery
- Plan Wide Economic Viability Assessments (EVAs)
 - Affordable Housing
 - Planning Obligations
 - Community infrastructure levy (CIL)
- Site Specific EVAs – ‘decision taking’
 - S106 site specific infrastructure / affordable housing
 - Heritage assets – enabling development
 - Compulsory purchase (CPO) – demonstration of viability

Objectives of the Study

To prepare an Economic Viability Assessment (EVA) of development across the District to be used as evidence to:

- support the Development Management Policies DPD through examination
- update the recent Arnside and Silverdale AONB DPD Viability Study
- underpin the commencement of the Single Local Plan
- make recommendations as to whether the current CIL rates remain appropriate

Purpose of the Workshop

To explain -

- What is CIL?
- Why an Economic Viability Study?
- Our methodology

To engage -

- Appropriate Balance

You to feedback -

- Land Values
- Cost / Value Assumptions

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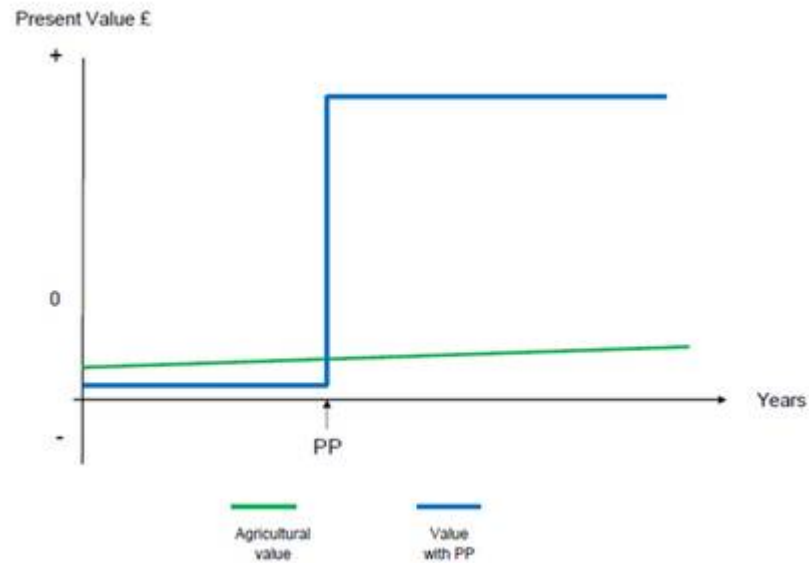
A political imperative to viability and delivery...



“Our broken housing market is one of the greatest barriers to progress in Britain today” ...

The Rt Hon Theresa May MP,
Prime Minister

Planning 'Controls' Value



- Town & Country Planning Act (1947) – Nationalised Development
- Land value driven by its allocated (intended) use

Previous Development Gain Taxes

- 1947 'Development Charge'
- 1967 Betterment Levy
- 1973 Development Gains Tax
- 1976 Development Land Tax..
- 2005/07 Planning Gain Supplement
- 2012 Community Infrastructure Levy.....
-2015/16 CIL Review.....
-2020 LIT & SIT?

CIL – Ministerial Foreword (July 2009)

- Housing Green Paper.....*Homes for the Future: more affordable, more sustainable* (2007)
- The long term challenges to deliver homes
- Households want excellent public services, transport and environment
- CIL is fairer, clearer, more legitimate and more predictable

CLG Community Infrastructure Levy: Detailed proposals and draft regulations for the introduction of the Community Infrastructure Levy Consultation (July 2009)

“The Housing Crisis”

- High land prices are NOT the cause of high house prices
- Residual Land Value methodology
- High house prices ‘drive’ high land values
- House prices are a function of Supply AND Demand

- Demand = function of : population growth, household formation, migration, immigration, jobs and employment, access to finance, weight of money etc
- Demand is different in London and the South East compared to the regions

- Presumption in favour - “making sustainable development happen”
- Meeting objectively assessed development needs with flexibility to respond to....economic changes
- Planning policies should not threaten the viability of development
- p173. *Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking.....To ensure viability, the costs of any requirements likely to be applied to development (affordable housing, infrastructure contributions etc.) should, when taking account of the normal cost of development, provide **competitive returns to a willing land owner and willing developer** to enable the development to be deliverable*

PPG – Viability

- Follows NPPF
- Ensures that local ‘realities are considered’ and Plans and Decisions are made on the basis of transparent and evidential bases
- Viability ‘assessments should be *proportionate*’
- Site typologies may be used to determine viability at policy level
- Plan makers should not plan to the margin of viability but should allow for a buffer
- Current costs and values should be considered
- Emphasises the desirability of re-using brownfield land
- Land Value should –
 - reflect emerging policy requirements and planning obligations
 - provide a competitive return to willing developers and land owners
 - be informed by comparable, market-based evidence

- Strike an *appropriate balance*
- The levy is expected to have a positive economic effect on development
- Use '*appropriate available evidence*' to inform their draft charging schedule – '*unlikely to be fully comprehensive*'
- Exercise should focus on strategic sites
- Regulations allow charging authorities to apply differential rates in a flexible way.... BUT, avoid undue complexity

PPG - Other

- Local Plans
- Planning Obligations
- Starter Homes

Also.....

- Housing White Paper implications
- CIL Review

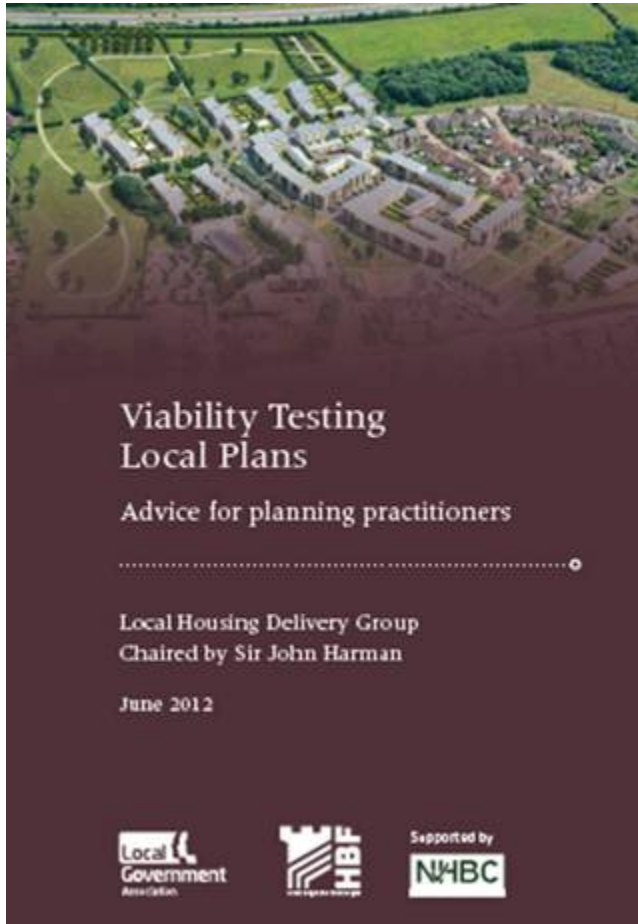
How is Viability Measured?

- ...by an Economic Viability Model [Assessment / Analysis]
- Normally on a “residual basis” – Residual Land Value (RLV)
- At Plan level....
 - Significant number of variables
 - Experience and judgement needed – partly due information limitations
- Can be complex and ‘sensitive’ to changes in inputs
 - Small changes in some variables have a large impact
 - Sensitivity analysis key

Overview

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Best Practice



RICS Professional Guidance, England

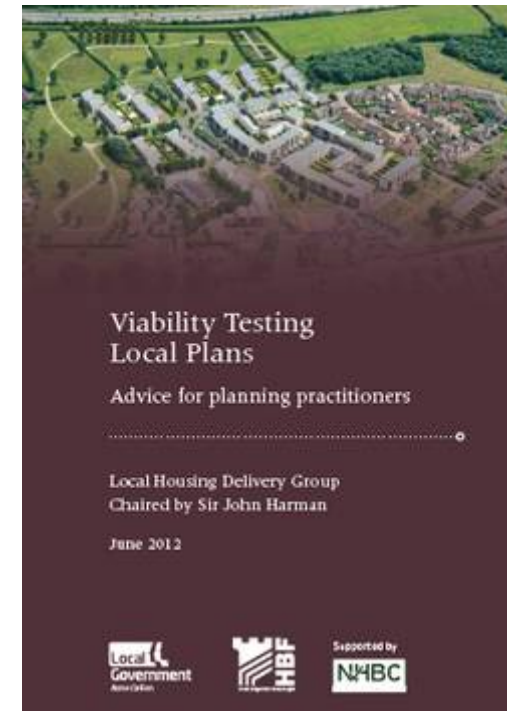
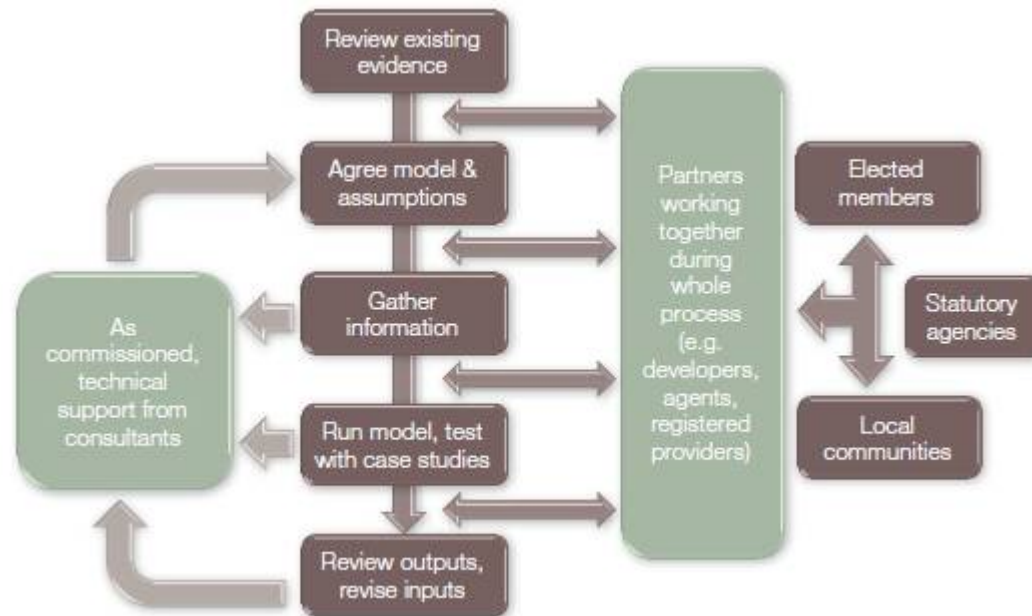
Financial viability in planning

1st edition, guidance note

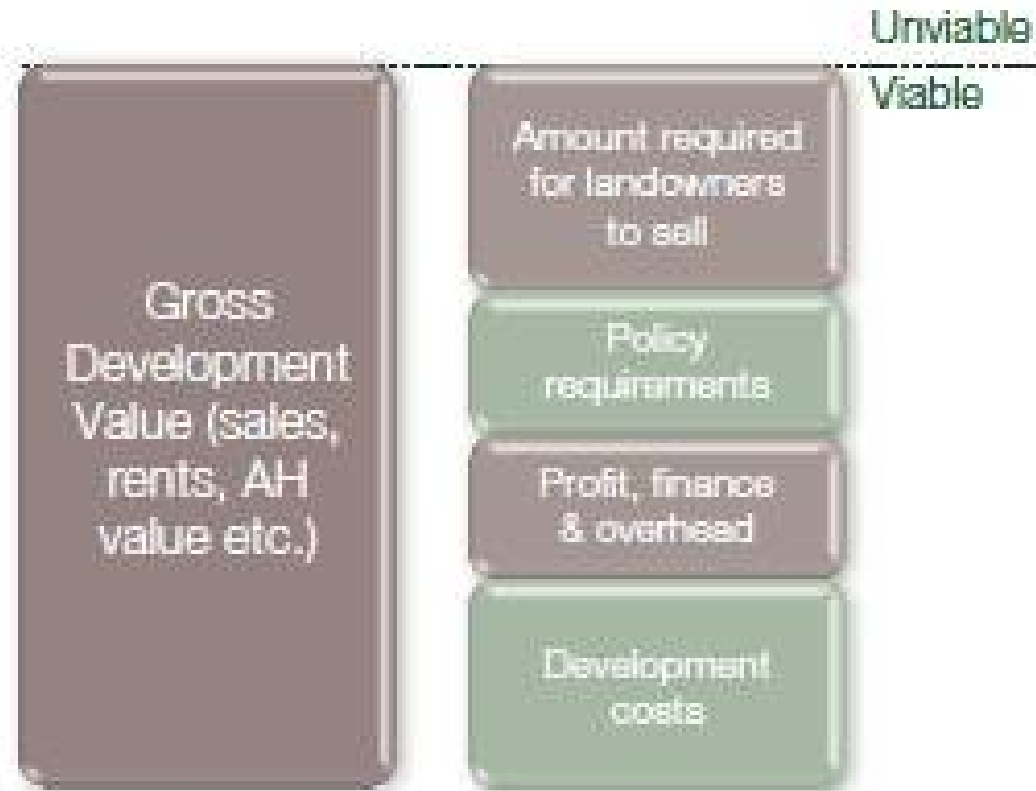


rics.org/standards

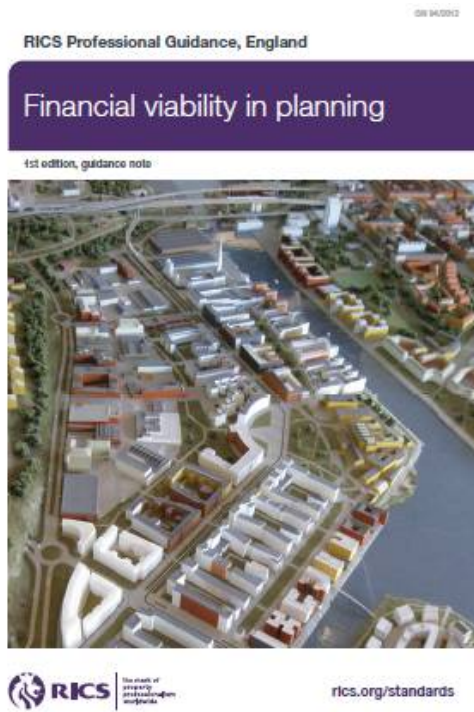
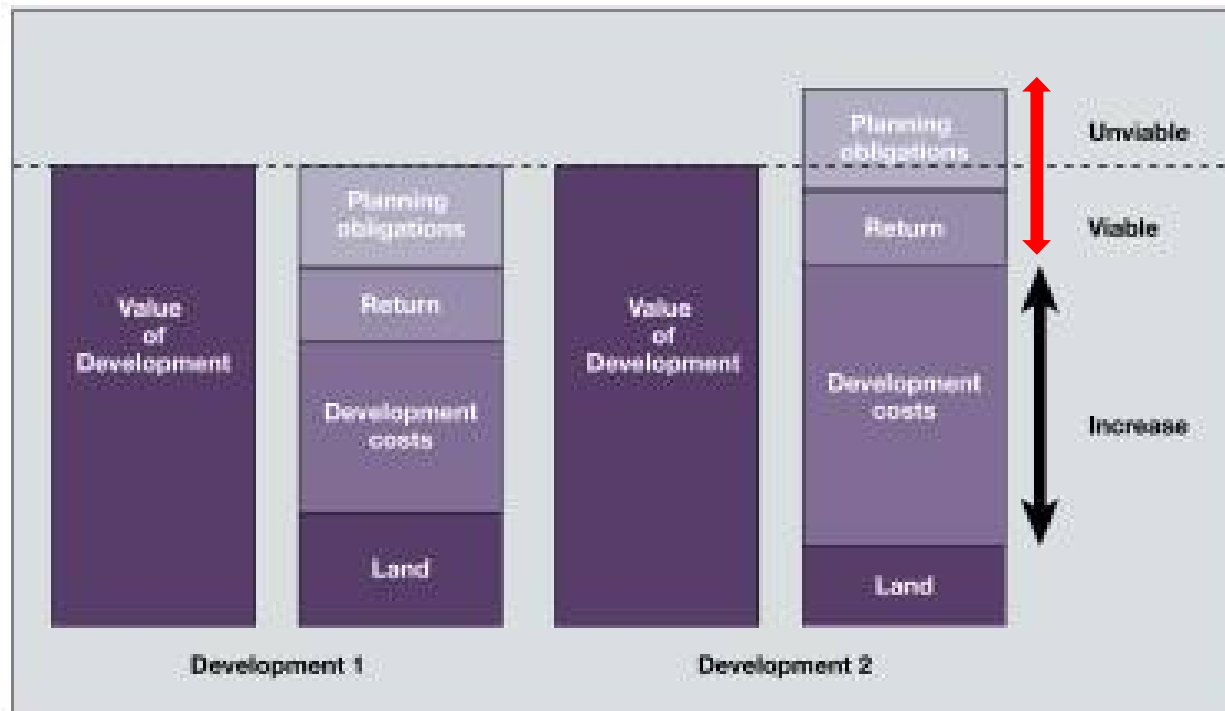
Appraisal Methodology - Harman



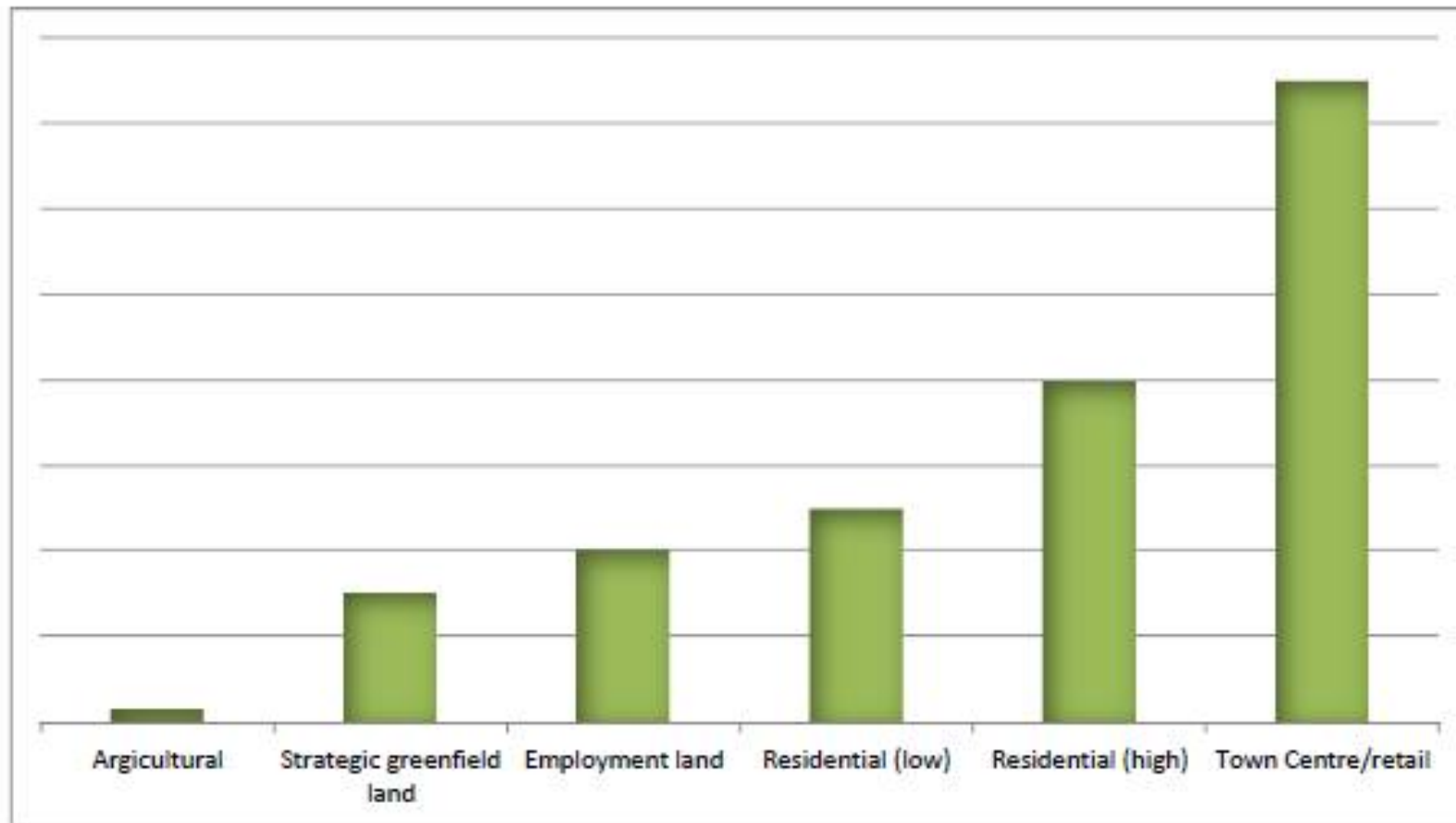
Harman – Viability Testing *Local Plans*



RICS – Financial Viability In Planning



Indicative Land Value Hierarchy



Threshold Land Value



Existing Use Value (EUV)



EUV + Premium



Market Value (MV)

MV less policy adjustment

Greenfield sites (Harman)

- There will be a lower threshold (TLV) where the land owner will simply not sell. This is particularly the case where a landowner 'is potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'
- The promotional cost of strategic greenfield sites... 'This should be borne in mind when considering the [threshold] land value adopted for large sites and, in turn, the risks to delivery of adopting too low a [threshold] that does not adequately and reasonably reflect the economics of site promotion...'

Guidance on Premiums (HCA)

The HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is the only source of specific guidance on the size of the premium. The guidance states:

- There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks and evidence from planning appeals tend to be in a range of **10% to 30% above EUV in urban areas**. For greenfield land, benchmarks tend to be in a range of **10 to 20 times agricultural value**.

Mayor of London CIL Inspectors Report

Paragraph 32 of the Examiner's report (Jan 2012) states:

- Finally the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but **a reduction in development land value is an inherent part of the CIL concept**. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the **prospect of raising funds for infrastructure would be forever receding into the future**. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges.

Paragraph 9 of the Examiner's report (Dec 2012) states:

- Bearing in mind that the cost of **CIL needs to largely come out of the land value**, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that **a landowner would expect to receive at least 75% of the benchmark [Market] value**. Obviously what individual land owners will accept for their land is very variable and often depends on their financial circumstances. However in the absence of any contrary evidence **it is reasonable to see a 25% reduction in benchmark values** as the maximum that should be used in calculating a threshold land value.

Sandwell CIL Inspectors Report



Paragraph 16 of the Examiner’s report (Dec 2014) states:

- The TLV is calculated in the VAs [Viability Assessments] as being ***75% of market land values for each typology.*** According to the CA, this way of calculating TLVs is based on the conclusions of Examiners in the Mayor of London CIL Report January 2012 and the Greater Norwich Development Partnership CIL Report December 2012. ***This methodology was uncontested.***

TLV Caveat – for Plan Wide reports

The TLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the TLV sensitivity tables. It is important to emphasise that the adoption of a particular TLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications.

The land value for site specific viability appraisals should be thoroughly evidenced having regard to the existing use value of the site (as is best practice in the Mayor of London, Draft Affordable Housing and Viability SPG, November 2016). I.e. this report is for plan-making purposes and is 'without prejudice' to the Council's consideration of future site specific planning applications.

Appropriate Balance

Too low -

not enough funding for the Authority to deliver the required infrastructure to support the future development

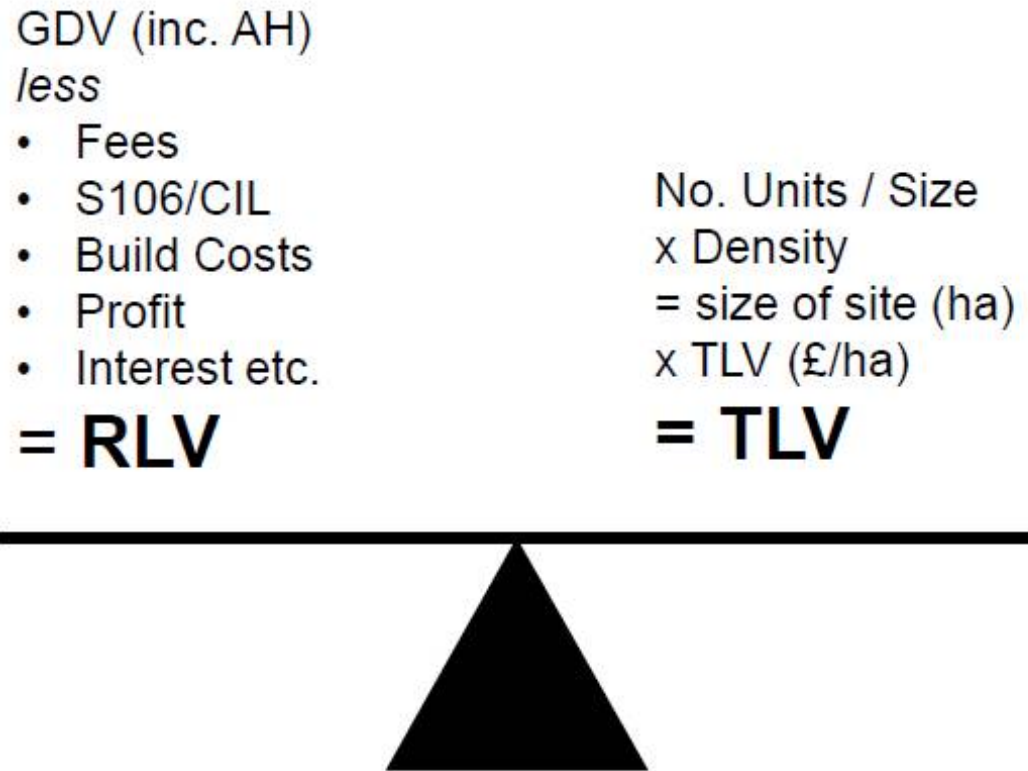
Too high -

'choking-off' development such that economic growth and development is prevented



Regulation 14 CIL – “appropriate balance”

Best Practice Model



Overview

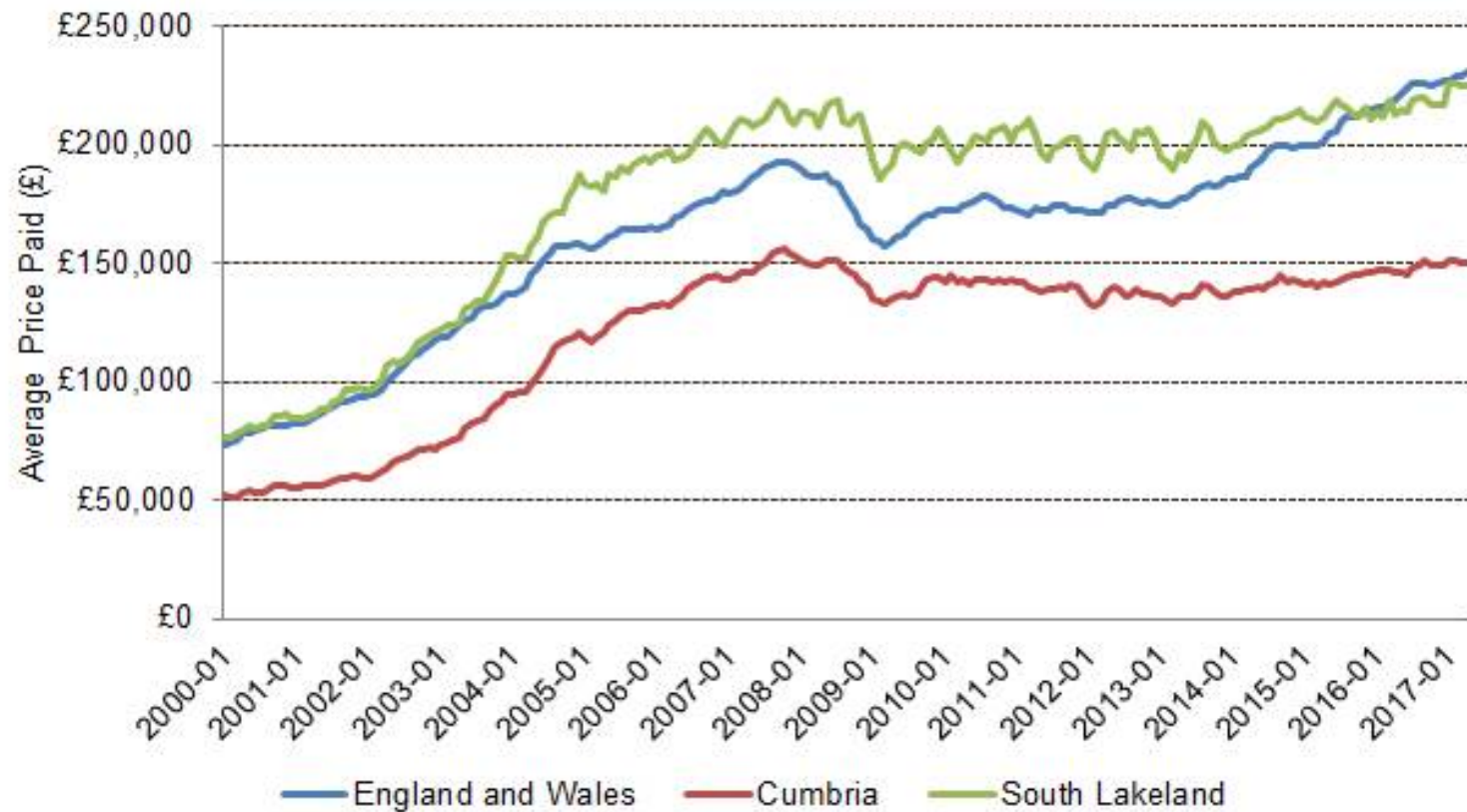
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Residential Values Market Research Paper

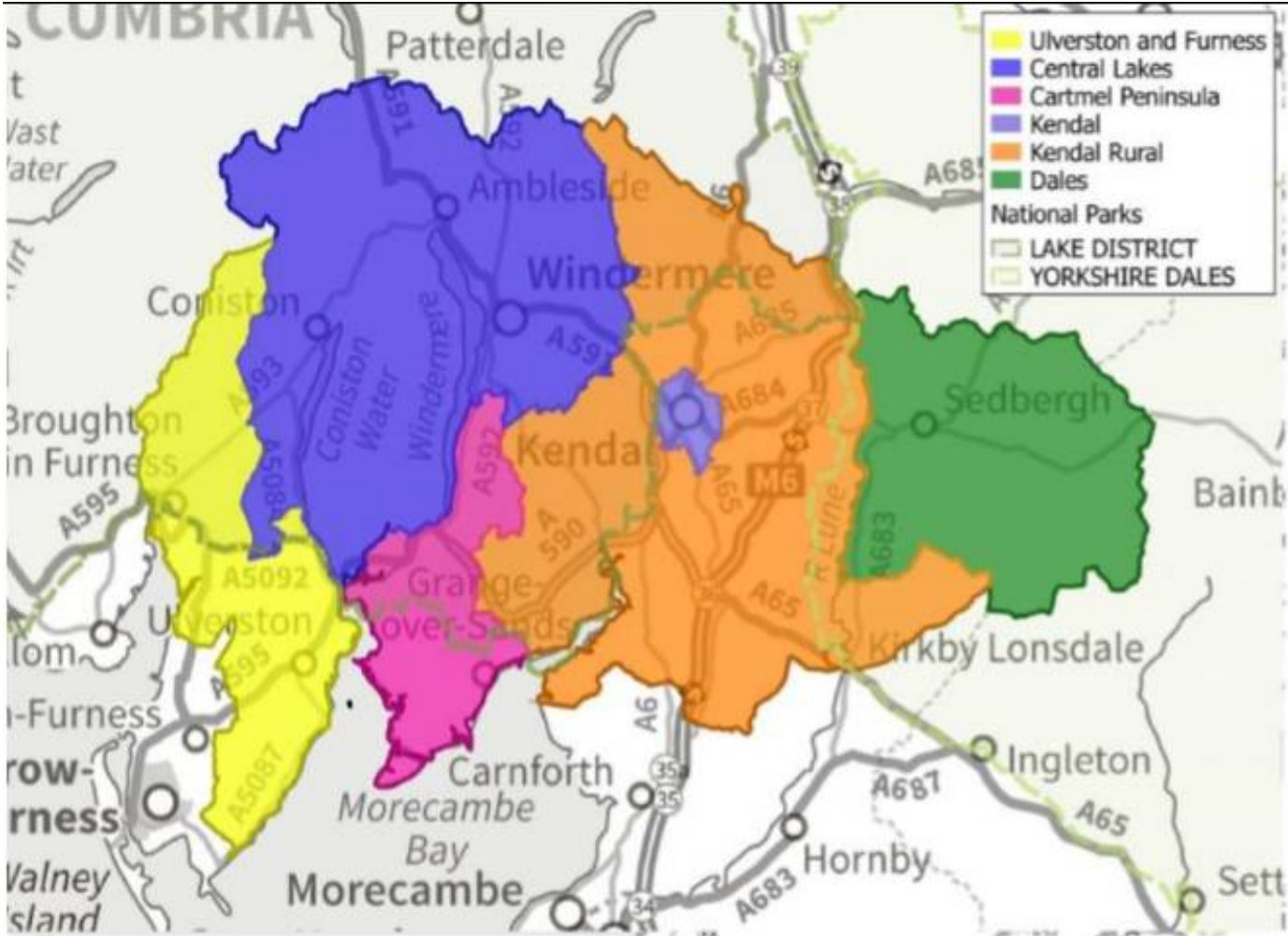


- UK and Regional Market Overview
- Existing Evidence Base on Housing Market Zones
- New Build Achieved Values
- New Build Asking Prices
- Market Housing Value Assumptions
- Supported Living
- Arnside & Silverdale AONB
- Affordable Housing Transfer Values

Average House Prices in England & Wales, Cumbria and South Lakeland

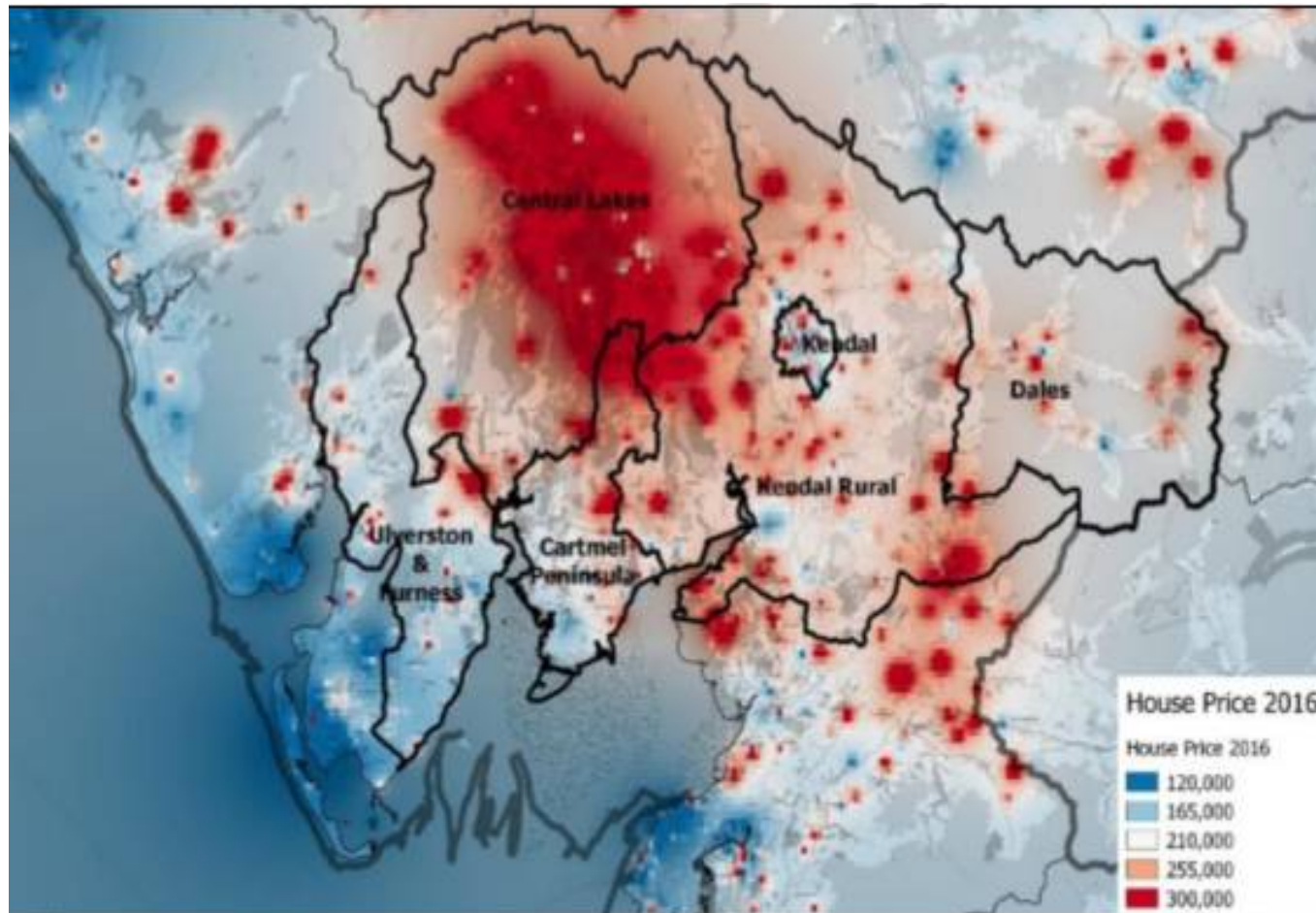


Sub-Market Areas



Source: JG Consulting

House Prices Heat Map, Sub-Market Areas



Source: JG Consulting

Residential Value Assumptions



	Kendal	Kendal Rural	Cartmel Peninsula	Ulverston & Furness
1-Bed Houses	£156,000	£174,000	£156,000	£144,000
2-Bed Houses	£205,400	£229,100	£205,400	£189,600
3-Bed Houses	£252,200	£281,300	£252,200	£232,800
4-Bed Houses	£351,000	£391,500	£351,000	£324,000
5-Bed Houses	£429,000	£478,500	£429,000	£396,000
1-Bed Flats	£130,000	£145,000	£130,000	£120,000
2-Bed Flats	£182,000	£203,000	£182,000	£168,000

Source: AspinallVerdi – 170926-AspinallVerdi Value Assumptions_v5

Please note that Kendal Rural values have been updated since the stakeholder consultation workshop due to further evidence and analysis of unit sizes. See Residential Market Paper.

Affordable Housing Assumptions

- Target 35% Affordable Housing (50% in AONB)
- Tenure Split 50% Affordable Rent : 50% LCHO
- LCHO transfer prices -

Property type (Minimum sizes in brackets)	Affordable Housing Prices (initial fixed sale prices)
1-bed flats (50 sq.m)	£74,382
2-bed flats (61 sq.m)	£85,008
1-bed houses/bungalows (58 sq.m)	£92,669
2-bed houses/bungalows (70 sq.m)	£103,572
3-bed houses (84 sq.m)	£119,925
4-bed houses (97 sq.m)	£136,278

Source: SLDC

Please note that LCHO transfer price have been updated since the stakeholder consultation to reflect inflation. Please see the Residential Market Paper.

Affordable Housing Assumptions (cont.)



- Affordable Rent transfer prices –

Property type (Minimum sizes in brackets) [¶]	RP Typical Offer Kendal [¶]	RP Typical Offer <u>Ulverston</u> [¶]
1-bed flats (50-sq.m) [¶]	£62,000 [¶]	£49,000 [¶]
2-bed flats (61-sq.m) [¶]	£79,000 [¶]	£61,000 [¶]
1-bed houses/bungalows (58 ^o sq.m) [¶]	£72,000 [¶]	£49,000 [¶]
2-bed houses/bungalows (70-sq.m) [¶]	£90,000 [¶]	£63,000 [¶]
3-bed houses (84-sq.m) [¶]	£104,000 [¶]	£78,000 [¶]
4-bed houses (97-sq.m) [¶]	£123,000 [¶]	£96,000 [¶]

Source: Email dated 04/09/2017 'South Lakeland Viability Study - Affordable Rent transfer price assumptions'[¶]

- What about Kendal Rural and Cartmel Peninsula?

Please note that Affordable Rent transfer price have been updated since the stakeholder consultation following further evidence from local Registered Providers. Please see the Residential Market Paper.

Arnside & Silverdale AONB Values



	2 Bed Houses	3 Bed Houses	4 Bed Houses	5 Bed Houses
AONB	£209,000	£281,500	£391,500	£478,500

Source: AspinallVerdi – 170705 Summary Tablesv2

Please note that AONB values have been updated since the stakeholder consultation workshop due to further evidence and analysis of unit sizes. See Residential Market Paper.

Cost Assumptions – Initial Payments



Item	Assumption	Comment
Planning Application Professional Fees and reports	Allowance for typology	Generally x 2 Stat Planning fees
Statutory Planning Fees	Based on national formula	
CIL	£55.86 psm (£23.34 psm Ulverston Strategic Site) £0 psm for RES sites	with sensitivities up and down
Site specific S106	£1,500 per unit	

Please note that the site specific S106 has changed to £1,500.

Cost Assumptions – Construction

	Build Cost	Comments
Estate Housing	£906 - £1,016 psm	Lower – Median BCIS £909 psm Ave EVAs
M4(2) Category 2 – Accessible and Adaptable housing	+£521 per unit	DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157 (all units)
M4(3) Category 3 - Wheelchair Adaptable dwellings	+£10,307 per unit	Ditto (5% of units over 40)
External Works	+15%	
Brownfield	£50,000 / acre	Site clearance / remediation allowance
Contingency	+3%	

Please note we have made an additional allowance in the appraisals equating to 3% of build costs for 'Normal' Abnormals.

Cost Assumptions - Other

Item	Assumption	Comments
Professional Fees	6.5%	Based on average of recent EVA evidence
Sales Agent	1%	of Sales
Sales Legal	0.5%	“
Marketing budget	3%	“

Residential Cost Assumptions – Finance, OH&P



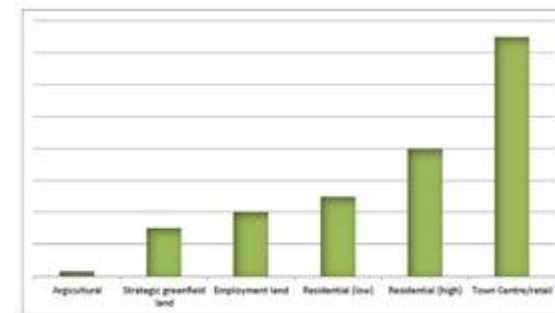
Item	Assumption	Comments
Debit Interest	6.25%	Based on average of recent EVAs. Applies to 100% of cashflow to include Finance Fees etc.
Profit on Market Sales	17.5%	With sensitivities between 15% and 20%
Profit on Affordable Housing	6%	

Residential Typologies

- Based on allocations and likely development in Plan period
- Mix based on SHMA 2017 emerging findings (JG Consulting)
- Unit sizes based on minimum space standards
- Appropriate Densities (22 – 35 dph)

Threshold Land Value (TLV)

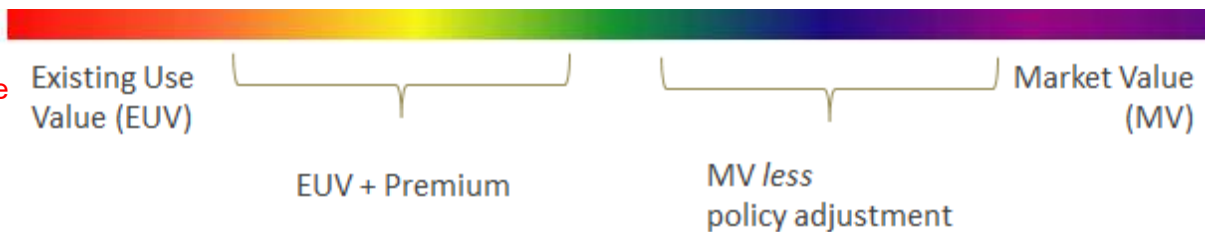
- Evidence Base Review
 - Land Allocations DPD Viability Study, 2013
 - Community Infrastructure Levy Viability Study, 2014
 - Community Infrastructure Levy Viability Study Update, 2014
 - Arnside and Silverdale AONB DPD Viability Study, 2016
- Agricultural / Paddock Land
- Residential Development Land
- Commercial and Retail
- AONB



TLV Assumptions

Typology	Location	GF / BF	EUV -					Uplift Multiplier	TLV -		Policy Adjustment - [X] %	MV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		x [X] x [Y]%	(per acre) (net developable) (rounded)		(per ha) (net developable) (rounded)	(per acre) (net)
Residential	Kendal / Cartmel	GF	£10,000	£24,710	75%	£13,333	£32,947	20.0	£267,000	£659,000	21.6%	£340,000	£840,140
Residential	Kendal Rural / AONB	GF	£15,000	£37,065	75%	£20,000	£49,420	20.0	£400,000	£988,000	23.8%	£525,000	£1,297,275
Residential	Ulverston and Furness	GF	£10,000	£24,710	75%	£13,333	£32,947	20.0	£267,000	£659,000	11.1%	£300,000	£741,300
Residential	All District	BF	£200,000	£494,200	100%	£200,000	£494,200	20%	£240,000	£593,040	n/a	n/a	n/a
Residential	Ulverston and Furness	BF	£150,000	£370,650	100%	£150,000	£370,650	20%	£180,000	£444,780	n/a	n/a	n/a
Retail	Within Development Boundaries	BF	£200,000	£494,200	100%	£200,000	£494,200	20%	£240,000	£593,040	n/a	n/a	n/a
Retail	Outside Development Boundaries (most likely to be Ulverston Strategic Site)	GF	£10,000	£24,710	75%	£13,333	£32,947	20.0	£267,000	£659,000	55.6%	£600,000	£1,482,600

Please note that the Kendal Rural / AONB Residential and Retail (GF) values have changed since the stakeholder event due to further evidence.

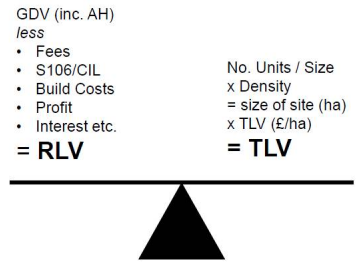


TLV – call for evidence

- We would welcome more comparable land value evidence for all land uses
- We need specific details of:
 - the transaction date;
 - net and gross site area;
 - price paid;
 - greenfield / brownfield (existing use)
 - planning consent (including affordable housing % and S106 details)
 - abnormal costs
- ***Any confidential information will be treated as such***

How to interpret the Viability Appraisals

RESIDUAL LAND VALUE			
Residual Land Value (gross)			70,407,546
SDLT	70,407,546 @	5.0%	(4,928,528)
Acquisition Agent fees	70,407,546 @	1.0%	(704,075)
Acquisition Legal fees	70,407,546 @	0.5%	(352,038)
Interest on Land	70,407,546 @	7.0%	(4,928,528)
Residual Land Value (net)	42,496 per plot		59,494,376
	1,487,359 £ per ha	601,926 £ per acre	
THRESHOLD LAND VALUE			
Residential Density	35 dph		
Site Area	40.00 ha	98.84 acres	
	density check	3,323 sqm/ha	14,476 sqft/ac
Threshold Land Value	555,975 £ per ha	225,000 £ per acre	
	15,885 £ per plot		22,239,000
BALANCE			
Surplus/(Deficit)		931,384 £ per ha	376,926 £ per acre
			37,255,376



Viability Buffer - Sensitivities



Balance (RLV - TLV)	1,622,303	AH - % on site						
		10%	15%	20%	25%	30%	35%	40%
CIL £psm	0	43,922,358	36,896,160	29,863,035	22,822,523	15,771,693	8,707,076	1,622,303
	10	42,001,173	35,079,806	28,151,654	21,215,741	14,269,657	7,308,730	326,721
	20	40,079,726	33,262,727	26,439,668	19,608,518	12,766,398	5,909,276	(969,003)
	30	38,157,115	31,445,445	24,727,050	18,000,487	11,262,693	4,509,096	(2,264,727)
	40	36,234,114	29,627,103	23,013,806	16,391,753	9,758,116	3,108,081	(3,561,170)
	50	34,310,148	27,808,658	21,299,904	14,782,428	8,252,515	1,705,779	(4,858,223)
	60	32,386,089	25,989,002	19,585,177	13,171,969	6,746,192	302,417	(6,155,276)
	70	30,460,785	24,169,158	17,869,943	11,560,953	5,238,903	(1,101,284)	(7,452,819)
	80	28,535,418	22,348,137	16,153,507	9,948,906	3,730,319	(2,504,985)	(8,751,239)
	90	26,608,723	20,526,653	14,436,560	8,335,780	2,220,732	(3,909,587)	(10,049,659)
	100	24,681,796	18,704,218	12,718,520	6,721,800	710,021	(5,314,728)	(11,348,545)
	110	22,753,657	16,880,855	10,999,455	5,106,840	(801,657)	(6,719,868)	(12,648,369)
	120	20,824,918	15,056,886	9,279,566	3,490,367	(2,313,336)	(8,125,971)	(13,948,193)
	130	18,895,280	13,231,468	7,558,524	1,872,730	(3,825,653)	(9,532,593)	(15,248,666)
	140	16,964,473	11,405,185	5,836,101	253,809	(5,338,881)	(10,939,214)	(16,549,933)
	150	15,032,947	9,577,961	4,112,533	(1,365,847)	(6,852,110)	(12,347,082)	(17,851,200)
	160	13,100,152	7,749,354	2,387,683	(2,985,502)	(8,366,316)	(13,755,225)	(19,153,505)
	170	11,166,096	5,919,373	661,412	(4,606,421)	(9,881,139)	(15,163,561)	(20,456,253)
	180	9,230,965	4,088,110	(1,066,220)	(6,227,737)	(11,395,962)	(16,573,266)	(21,759,119)
	190	7,294,606	2,255,420	(2,793,852)	(7,849,250)	(12,912,344)	(17,982,972)	(23,063,386)
200	5,356,664	421,154	(4,522,487)	(9,472,275)	(14,428,805)	(19,393,566)	(24,367,652)	

		AH - % on site						
Balance (RLV - TLV)	1,622,303	10%	15%	20%	25%	30%	35%	40%
TLV (per ha)	500,000	62,816,223	55,790,026	48,756,900	41,716,389	34,665,559	27,600,941	20,516,169
	600,000	54,986,192	47,959,995	40,926,869	33,886,358	26,835,527	19,770,910	12,686,137
	700,000	47,156,161	40,129,963	33,096,837	26,056,326	19,005,496	11,940,879	4,856,106
	800,000	39,326,129	32,299,932	25,266,806	18,226,295	11,175,465	4,110,847	(2,973,926)
	900,000	31,496,098	24,469,900	17,436,775	10,396,264	3,345,433	(3,719,184)	(10,803,957)
	1,000,000	23,666,066	16,639,869	9,606,743	2,566,232	(4,484,598)	(11,549,215)	(18,633,988)
	1,100,000	15,836,035	8,809,838	1,776,712	(5,263,799)	(12,314,630)	(19,379,247)	(26,464,020)
	1,200,000	8,006,004	979,806	(6,053,319)	(13,093,830)	(20,144,661)	(27,209,278)	(34,294,051)
1,300,000	175,972	(6,850,225)	(13,883,351)	(20,923,862)	(27,974,692)	(35,039,310)	(42,124,082)	
1,400,000	(7,654,059)	(14,680,256)	(21,713,382)	(28,753,893)	(35,804,724)	(42,869,341)	(49,954,114)	

		AH - % on site						
Balance (RLV - TLV)	1,622,303	10%	15%	20%	25%	30%	35%	40%
Density (dph)	25	20,423,380	13,397,183	6,364,057	(676,454)	(7,727,284)	(14,791,902)	(21,876,674)
	30	34,013,880	26,987,683	19,954,557	12,914,046	5,863,216	(1,201,402)	(8,286,174)
	35	43,721,380	36,695,183	29,662,057	22,621,546	15,570,716	8,506,098	1,421,326
	40	51,002,005	43,975,808	36,942,682	29,902,171	22,851,341	15,786,723	8,701,951
	45	56,664,714	49,638,516	42,605,390	35,564,879	28,514,049	21,449,432	14,364,659

		AH - % on site						
Balance (RLV - TLV)	1,622,303	10%	15%	20%	25%	30%	35%	40%
	15%	57,081,898	49,593,752	42,098,678	34,596,219	27,083,440	19,556,874	12,010,153
	16%	51,818,082	44,514,716	37,204,421	29,886,741	22,558,741	15,216,955	7,855,013
Profit (private sales)	17%	46,554,266	39,435,679	32,310,163	25,177,263	18,034,042	10,877,035	3,699,873
	18%	41,290,450	34,356,642	27,415,906	20,467,784	13,509,344	6,537,116	(455,267)
	19%	36,026,633	29,277,605	22,521,648	15,758,306	8,984,645	2,197,197	(4,610,407)
	20%	30,762,817	24,198,568	17,627,391	11,048,828	4,459,946	(2,142,723)	(8,765,547)

Supported Living Market Values



- Retirement Living / Sheltered Housing Value Assumptions -

No. of Beds	Unit Price	Price psm
1-Bed	£213,000	£4,260
2-Bed	£300,000	£4,000

Source: AspinallVerdi

- Extra-Care Housing Value Assumptions -

No. of Beds	Unit Price	Price psm
1-Bed	£266,000	£4,433
2-Bed	£375,000	£4,687

Source: AspinallVerdi

Supported Living - Additional Assumptions



	Sheltered Housing	Extra-Care Housing
No. of units	55	60
Development Density (dph)	125	100
1 Bed unit size (sqm)	50	60
2 Bed unit size (sqm)	75	80
Non-chargeable communal space (net-to-gross)	75%	65%

Supported Living – Construction



Typologies	Build Cost	Comments
Sheltered Housing	£1,107 - £1,264 psm	Lower – Median BCIS
Extra Care Housing	+4%	Based on RHG Viability Base Data evidence
External Works	+10%	These schemes generally have less external areas (e.g. less car parking). This is consistent with the higher development density assumptions
Contingency	+3%	

Retail/Commercial – Value Assumptions



Typology	Rent £psm	Yield %	Rent Free
Kendal & Kendal Rural Offices	£125 (£11.63 psf)	8.0%	12 months
Cartmel & Ulverston Offices	£100 (£9.30 psf)	8.5%	12 months
Kendal, Cartmel & Ulverston Industrial	£55 (£5.12 psf)	8.5%	12 months
Kendal Rural Industrial	£75 (£6.98 psf)	8.0%	12 months
Supermarkets (4,000 sqm)	£165 (£15.35 psf)	5.5%	12 months
Medium Supermarket (700 sqm)	£165 (£15.35 psf)	5.5%	6 months
Express Store (200 sqm)	£160 (£14.88 psf)	5.5%	6 months
Discount Supermarkets (1,700 sqm)	£155 (£14.42 psf)	6.0%	12 months
Retail Warehouses (350 sqm)	£120 (£11.16 psf)	6.5%	12 months

Source: AspinallVerdi

Please note that office and industrial yields have changed since the stakeholder event in light of new evidence.

Retail/Commercial

- Retail CIL - Validate and update existing CIL
- Speculative Commercial CIL – previously not viable – unlikely to change

Overview

1. Introduction
2. CIL / Local Plan Viability Context
3. Methodology
4. Research and Emerging Assumptions
- 5. Feedback and Next Steps**

Draft Documents to be issued....

You should receive the following papers –

- Policies Review matrix (SLDC & AONB)
- Typologies matrix (Residential, AONB, Retail)
- Residential Market review paper
- Land Market review paper
- Retail and Commercial Market review paper
- Viability Report (front end)

- + these presentation slides

Feedback

Send written observations/evidence to –

- Laura Chamberlain, Senior Policy Planner
- South Lakeland District Council | South Lakeland House |
Lowther Street | Kendal | Cumbria | LA9 4DQ
- Email: laura.chamberlain@southlakeland.gov.uk
- Or: development.plans@southlakeland.gov.uk

Next Steps

- Review Workshop Feedback
- Run Viability Appraisals
- Prepare recommendations / Report to Members
- Timescale for preparation of DPDs (Development Management Policies DPD and Arnside and Silverdale AONB DPD) – Submission end of 2017
- Examination Spring 2018
- New single Local Plan – evidence base work has commenced and aiming for adoption 2021

Any other questions...?

- This is your chance to inform the study
- Do not wait until the Examination to introduce evidence!

End