Lambert Smith Hampton

www.lsh.co.uk

Borough of Pendle

Local Plan Viability Assessment

December 2019

On behalf of

Pendle Borough Council

Prepared by: Lambert Smith Hampton
6th Floor Hardman Street
Spinningfields
Manchester M3 3HF

Tel: +(0)161 242 8055
Fax: +(0)161 242 7354

Date: 29/03/2020

Contents

1 Introduction

Lambert Smith Hampton

1.1 LSH is a fully integrated commercial property services consultancy with more than 30 offices across the UK and Ireland. LSH works with investors, developers and occupiers from across the public and private sector, managing some of the country's most complex commercial property portfolios. LSH's planning and development consultancy team has considerable experience in developing evidence base documents for local planning authorities ('LPAs') and the planning process, including Local Plan Viability Assessments. LSH is also currently retained by a number of LPAs across the North West region to provide independent site-specific viability analysis.

Background to Commission

1.2 Lambert Smith Hampton ('LSH') was appointed by Pendle Borough Council '(the Council') in May 2019 to advise on and prepare a Local Plan Viability Assessment ('LPVA') covering a representative range of housing, commercial and employment development sites. This LPVA will form part of the evidence base for emerging Local Plan for Pendle Borough. It will provide a robust evidence base in which to assess the level of contributions, including affordable housing that can be derived from development sites in Pendle.

1.3 The Council adopted its Core Strategy [1] in December 2015. The Core Strategy [1] includes a spatial portrait highlighting the priority issues facing the Borough and sets out a vision underpinned by eight priority goals and 11 strategic objectives. The Core Strategy [1] sets an overall housing requirement for the plan period (2011-2030) of 5,662 new homes and 25.02 hectares of employment land.

1.4 The Core Strategy [1] was informed by the 2013 Viability Assessment carried out by Colliers and Aspinall Verdi. That study was found to be sound and informed decisions about the provision of infrastructure and affordable housing. The study found that overall there were low levels of viability for most forms of development in the Borough. This provided significant challenges, particularly in terms of affordable housing and infrastructure provision, as the needs of the Borough could not be met from developer contributions.

1.5 The 2013 assessment now needs updating to reflect changing market conditions; the range of housing products now on offer and recent changes to planning policy on housing. It is also necessary to consider other infrastructure requirements, such as those for education and health facilities, where developer contributions are increasingly being sought.

1.6 The Pendle Local Plan Part 2 – Site Allocations and Development Policies document is in preparation.

---

[1] *Pendle Borough Council – Local Plan Part 1: Core Strategy (Adopted December 2015):* https://www.pendle.gov.uk/downloads/file/8723/pendle_local_plan_part_1_core_strategy

1.7 This LPVA will form part of the evidence base to support the preparation of the emerging Local Plan Part 2 (Site Allocations and Development Policies) and test the cumulative viability impact of the adopted and emerging Local Plan policies. The LPVA will also inform a partial review of the affordable housing targets and thresholds (Policy LIV4), future infrastructure requirements (Policy SDP6) and the Infrastructure Delivery Schedule (Appendix A) in LP1.

1.8 The primary objectives of this exercise are to provide an information base to enable Council Officers to make broad brush assumptions on whether sites across various uses and locations are likely to be deliverable and to support the progression of the Local Plan towards the examination process.

1.9 The information, commentary, findings and advice contained in this LPVA are considered appropriate for a 'high-level' plan-wide evidence-based study and will provide a benchmark for future site specific viability analysis.

1.10 The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change.

Pendle Borough – Overview

1.11 Pendle is one of 12 Borough councils in the county of Lancashire. Together with Blackburn-with-Darwen, Burnley, Hyndburn, Ribble Valley and Rossendale, it also forms part of the East Lancashire sub-region.

1.12 To the south and west Pendle shares a border with the Lancashire Boroughs of Burnley and Ribble Valley. To the north and east lies Craven, which is part of North Yorkshire, whilst to the south-east Bradford and Calderdale are both part of West Yorkshire.

1.13 The latest population estimates for the borough indicate that the population in 2018 was 91,405 (ONS, 2019 Mid-Year Population Estimates).

1.14 Retail and commercial activity is focussed on the town centres in Nelson, Colne and Barnoldswick and the local shopping centres in Brierfield, Barrowford and Earby.

1.15 Barnoldswick and Earby primarily cater for the needs of residents in rural West Craven, in the north of the borough, whereas the four remaining centres principally serve the needs of over 60,000 people living in the densely populated M65 Corridor to the south.

2 National Planning Policy Context

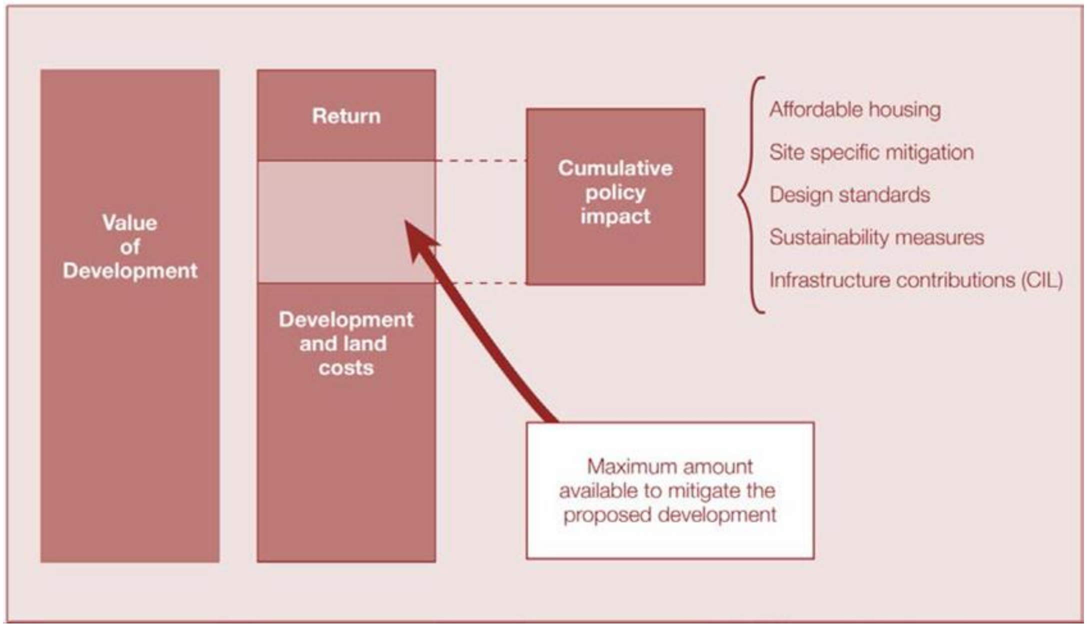
2.1 Viability testing in order to objectively assess deliverability has become a key part of the plan-making process. This LPVA has been prepared in this context and takes full account of all relevant primary legislation, statutory regulations, mandatory planning guidance and policy, best practice and potential public policy changes.

2.2 This section of the LPVA provides an overview of relevant national policy and guidance.

National Planning Policy Framework

The National Planning Policy Framework ('NPPF') [2], originally published in March 2012 introduced a requirement to assess the viability of the Local Plan. The NPPF [2] was revised in July 2018 and further revised in February 2019. Whilst the fundamental approach to viability has shifted the requirement to assess the viability of emerging Local Plans remains.

Fig. 2.1: Cumulative Policy Impact Viability Threshold



2.3 The NPPF [2] (para 16) sets the broad requirements for plan making. It states that plans should:

a) be prepared with the objective of contributing to the achievement of sustainable development10;

b) be prepared positively, in a way that is aspirational but deliverable;

---

2 *'National Planning Policy Framework'* – Ministry of Housing, Communities and Local Government (ISBN 978-1-5286-1033-9), February 2019 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

c) be shaped by early, proportionate and effective engagement between planmakers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;

d) contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;

e) be accessible through the use of digital tools to assist public involvement and policy presentation; and

f) serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area.

2.4 The NPPF [2] (para 31) requires that preparation and review of *'all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals'*.

2.5 With regard to development contributions, the NPPF [2] (para 34) states that *'plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).* ***Such policies should not undermine the deliverability of the plan****' (our emphasis)*.

2.6 Viability testing for deliverability in the context of a Local Plan does not necessarily envisage every emerging allocated site to be capable of delivering all Local Planning Authority ('LPA') requirements, in respect of on-site and off-site planning obligations. Indeed some sites will be unviable, for example brownfield sites with a high level of site-specific abnormal costs, even with no planning policies imposed upon them. The NPPF [2] envisages that a significant majority of sites put forward for allocation within a Local Plan should be able to viably bear the cumulative impact of policies put forward by the LPA. The ultimate objective in the Local Plan process is to assemble and present the necessary evidence base to an Inspector in order to facilitate the firm conclusion that a Development Plan is deliverable.

National Planning Practice Guidance – Overview

2.7 The Government published the '*National Planning Practice Guidance'* ('NPPG') [3] in March 2014 as a live web-based resource. The NPPG [3] is subject to regular updating, with the most recent updates in July and September 2019. The NPPG replaced over 7,000 pages of planning guidance that was previously published in separate documents. The NPPG [3] adds further context to the NPPF [2] and it is intended that the two should be read together. The NPPF [2] and NPPG [3] cumulatively set out what the Government expects of LPAs, the overall aim being to ensure that the planning system allows land to deliver new homes, employment and infrastructure, whilst protecting valuable natural and historic environments.

3 *'National Planning Practice Guidance'* – Ministry of Housing, Communities and Local Government (online), November 2016 (last updated 1 October 2019) https://www.gov.uk/government/collections/planning-practice-guidance

2.8 The NPPG [3] currently contains guidance on 50 separate topic areas. We will comment specifically on guidance provided on three topic areas of particular relevance to this LPVA:

- Viability
- Housing and economic land availability assessment
- Planning obligations (including guidance the '10 unit threshold')

NPPG – Viability in Plan-making

2.9 A summary of paragraphs within the '*viability*' [4] topic area of relevance to '*viability in plan-making'* is set out in the table below:

Table 2.1:* Summary of NPPG relating to '*Viability in plan-making' [4]

Paragraph heading	Guidance contained within
Para 001: How should plan makers set policy requirements for contributions from development? *(Reference ID: 10-001-20190509)*	Plans should set out the contributions expected from development. This should include setting out the types and levels of affordable housing provision required and the cost implications of the Community Infrastructure Levy (CIL) and Section 106.
Para 002: How should plan makers and site promoters ensure that policy requirements for contributions from developments for contributions from development are deliverable? (*Reference ID: 10-002-20190509*)	Viability assessments should be completed at the plan making stage which should be used to ensure that policies are realistic. It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders to create realistic and deliverable policies. It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks.
Para 003: Should every site be tested? (Reference ID: 10-003-20180724)	Not necessary. Site typologies used to determine viability at policy level. Assessment of samples of sites helpful to support evidence. More detailed assessment may be necessary for key sites on which delivery of plan particularly relies.
Para 004: What is meant by a topology approach to viability? (Reference ID: 10-004-20190509)	A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward. This process, plan makers can group sites by shared characteristics such as location, brownfield or greenfield, size of the site and current and proposed use or type of development. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.

4 *'National Planning Practice Guidance - Viability'* – Ministry of Housing, Communities and Local Government (online), November 2014 (last updated 1 September 2019) https://www.gov.uk/guidance/viability

Paragraph heading	Guidance contained within
Para 005: Why should strategic sites be assessed for viability in plan making? (Reference ID: 10-005-20180724)	It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan.
Para 006: How should site promoters engage in viability assessment in plan making? (Reference ID: 10-006-20190509)	Plan makers should engage with landowners, developers and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.
Para 029: how should viability for education provision be addressed? (Reference ID: 10-029-20190509)	When considering viability it is recommended that plan markers and local authorities for education work together to identify which schools are likely to expand and where new schools will be needed as a result of planned growth.

NPPG – Housing and economic land availability assessment

2.10 This topic section of the NPPG [5] contains one paragraph of particular relevance to this LPVA:

'A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site and the capacity of the developer to complete and let or sell the development over a certain period' (Para 020 Reference ID: 3-020-20190722).

NPPG – Planning Obligations

2.11 Both Section 122 of the Community Infrastructure Levey Regulations 2010 and Paragraph 56 of the NPPF [2] stipulate that planning obligations must be:

- necessary to make the development acceptable in planning terms;
- fairly and reasonably related in scale and kind to the development.

2.12 The NPPG [3] contains a specific topic section which provides further detailed guidance on the implementation of planning obligations [6]. Paragraphs of particular relevance to viability and assumptions to be made within this LPVA are set out below:

'Developers may be asked to provide contributions for infrastructure in several ways. This may be by way of the Community Infrastructure Levy and planning obligations in the form of section 106 (Town and County Planning Act 1990) agreements and section 278 (Highways Act 1980) agreements. Developers will also have to comply with any conditions attached to their planning permission. ***Local authorities should ensure that the combined total impact of such***

5 *'National Planning Practice Guidance – Housing and economic land viability assessment'* – Ministry of Housing, Communities and Local Government (online), March 2014 (last updated 22 July 2019) https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment

6 *'National Planning Practice Guidance – Planning obligations'* – Ministry of Housing, Communities and Local Government (online), March 2016 (last updated 1 September 2019) https://www.gov.uk/guidance/planning-obligations

requests does not threaten the viability of the sites and scale of development identified in the development plan *(our emphasis)' (Para 003 Reference ID: 23b-003-20190901).*

'Plans should set out policies for the contributions expected from development to enable fair and open testing of the policy at examination. Planning obligations assist in mitigating the impact of development which benefits local communities and supports the provisions of local infrastructure' (Para 004 Reference ID: 23b-004-20190315).

3 Local Planning Policy Context

Local Plan Part 1 – Core Strategy

3.1 The Council adopted its Core Strategy [1] in December 2015. The Core Strategy [1] includes a spatial portrait highlighting the priority issues facing the Borough and sets out a vision underpinned by eight priority goals and 11 strategic objectives. The Core Strategy [1] sets an overall housing requirement for the plan period (2011-2030) of 5,662 new homes and 25.02 hectares of employment land.

3.2 The Core strategy was informed by the 2013 Viability Assessment carried out by Colliers and Aspinall Verdi.

3.3 The Local Plan Part 1 – Core Strategy [1] was adopted in December 2015 having been found sound by the Planning Inspectorate.

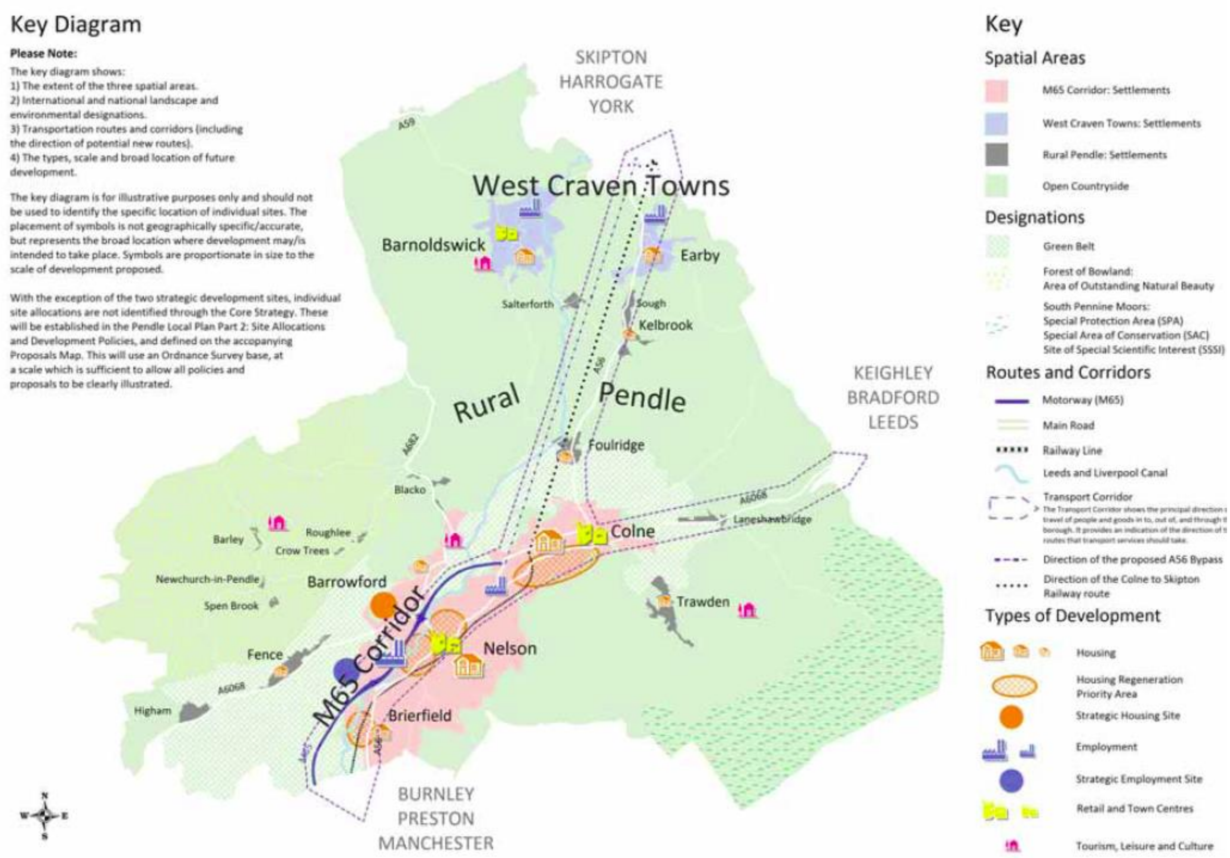
3.4 The Local Plan Part 1 – Core Strategy [1] is built on 8 priority goals and 11 strategic objectives:

- Priority Goals:
    1. To support confident communities that are really socially cohesive, creative, tolerant and considerate of the needs of all ages and cultures.
    2. To create and sustain a dynamic, competitive and healthy local economy – providing the jobs of the future and the talents and skills to fill them.
    3. To create a vibrant housing market offering a mix of high quality and affordable housing for all.
    4. To create a Borough in which people feel safe and crime continues to fall.
    5. To help people to live long, healthy and independent lives.
    6. To deepen our understanding and respect for the environment.
    7. To do all we can to give our children and young people the best start in life and opportunity to achieve their full potential.
    8. To help older people live their lives in the way they choose and to support their independent and active living.
- Strategic Objectives
    1. Establish a hierarchy of settlements to assist regeneration by directing growth to the most sustainable locations and promoting the reuse of existing buildings and brownfield sites.
    2. Ensure that the infrastructure is capable of supporting both new and existing development, thereby helping to create sustainable communities.
    3. Promote high quality design in new developments, our streets and public spaces, to create fully accessible, attractive and safe places to live, learn, work, play and visit.
    4. Respond to the causes and potential impacts of climate change through a process of prevention, mitigation and adaption.
    5. Deliver quality housing that is both appropriate and affordable for current and future residents, contributing to the creation of a balanced housing market.

6. Strengthen the local economy by facilitating economic growth, particularly where it supports economic diversification and rural regeneration.
7. Increase the choice, variety and quality of the retail offer and promote uses that contribute to the creation of a well-balanced, safe and socially inclusive night time economy in our town centres.
8. Reduce inequalities by ensuring that new community, education and health care facilities and their services are fully accessible.
9. Protect, enhance and improve access to our green open spaces, sport and recreation facilities to improve health and well-being through the promotion of more active lifestyles, encouraging a greater appreciation of the enjoyment they provide and the valuable contribution they may make to biodiversity, landscape, the local economy and carbon reduction.
10. Ensure that new development respects our natural and historic environments, by seeking to protect, maintain and enhance those sites and habitats (including their wider settings) which are valued for the positive contribution they make to the character of our landscape, townscape or biodiversity.
11. Deliver a safe, sustainable transport network that improves both internal and external connectivity, reduces the need to travel by car, supports long-term growth and contributes to an improved environment.

3.5 The Key Diagram illustrates the broad locations that will be the main strategic focus for development, investment and growth in Pendle over the 15 year plan period.

Fig. 3.1: 'The Key Diagram' from Local Plan Part 1 – Core Strategy



Local Plan Part 2 – Site Allocations and Development Policies

3.6 The Council has procured this Development Viability Study (LPVA) to assist and inform the preparation of the updated Local Plan, including the following emerging policy documents:

- Local Plan Part 2 – Site Allocations and Development Policies

3.7 The assembling and updating of the evidence base to support the preparation of the Local Plan Part 2 is an ongoing process. This ensures that the Council's understanding of key issues (such as housing and economic development) remains up-to-date. The evidence base includes:

Table 3.1: Local Plan Part 2 – Evidence Base

Available Evidence	Evidence Under Preparation
• Sustainable Settlements Study (Nov 2008) • Infrastructure Strategy (Sept 2014) • Strategic Housing Market Assessment (Sept 2014) • Strategic Housing Land Availability Assessment (Sept 2014) • Gypsy and Traveller Accommodation Assessment (Aug 2012) • Development Viability Study (Sept 2014) • Employment Land Review (Sept 2014) • Retail Capacity Study (May 2007, updated Aug 2012) • Open Space Audit (Nov 2008) • Biodiversity Audit (Sept 2010) • Strategic Flood Risk Assessment (Nov 2006) • Renewable and Low Carbon Energy Study (Dec 2010) • Green Belt Assessment (Aug 2017)	• Strategic Housing Market Assessment (update) • Development Viability Study (update) • Green Infrastructure Strategy

4 Viability Assessment Professional Guidance

4.1 In this Section of the LPVA we detail the professional guidance we have used to establish our method to assess the viability of the various land uses and development typologies described in Chapter 7.

Professional Guidance and Viability

4.2 Our LPVA has regard to national planning policy guidance (see Chapter 2) and relevant professional guidance and reports published by various bodies to facilitate this process.

4.3 An important source of guidance is 'Viability Testing in Local Plans – Advice for planning practitioners' (known as the 'Harman Report') [7] , which provides practical advice for planning practitioners on developing viable local plans and viability testing. The following definition of viability is provided (at page 14):

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'

4.4 Royal Institution of Chartered Surveyors ('RICS') guidance (Financial Viability in Planning) (known as the 'RICS Viability Guidance') [8] provides a methodology framework and guiding principles for financial viability in the planning context. It defines 'financial viability for planning purposes' as being:

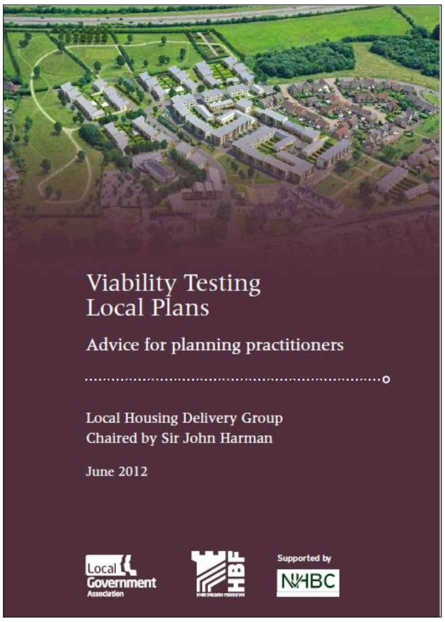
'An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the Applicant delivering the project.'

4.5 The Harman Report [7] and the RICS Viability Guidance [8] provide useful guidance on key aspects of both plan-wide and site-specific viability testing, including the above definitions of 'viability' and the inclusion of detailed commentary on the land value assumption.

---

7 *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman, June 2012): http://www.nhbc.co.uk/NewsandComment/Documents/filedownload,47339,en.pdf

8 *Financial Viability in Planning* - RICS Guidance Note 1st Edition (GN 94/2012) (RICS, August 2012): http://www.rics.org/Documents/Financial%20viability%20in%20planning.pdf



The Harman Report – Overview

4.6 The Harman Report [7] was produced in 2012 in the wake of the launch of the first version of the NPPF [2] and was the culmination of the work of an independent cross-industry steering group featuring stakeholders from across the housebuilding industry convened the previous year by the then Housing Minster (Grant Shapps). This steering group, chaired by Sir John Harman, was charged with supporting the Government's objective to increase housing supply with the production of practical advice for local authorities and planning practitioners on developing viable Local Plans underpinned by a commitments from the Home Builders Federation ('HBF') to engage their members in applying this advice.

4.7 The Harman Report [7] provides guidance on the task of viability testing in relation to a whole plan and the policies that are being developed as part of plan making. The advice is aimed at those responsible for Local Plans and plan policy making, as well as those with whom planners will work and engage to produce deliverable and sustainable plans. The primary role of a Local Plan LPVA is stated to be 'to provide evidence to show that the [viability and deliverability] requirements set out within the NPPF [2] are met. That is, that the policy requirements for development set out within the plan do not threaten the ability of the sites and scale of that development to be developed viably. Demonstrably failing to consider this issue will place the Local Plan at risk of not being found sound.' (Page 14).

4.8 The Harman Report [7] identifies that the most important function of a Local Plan viability assessment is to consider the cumulative impact of policies. This means 'taking account of the range of local requirements such as design standards, community infrastructure and services, affordable housing, local transport policies and sustainability measures, as well as the cost impact of national policy and regulatory requirements. The test should include both existing policies that the planning authority intends to retain and the new policy requirements that it is seeking to introduce.' (Page 15).

4.9 The fact that some of these policy requirements may not be straightforward to cost is highlighted, with the accompanying advice that attempts must be made to 'consider the impact of all policies that may result in a development cost or benefit'. (Page 15). The challenges that developers and housebuilders face in working with a large number of complex and overlapping standards, many of which are applied at local level are recognised. It is acknowledged that achieving compliance with these standards in combination presents a significant challenge to the industry, as 'the costs of achieving compliance and the burden and costs of demonstrating compliance can…be significant, and in some circumstances can have an impact on viability' (Page 8).

4.10 The Harman Report [7] advises that 'The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period ... Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.' (Page 15)…Because of the potentially widely different economic profiles of sites within a local area…a more proportionate and practical approach [is suggested to be that]…local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies. (Page 11).

4.11 It is pointed out that 'a plan-wide test will only ever provide evidence of policies being 'broadly viable'. The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one why our advice advocates a 'viability cushion' to manage these risks' (Page 18).

4.12 The Harman Report [7] sets out the following recommended steps for assessing 'the viability of Local Plans' (Part Two):

Step 1: Review existing evidence and consider scope for alignment of assessments

- <u>*Existing evidence*</u>
    - *Review existing assessments and their evidence bases* [e.g. site specific planning viability audits; viability and market evidence within recent Strategic Housing Land Availability Assessments ('SHLAA's)] *to determine what can be used or developed further as part of the plan-wide viability assessment…This will help to reduce the burden and is in line with guidance to consider appropriate and available evidence. Particular consideration should be given to approaches that have been used in the past that have found good levels of support from local stakeholders* (Page 22).
        - In 2013 the Council appointed consultants Aspinall Verdi and Colliers International to prepare an Development Viability Study to understand the implications arising from affordable housing requirements and a range of proposed off-site development contributions on the viability of development. The evidence prepared from this viability work assisted in the preparation of the Pendle Local Plan, Part 1 'Core Strategy' [1].
        - We have reviewed this 2013 viability assessment work as part of the subject LPVA commission *(see 5.27 to 5.32 below)*.

- *Alignment of assessments*
  - *While considering the potential for other exercises to inform the evidence for a plan viability test, it is also important to explore the potential for aligning or combining future assessments* (Page 232).
  - *This aspect relates particularly to situations where a LPA envisages the foreseeable introduction of a CIL charging regime, where it would be good practice to combine viability testing for the Local Plan and in respect of CIL.*
    - The Council is not currently considering the introduction of CIL and LSH have not therefore been appointed to provide viability testing in this regard.

Step 2: Agree the appraisal methodology, assumptions and information to be used

Consultation with appropriate stakeholders is advocated in order to 'sense-check' assumptions and maximise the likelihood of industry 'buy-in' to the viability testing process and the subsequent delivery of development in accordance with the policies of a Local Plan. As part of the formulation of this LPVA we have consulted with relevant stakeholders. Further details are provided in *Appendix 5*.

- *Existing models and methodologies*
  - *The local planning authority should be in a position to make a well-informed judgement as to the merits of any given approach to the viability assessment. Critically, it should make every effort to get stakeholders to agree on the approach and to ensure that the assumptions used are transparent and available to all parties. Most existing models use a residual land value methodology to assess viability. Here, the difference between the value and costs of development are compared with land values to determine whether development will be viable. We recommend that the residual land value approach is taken when assessing the viability of plan-level policies* (Page 25).
    - Further detail on the methodology and modelling that has been utilised in the preparation of this LPVA is detailed at 7.2 to 7.9 below.
- *Treatment of viability over time*
  - *…it is sensible for the assessment of plan viability similarly to adopt a slightly different approach for the first five years from that taken for the longer term period covered by the plan. The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values…The one exception…should be recognition of significant national regulatory changes to be implemented, particularly during the first five years, where these will bring a change to current costs over which the developer or local planning authority has little or no control…For the period beyond the first five years (i.e. the 6-15 year period), it is suggested that a more flexible approach may be taken, recognising the impact of economic cycles and policy changes over time…Inevitably, this will require predicting some key variables…The best a council can realistically seek to do is to make some very cautious and transparent*

assumptions with sensitivity testing of the robustness of those assumptions…albeit that it should be recognised that the forecasts for the latter part of the plan period are unlikely to be proved accurate and will need review (Pages 26 and 27).

  - Sensitivity testing has been adopted within this LPVA. Sensitivity analysis within the viability model assess the impact of increasing and decreasing market values and construction costs.

- <u>*Treatment of Threshold Land Value*</u> – see 4.13 to 4.20 below.
- <u>*Consideration of types of site*</u>
  - *…partners should…consider the types of site that are likely to form the supply for development over the plan period. Planning authorities may build up data based on the assessment of a number of specific local sites included within the land supply, or they may create a number of hypothetical sites, typologies or reasonable assumptions about the likely flow of development sites. In either case, a reasonably wide variety of sites has to be considered* (Pages 31 and 32).
    - This LPVA has adopted the second approach of viability testing a range of hypothetical sites agreed with the Council and 'sense-checked' through consultation with relevant stakeholders. These sites are taken to represent a realistic range of site typologies likely to come forward for development in the emerging Local Plan. Further detail on the nature of the hypothetical sites we have tested is set out in Chapter 7 below.
- <u>*Policy requirements*</u>
  - *the scoping exercise must also include a thorough consideration of the potential policy requirements within the emerging Local Plan that are to be costed and included within the assessment – that is, requirements that are likely to give rise to added costs of development, and therefore have an impact on viability…Here is a range of requirements that planning authorities may consider:*

    • *Site-specific Sustainability.*

    • *Site-specific Design Demands.*

    • *Community Infrastructure and Services (s106 and CIL).*

    • *Affordable Housing.*

    • *Adoption Costs, Bonding, etc.*

    • *Transport Policies.*

    Where these are proposed, their cost impact should be included within the viability assessment (Page 33).
    - We are aware of typical ranges of affordable housing and s106 contributions agreed in respect of approved schemes within the Borough over the past three years. In our experience it is unlikely that an LPVA will reveal significant changes in the viability of potential schemes within a specific LPA area. Even if an LPVA did reveal such viability changes it is unlikely the market would tolerate extreme shifts in planning policy on issues of relevance to viability from

one Local Plan period to the next. Consequently we take the view that the Council's recent 'track record' in respect of affordable housing and s106 contributions is of direct relevance to this LPVA. This has influenced the parameters we have viability tested within and the range over which specific assumptions have been sensitivity tested.

- We also hold data, which has been 'sense-checked' with stakeholders, on the cost effect of sustainability and design demands. This cost information has been built into the assumptions we have adopted.

Step 3: Information gathering and viability modelling

Consultation with appropriate stakeholders with knowledge of the local market (*'estate agents, developers, registered providers, land agents and local surveyors and valuers'* Page 34) is again advocated in order to 'sense-check' assumptions. As part of the formulation of this LPVA we have consulted with relevant stakeholders. Further details are provided in *Appendix 5*. The specific assumptions we have adopted within this LPVA in respect of development revenues, costs, developer return and land values are set out in Chapter 7 below.

- <u>*Development revenues and costs*</u>
    - *Revenue*
        - Average figures for types of development envisaged, based on local housing net sales values
        - Value received by developer for affordable housing
    - *Build costs*
        - *Based on BCIS or other appropriate data, adjusted only where good evidence for doing so based on specific local conditions and policies including low quantities of data (Page 34)*
    - *External works, infrastructure and site 19reenfie*
        - *…likely to vary significantly from site to site.* [LPA] *should include appropriate average levels for each type of site unless more specific information is available. Local developers should provide information to assist in this area where they can, taking into account commercial sensitivity.* (Page 35)
    - *Site acquisition costs*
    - *Site specific mitigation*
        - Average figures for types of development envisaged for infrastructure items such as flood protection, sustainable urban drainage schemes (SUDS), ecological considerations, and off-site highways works. Where possible, engagement with utility providers, Highways England, Environment Agency, land owners and site promoters is encouraged.
    - *Fees*
        - Will vary with the changing complexity of sites and should reflect likely nature of sites coming forward for development.

- *Sales and marketing costs*
- *Finance costs*
- *Common viability testing problems to be avoided:*
  - Overlooking the distinction between the gross site area and the net developable area (the gross to net ratio can often be circa 50% on larger sites).
  - Use of BCIS build cost data and failure to include an additional allowance for external site and infrastructure costs
  - Application of finance costs to only build costs and not purchase and infrastructure costs.
  - Overlooking the cost of promoting schemes and associated fees, over and above planning fees.

- Return on development and overhead
  - *The level of overhead will differ according to the size of developer and the nature_and scale of the development. A 'normal' level of developer's profit margin,_adjusted for development risk, can be determined from market evidence and_having regard to the profit requirements of the providers of development finance…Smaller scale, urban infill sites will generally be regarded as lower risk investments when compared with complex urban regeneration schemes or large scale urban extensions* (Page 36).
- Land values
  - *In order to determine an appropriate 'current use value', planning authorities should take up-to-date advice from local agents and valuers. This is likely to give a more locally accurate picture than relying on nationally available datasets…What ultimately matters for housing delivery is whether the value received by the land owner is sufficient to persuade him or her to sell their land for development* (Page 37).

Step 4: Viability appraisal and tests

Once assumptions have been agreed an initial viability assessment can be carried out, initially on a high-level basis. Subsequent detailed analysis can follow, where appropriate. *The appraisal should be able to provide a profile of viability across a geographical range and/or range of different types of site. This will be far more informative than blanket averages for the whole area…Once this profile is established, it may also help to include some tests of…actual sites likely to come forward for development if this information is available. This will allow a sense check of the profile.* (Page 38).

Step 5: Review outputs, refine and revise the modelling

The LPA should share initial outputs from viability modelling with relevant stakeholders for comment. Consultants (where utilised) should be on hand to explain technical detail. Initial outputs may lead to the need to change some assumptions to more closely achieve a balance between community aspirations and viability. Alternatively it may be that alternative policy options can be suitably illustrated by sensitivity testing. Local members and relevant *stakeholders should be fully briefed on the purpose and outcome of any revised modelling. Where the assessment indicates significant risk to delivery there may the need to lower or revise policy aspirations and/or allocate a greater quantity or a different mix of land.*

Keeping the viability of plan policies under review

Once the Local Plan has been adopted further supplementary policies directly affecting costs and viability should not be introduced without an appropriate and robust viability review. Where plan-wide viability testing evidence is found sound it is easier to proceed with periodic 'refreshes' of assumptions and testing using the same methodology. Where policies have been set with a 'viability cushion', modest changes in development variables should not overly affect viability and deliverability. Where the rate of delivery meets plan's delivery assumptions it is unlikely that a specific review will be necessary. This should be monitored on an annual basis, potentially alongside key variables such as house prices, finance costs, build costs and land values.

The Harman Report – Threshold Land Value

4.13 One of the key issues for plan wide viability analysis is the Threshold Land Value ('TLV') – defined in the Harman Report [7] as '*the value at which a typical willing landowner is likely to release land for development.'* (Page 28)

4.14 The Harman Report [7] recommends that when considering the appropriate TLV, account needs be given to *'the fact that future plan policy requirements will have an impact on land values and owners' expectations'.* Concern is expressed that *'using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy* (Page 29).

4.15 The Harman Report [7] recommends that '*the (TLV) is based on a premium over current use values and 'credible' alternative use values'*. However, it is accepted that *'alternative use values are most likely to be relevant in cases where the Local Plan is reliant on sites coming forward in areas (such as town and city centres) where there is competition for land among a range of alternative uses'* (Page 29).

4.16 The Harman Report [7] does not prescribe what the premium over existing use value should be, but proposes that this should be '*determined locally* (and) *it is important that there is evidence that* (the ratio utilised) *represents a sufficient premium to persuade landowners to sell'* It is further recognised that in certain circumstances, particularly in areas where landowners have *'long investment horizons'* (e.g. family trusts, Crown Estate, Oxbridge Colleges, Financial Institutions), *'the premium will be higher than in those areas where key landowners are more minded to sell'* (Page 30).

4.17 The Harman Report [7] states that reference to market values can provide a useful *'sense check'* to the assumed TLV used in the viability model, but '*it is not recommended that* [this is] *used as a basis for the input to a model*' (Page 29). *'Local sources should be used to provide a view on market values (the 'going rate'), as a means of giving a further sense check on the outcome of the current use plus premium calculation'* (Page 30).

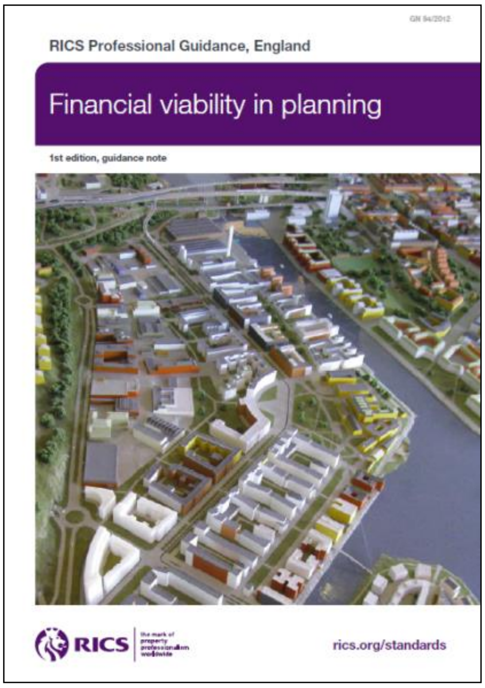
4.18 This section of the Harman Report [7] also highlights a range of specific circumstances where any perceived 'premium' over existing (current) use value is likely to vary significantly, for example;

- Urban sites with alternative potential uses
- Large greenfield sites (*'where a prospective seller is potentially making a once in a lifetime decision over whether to sell an asset that may have been in* [the same] *ownership for many generations. Accordingly, the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context'*, Page 30).
- Smaller, edge-of-settlement greenfield sites (where *'landowners' required returns are likely to be higher than those associated with larger greenfield sites'*, Page 31).

4.19 Based upon our considerable experience of the property market the approach advocated in the Harman Report [7] risks ignoring the workings of the property market, where almost all willing landowners are driven by achieving the best return for land sales. Judgements on the potential return will in the vast majority of circumstances be based on market evidence of what has been achieved in other recent sales.

4.20 We would advocate a land value assumption based on an appropriate reduction to historic market values, reflecting potential emerging / proposed planning policies. It is, however, important for planners and viability consultants to appreciate that the market will generally only tolerate an increase to the perceived policy burden by a certain degree. For example, if a LPA had an existing policy regime which required the provision of 10% on-site affordable housing on sites of more than ten units, if sales or land value evidence showed little recent change, a proposed increase In an emerging Local Plan to 50% on-site affordable housing would be unlikely to be conducive to the ongoing delivery of residential development at the same rate as the existing policy regime.

RICS Viability Guidance Overview



4.21 The RICS Viability Guidance [8] was published shortly after the Harman Report in August 2012 to provide RICS accredited viability practitioners with guidance on how the viability test required by the first version of the NPPF [2] can be satisfied. It is less academic and much more ‘market facing’ in its approach and includes technical guidance on determining an appropriate site / benchmark value. The RICS Viability Guidance ‘[8] provides all those involved in financial viability in planning and related matters with a definitive and objective methodology framework and set of principles that can be applied mainly to development management. The principles are however applicable to the plan making and CIL (area wide) viability testing.’ (Page 4)

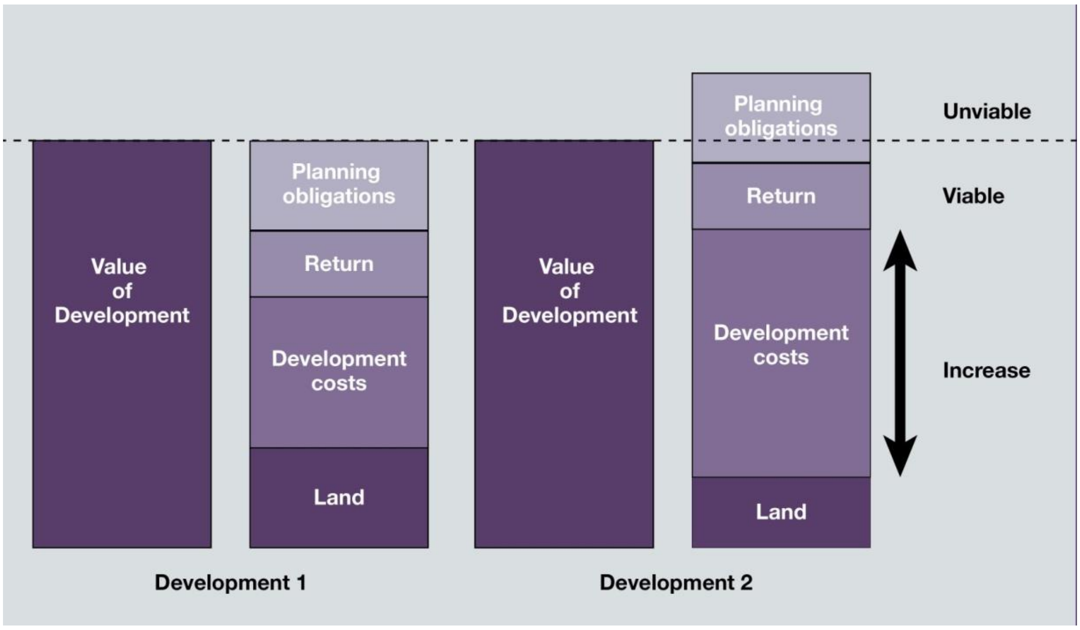
4.22 Whilst in some respects the RICS Viability Guidance [8] and the Harman Report [7] can be seen as complimentary, there are contradictions between the two papers, particularly insofar as the determination of an appropriate benchmark or TLV.

4.23 When undertaking a viability assessment for planning purposes, LSH takes full consideration of the RICS Viability Guidance [8], which provides a definitive and objective methodology framework to support plan wide and affordable housing viability assessments. It is grounded in the statutory and regulatory planning regime that currently operates in England, consistent with the Localism Act 2011, the NPPF [2] and Community Infrastructure Levy (CIL) Regulations 2010.

4.24 The RICS Viability Guidance [8] identifies that the fundamental issue in considering viability assessments in a ‘planning context is whether an otherwise viable development is made unviable by the extent of planning obligations or other requirements’ (Page 10, Para 2.1.2).

4.25 The RICS Viability Guidance [8] illustrates this issue through an illustrative diagram (see Fig 5 below). The development economics of Development 1 is such that policy requirements can be met whilst also meeting a reasonable site value, development costs and a market risk adjusted return for the development. Under Development 2, costs have increased, while development values have remained static and the proposed site value is slightly reduced. The impact of this is that Development 2 is potentially unviable.

Fig. 5.1: RICS Viability Guidance – Comparative development viability



Source: RICS Financial Viability in Planning – RICS Guidance Note 1st Edition [8]

4.26 In general circumstances, the RICS Viability Guidance [8] proposes the use of a residual appraisal methodology for financial viability testing. The residual method:

recognises that the value of a development scheme is a function of a number of elements: the value of the completed development (gross development value (GDV)); the direct costs of developing the property (gross development cost (GDC)); the return to the developer for taking the development risk and delivering the scheme; the cost of any planning obligations, and the cost or value of the site. The residual approach is used for development situations where the direct comparison with other transactions is not possible due to the individuality of development projects. However, practitioners will seek to check residual development appraisals with market evidence (Page 11, Para 2.2.1).

4.27 A residual appraisal facilitates an assessment of the impact of planning obligations or policy implications on viability. This method allows for either the level of developer return or site value to be inputted with the consequential output (either a residual land value or return respectively) being used to compared to a target return or value, known as a benchmark, having regard to the market.

4.28 *Fig 5.2* (below) shows the key elements in a development / residual appraisal model:

Fig. 5.2: The Residual Appraisal Method

Residual Value approach with land value as output
Gross Development Value
(The combined value of the complete development)
LESS
Gross Development Cost
(Cost of creating the asset, including a profit margin)
(i.e. Construction + fees + finance charges + profit)
= **RESIDUAL LAND VALUE**
(which is then compared with acceptable competitive return for willing landowner)

Residual Value approach with developer profit as output
Gross Development Value
(The combined value of the complete development)
LESS
Gross Development Cost
(Cost of creating the asset, including a purchase of land)
(i.e. Land + Construction + fees + finance charges)
= **RESIDUAL PROFIT (RETURN)**
(which is then compared with acceptable competitive return for willing developer)

4.29 If the residual appraisal output (residual land value or residual profit) is above the target benchmark, in the context of a set of reasonable and realistic development assumptions, then a scheme is considered to be viable. If the residual output is close to or slightly below the benchmark then the scheme is likely to be of marginal viability. If the residual output is significantly below the benchmark the scheme will be considered to be unviable and one or more costs of the scheme (land value, planning contributions development costs or profit) will need to be reduced in order for the scheme to proceed.

The RICS Viability Guidance [8] provides the following definition of Site Value:
Site value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan' (Page 12, Para 2.3.1).

4.30 Any assessment of Site Value will also have regard to prospective planning obligations while also having regard to the prevailing property market.

4.31 In the context of plan-wide viability testing the RICS Viability Guidance [8] puts forward a second assumption that needs to be applied to the definition of Site Value:
'Site value (as defined above) may need to be further adjusted to reflect the emerging policy…The level of the adjustment assumes that site delivery would not be prejudiced. Where an adjustment is made, the practitioner should set out their professional opinion underlying the assumptions adopted. These include, as a minimum, comments on the state of the market and delivery targets as at the date of assessment' (Page 12, Para 2.3.3)

4.32 The RICS Viability Guidance [8] adopts the RICS definition of market value as the appropriate basis to assess site value (see 4.31 above). This is consistent with NPPF [2], which acknowledges that 'willing sellers' of land should receive 'competitive returns'. Competitive returns can only be achieved in a market context (i.e. market value) not one which is hypothetically based with an arbitrary mark-up applied, as in the case of existing use value (or current use value) plus a premium.

4.33 The RICS Viability Guidance [8] provides specific commentary on the issues that can arise where viability testing is undertaken with assumed site value based on 'EUV plus a premium', rather than on the basis of market value adjusted to take account of existing and emerging development plan policies:

One approach has been to adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does not reflect the workings of the market as land may not be released at CUV or CUV plus a margin (EUV plus). It is possible, however, that current use represents market value, providing that the CUV is in excess of the residual value produced by a proposed development (Page 17, Para 3.4.1).

Once a Site Value…has been established, and therefore has regard to the market, it is of course possible to show ('back out') how this can be disaggregated in terms of EUV plus the premium element. Practitioners and users will see the significant variance that can occur between different schemes in respect of the 'premium' element. This is why the practice of applying a singular approach, i.e. in the absence of market testing, of so called standard mark ups (the 'premium') to EUV is arbitrary, does not reflect the market, and can result in the over or under valuing of the site in question (Page 17, Para E.1.11).

4.34 Whilst 'EUV plus a premium' can be useful to help 'triangulate' the market value for a particular site, the emphasis does have to be on property market evidence if the scheme is to be grounded in reality and therefore deliverable.

4.35 The revised NPPG [4] states that *'benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)' (Paragraph: 013 Reference ID: 10-013-20190509).*

4.36 The NPPG [4] goes on to advise that *'In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process'.*

4.37 Consequently, we take the view that the NPPG [4] is effectively advocating the approach commended by LSH and the RICS Guidance [8] that the emphasis does have to be on property market evidence and stakeholder engagement if the scheme is to be grounded in reality and therefore shown to be deliverable.

5 Residential Market Context

Residential Market Context – National

5.1 According to the *Rightmove* House Price Index [9] for June 2019, the average price of UK property coming to the market increased by 0.3% (+£1,058) compared to the previous month at £309,348. This represents no change over the year.

5.2 RICS publish a monthly UK residential market survey which provides an indication of current and future conditions in the UK residential sales and lettings market. This was most recently published in May 2019 [10] and provides the following headline findings:

- New buyer enquiries steady over the month (first time since June 2018 in which survey participants did not cite decline in buyer demand).
- Indicators on sales, prices and new instructions remain slightly negative, albeit less so than previously.
- Expectations point to a gradual improvement in activity over the next twelve months.

5.3 The surveys highlight that sales activity continues to lack momentum and price growth is reported to have come to a standstill at the national level, with regional patterns displaying a mixed picture and London and the South East displaying the most negative trends. The number of recorded transactions picked up modestly in Wales and Northern England. Price growth is noted in Scotland, the North West and North East, with the North West returning the strongest expectations of growth for the coming year.

5.4 Reference is made to the political and economic uncertainty arising from the ongoing Brexit process, causing hesitancy from both buyers and vendors.

5.5 The survey notes that there continues to be a lack of supply, with new instructions falling for the eleventh consecutive month during May. Consequently, average stock levels on estate agents' books remain close to record lows, limiting choice for potential home buyers. The lettings market has shown similar trends, with landlord instructions continuing to decline. With tenant demand increasing modestly for a fifth month in a row, near term rental growth expectations are now more elevated than at any point since May 2016, with rent expected to rise across all regions.

5.6 It is the view of LSH, that over the longer term, Brexit's potential to reduce net migration levels teamed with slowing population growth is also likely to weaken the under-supply pressures. These pressures have in part, contributed to increases in house prices seen over the past decade.

---

[9] *Rightmove* House Price Index: http://www.rightmove.co.uk/news/house-price-index/

[10] *RICS UK Residential Market Survey (May 2019):* https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-residential-market-survey-may-2019-rics.pdf

5.7 2020 is likely to be important for the housing market with much of the immediate focus on what impact Brexit may have. However, more fundamentally it is key underlying factors of supply and demand that will ultimately shape the market.

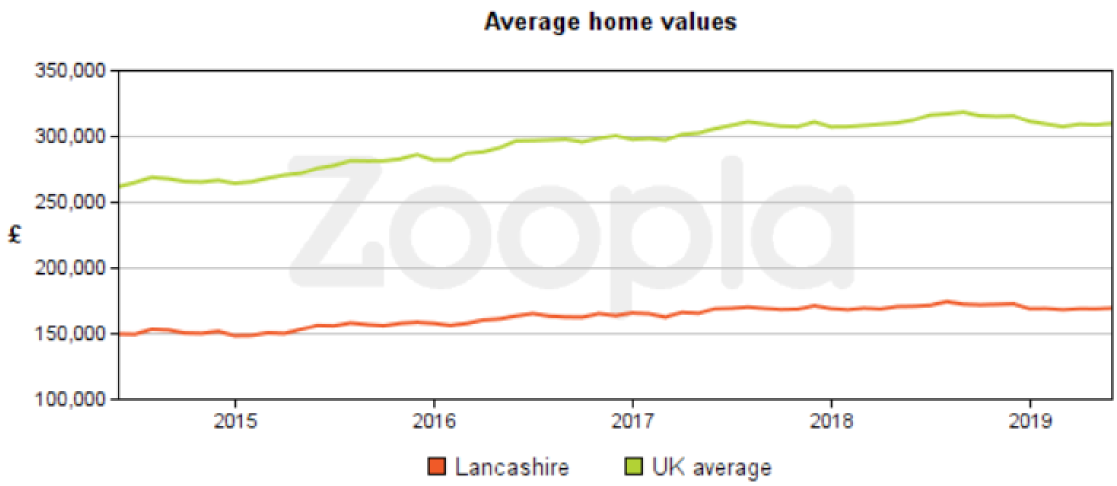
5.8 On the supply side the most constraining factor to the health of the market is the shortage of stock for sale, although this does support price levels. On the demand side we see very high employment levels, improving real wage growth, low inflation and low mortgage rates. All positive drivers tempered by the challenges of raising deposits.

5.9 It is widely believed that interest rates will rise to 2.25% by 2022, ending the record low rates enjoyed by borrowers over recent years. Increased rates of borrowing will have a direct impact on households and puts an end to the loose monetary policy which was another contributing factor to rapid house price growth.

Residential Market Context – Regional

5.10 The graph below compares home value trends in the County of Lancashire and the UK. The county's average home value over the last 12 months is in the region of £170,000, which is approximately 55% of the UK average. It should be pointed out that this average house price is, in part, reflective of the nature of housing stock in the key settlements of the County, comprising a predominance of small terraced properties.

Fig. 5.1: Value Trends Graph – Lancashire, UK (past 5 years)



Source: Zoopla 2019 [11]

[11] *Zoopla* Area guide for Lancashire: https://www.zoopla.co.uk/market/lancashire/

5.11 The table below shows average prices paid for different property types across the county of Lancashire over the past 12 months. The table also sets out current estimates of value made by *Zoopla* [10] for each of these property types:

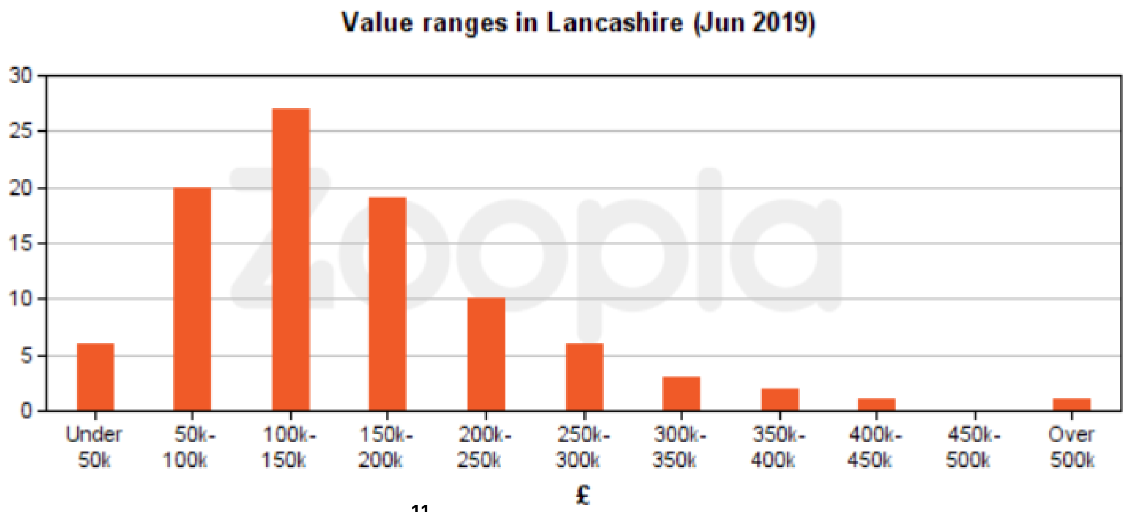
Table 5.1: Lancashire current average values and price paid (over past 12 months)

House Type	Average Price Paid	Current Average Value	Average £/ft^2
Detached	£279,090	£293,510	£211
Semi-detached	£160,641	£164,217	£182
Terraced	£106,310	£107,394	£148
Flats	£115,266	£121,473	£175

Source: www.zoopla.co.uk (June 2019)

5.12 The table below illustrates current average value ranges as a percentage of total housing stock within the county, as estimated by *Zoopla* [11]:

Fig. 5.2: Lancashire current average value ranges (June 2019)



Source: www.zoopla.com (June 2019) [11]

Geographical and Economic Overview – Pendle Borough

5.13 The Borough of Pendle, created by local government reorganisation in 1974, is the eastern-most Borough within the county of Lancashire in the north-west of England. The Borough adjoins the Lancashire boroughs of Ribble Valley to the north and Burnley to the south; the West Yorkshire metropolitan boroughs of City of Bradford to the east and Calderdale to the south-east; and the North Yorkshire Borough of Craven to the east and north-east.

5.14 The population of the Borough grew rapidly during the industrial revolution of the nineteenth century as a result of the rise of cotton weaving. Over the course of the century the population of the area grew from 10,000 to over 70,000 as small villages evolved into industrial towns dominated by textile mills and utilitarian terraced housing for their workers.

5.15 Today two-thirds of the Borough population is concentrated in four contiguous settlements – Nelson (2011 population 29,135), Colne (16,096), Brierfield (9,031) and Barrowford (5,043) – situated in the south of the borough. This densely populated urban area extends 8km north-east from the boundary with neighbouring Burnley, creating an extended urban area that has a combined population of almost 150,000. Nelson is home to the 40 hectare Lomeshaye Industrial Estate, which features more than 120 businesses and employs in the region of 4,000 people. In Colne, the 22 hectare White Walls Industrial Estate features 24 businesses and employs in the region of 2,000 people. The Boundary Mill Stores factory outlet, also in Colne, is the largest of its kind in the UK and provides jobs for almost 700 people, making the company the borough's largest employer.

5.16 To the north, the market town of Barnoldswick (9,655) and Earby (3,123) are the largest settlements in West Craven. Until 1974 this largely rural area formed part of the historic West Riding of Yorkshire. The local geography arguably has more in common with the Yorkshire Dales than Pennine Lancashire. With the exception of Stocks Beck and its tributaries, streams and rivers drain east towards the Humber and the North Sea rather than west towards the Ribble estuary. This area's economic ties have always, however, been closely linked with the Red Rose County. Barnoldswick is home to several major employers, notably a large Rolls-Royce fan blade manufacturing facility. To the north of Earby the recently established West Craven Business Park has attracted investment and a significant number of jobs into the area.

5.17 Between the towns of the M65 Corridor and West Craven widely dispersed villages and hamlets, of varying size and importance, occupy the rolling countryside (total rural population of Borough is circa 17,000). The three larger villages of Foulridge, Fence and Trawden are centred on former textile mills. Smaller settlements are still focused on farming, although tourism is becoming increasingly important.

5.18 There are three clearly identifiable spatial areas in Pendle, each with its own distinctive characteristics:

1. The M65 Corridor – Nelson, Colne, Brierfield and Barrowford.
2. West Craven Towns – Barnoldswick and Earby.
3. Rural Pendle – 16 villages and hamlets, 13 with a defined settlement boundary (within the Pendle Local Plan, Part 1 'Core Strategy' [1]).

5.19 The M65 connects the Borough to the nearby large towns of Burnley and Blackburn, to the south-west. Traffic travelling beyond the end the motorway in Colne into West and North Yorkshire passes along the busy A6068. Other key road links within the Borough include the A682 (which links Brierfield, Nelson, Barrowford and Blacko to Burnley and Rossendale to the south-west and Gisburn, the A59 and the A65 to the north) and the A56 (which links Colne, Foulridge, Kelbrook and Earby to Skipton and the A59).

5.20 The Borough is connected to national railway network via the East Lancashire Line, which now terminates at Colne, following the closure of the route to the east to Skipton in 1970. This service connects Colne, Nelson and Brierfield directly to Burnley, Accrington, Blackburn, Preston and Blackpool.

Fig. 5.3: Pendle Borough within context of Lancashire and England

Source: Ordnance Survey / Wikipedia

Fig. 5.4: Pendle Borough administrative area

Source: Google maps

5.21 The 2017 mid-year population estimate total for the authority was 90,696 [12], this can be compared to a 2011 census figure of 89,452 [13]. It is estimated that between by 2030 the population Pendle will increase to 93,500. Over this same period the population above retirement age in Pendle is expected to rise significantly from around 19% of the total population to over 25%, whilst the proportion under the age of 16 is expected to remain relatively static at around 20% of the total population. It is projected that the number of households in Pendle will increase by 9.1% between 2014 and 2039, compared to a forecast of 23.1% for England as a whole [12]. The median house price to earnings ratio of 3.78 in the authority is one of the lowest in the north-west (overall average for region is 5.82). In comparison the ratio for England is 8.00 [14].

[12] *Lancashire County Council – 'Pendle Borough' Snapshot*
https://www.lancashire.gov.uk/lancashire-insight/area-profiles/local-authority-profiles/pendle-Borough/

[13] *ONS – 2011 Census of Population*

[14] *Lancashire County Council – House price to earning ratios*
https://www.lancashire.gov.uk/lancashire-insight/population-and-households/households-and-housing/house-price-to-earnings-ratios/

5.22 The table below gives further economic statistics for Pendle Borough compared with the wider North West area and Great Britain, as a percentage of the population:

Table 5.2: Percentage of population economically active in context

Category	Pendle	North West	Great Britain
Population aged 16-64	60.4%	62.5%	62.9%
Economically Active	70.4%	76.9%	78.5%
Unemployment	4.4%	4.0%	4.2%

Source: NOMIS, Labour Market Profile – Pendle (2018) [15]

5.23 In 2018 39,000 people within the Borough were in employment. The sectors employing the highest number of people in Pendle during 2018 were Manufacturing (30.3%; which can be compared to the North-West average of 9.9%); Wholesale and Retail Trade and Repair of Motor Vehicles (15.2%) and Human Health and Social Work Activities (12.1%). These statistics shown that despite the widespread decline of the UK manufacturing sector and textile industry during the second half of the twentieth century, Pendle retains a significant employment base within manufacturing.

Pendle Borough – House Price Trends

5.24 The tables below set out house price data for Pendle 2018 and 2019 (to date):

Table 5.3: Pendle Borough house price and sales volume data – (2018) [16]

2018 – All house sales		
House Type	**Average Price Paid**	**Number of Sales**
Detached	£268,148	176
Semi-detached	£157,407	316
Terraced	£95,178	933
Flats	£101,789	19
All	£129,965	1,444 (120 sales per month)
2018 – New house sales only		
Detached	£242,134	29
Semi-detached	£200,739	25
Terraced	£172,801	11
Flats	£141,000	3
All	£211,238	68 (5.7 sales per month)

[15] *NOMIS official labour market statistics, Labour Market Profile – Pendle*: https://www.nomisweb.co.uk/reports/lmp/la/1946157096/report.aspx

[16] *HM Land Registry Price Paid Data*: http://landregistry.data.gov.uk/app/standard-reports

Table 5.4: Pendle house price and sales volume data – (Jan to July 2019) [16]

House Type	Average Price Paid	Number of Sales
2019 – All house sales		
Detached	£258,495	83
Semi-detached	£166,458	152
Terraced	£87,461	527
Flats	£99,085	13
All	£121,467 (equates to a 6.64% fall on 2018)	775 (111 sales per month*)
2019 – New house sales only		
Detached	£246,561	7
Semi-detached	£164,306	18
Terraced	£112,395	5
Flats	£95,000	1
All	£172,272	31 (4.4 sales per month *)

Source: Land Registry Price Paid Data [16]

** = Note, data for July could be incomplete, therefore sales per month should be treated with caution*

5.25 To put house prices in Pendle in context, we have also sourced average price data for neighbouring authorities and for the county of Lancashire for 2018. The overall average house price information has been sorted so that the respective authorities are ranked in descending order of average prices:

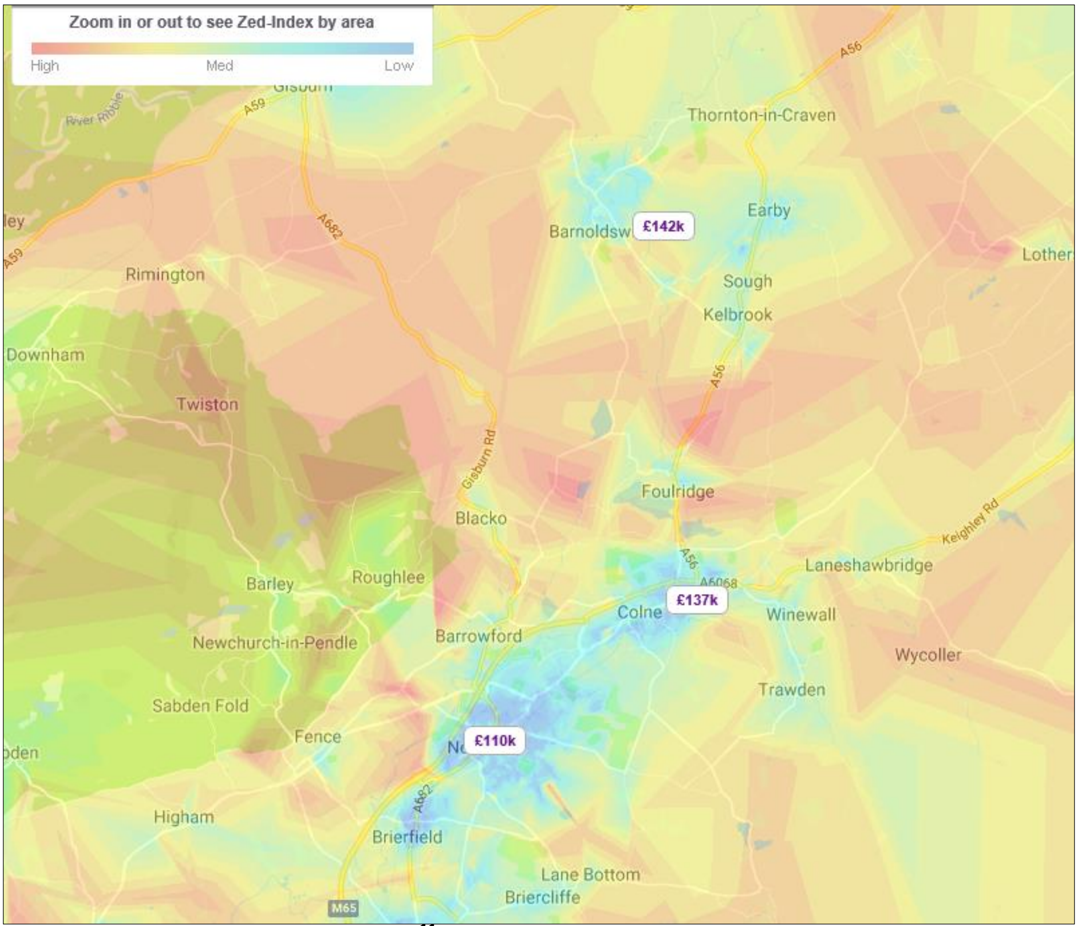
Table 5.5: Pendle and neighbouring authorities house price data – (2018)

Authority	Overall (£)	Detached (£)	Semi (£)	Terraced (£)	Flat (£)	Number of Sales
Ribble Valley	£247,868	£357,884	£215,386	£161,050	£156,128	1,122
Craven	£237,345	£381,438	£245,069	£179,297	£171,132	1,077
Calderdale	£168,481	£319,233	£178,758	£127,949	£125,449	3,405
Bradford	£167,621	£311,740	£160,980	£122,651	£124,695	7,284
Pendle	**£129,965**	**£268,148**	**£157,407**	**£95,178**	**£101,789**	**1,444**
Burnley	£105,926	£203,412	£134,386	£69,327	£83,747	1,519
Lancashire	£177,679	£289,918	£165,268	£111,056	£123,025	19,891

Source: Land Registry Price Paid Data [16]

5.26 House price data shows fluctuations in residential market values between the three clearly identifiable spatial areas within Pendle *(see 5.18 above)*, as illustrated by the heatmap below *(see Fig. 5.5.)*. Lower value areas, such as the key towns of the M65 Corridor, are indicated by 'cooler' colours. These lower values are, in part, reflective of the nature of housing stock, comprising a predominance of small terraced properties. In contrast, the higher value areas are located more predominantly in villages and hamlets of Rural Pendle, indicated by 'warmer' colours:

Fig. 5.5: Pendle Borough house price heatmap



Source: www.zoopla.co.uk (May 2019) [11]

5.27 The *Zoopla* website [11] compiles a 'zed-index' which is the average property value in a given area based on current *zoopla* estimates, which in turn are based on a range of information including sales data, asking prices, number of properties coming to the market and regional price trends. *Zoopla's* 'zed-index' provides a useful starting point when reviewing the current price differentials between different areas, although any assumptions must be sense checked, considered in the context of the respective nature of the generic housing stock of each area (i.e. a predominance of small terraced houses will reduce average recorded sale prices) and also the volume of market activity (i.e. in locations where few transactions have taken place estimates of value are likely to be less accurate).

5.28 The table below *(Table 5.6.)* shows current 'zed-index' figures and prices paid within the past 12 months for a range of settlements the Council's area of planning control. The resultant analysis has been sorted by estimated value per ft^2 for semi-detached houses (considered to be a 'mid-market' house type). Where no data is available an estimate has been made as to where the respective settlement is likely to fall within the overall hierarchy of values:

Table 5.6: 'Zed-Index' and average prices paid for range of Pendle Borough settlements

Settlement	**'zed-index'** (all properties)	**'zed-index'** (detached)	**'zed-index'** (semi)	**'zed-index'** (terraced)	**Average price paid** (past 12 months)	**Number of sales** (past 12 months)
Blacko (Rural Pendle)	£290,939	£423,049 (£237/ft^2)	£285,286 **(£240/ft^2)**	£182,183 (£201/ft^2)	£245,629	7
Newchurch-in-Pendle (Rural Pendle)	£268,829	£324,148 (£218/ft^2)	£226,030 **(£-/ft^2)**	£177,963 (£-/ft^2)	£215,000	2
Fence (Rural Pendle)	£246,113	£301,544 (£230/ft^2)	£236,353 **(£201/ft^2)**	£175,267 (£198/ft^2)	£223,827	18
Trawden (Rural Pendle)	£185,781	£276,345 (£212/ft^2)	£188,481 **(£201/ft^2)**	£135,564 (£159/ft^2)	£169,693	34
Salterforth (Rural Pendle)	£232,726	£333,372 (£231/ft^2)	£227,157 **(£200/ft^2)**	£142,627 (£145/ft^2)	£208,759	27
Foulridge (Rural Pendle)	£221,378	£369,853 (£230/ft^2)	£191,859 **(£193/ft^2)**	£119,822 (£177/ft^2)	£205,095	21
Kelbrook (Rural Pendle)	£217,923	£326,643 (£203/ft^2)	£179,352 **(£-/ft^2)**	£161,582 (£198/ft^2)	£138,864	11
Earby (West Craven Towns)	£142,071	£251,706 (£196/ft^2)	£154,747 **(£187/ft^2)**	£106,795 (£123/ft^2)	£134,582	66
Barnoldswick (West Craven Towns)	£150,269	£291,615 (£196/ft^2)	£181,309 **(£182/ft^2)**	£111,522 (£136/ft^2)	£136,712	306
Barrowford (M65 Corridor)	£199,451	£328,475 (£210/ft^2)	£196,910 **(£177/ft^2)**	£128,707 (£148/ft^2)	£177,550	100
Colne (M65 Corridor)	£138,324	£320,229 (£208/ft^2)	£170,486 **(£176/ft^2)**	£98,272 (£144/ft^2)	£142,521	335
Nelson (M65 Corridor)	£109,769	£258,603 (£184/ft^2)	£139,889 **(£158/ft^2)**	£72,747 (£106/ft^2)	£98,371	560
Brierfield (M65 Corridor)	£112,680	£193,067 (£158/ft^2)	£131,965 **(£128/ft^2)**	£65,397 (£86/ft^2)	£97,278	104

Source: www.zoopla.co.uk (July 2019) [11]

Pendle Local Plan – Previous Viability Evidence

5.29 As part of the evidence base in support of Pendle Local Plan, Part 1 'Core Strategy' [1], the Council commissioned a 'Development Viability Study.' ('DVS') [17]

5.30 The DVS [17] took a snapshot of the Pendle residential property market as at October 2013. As at that date the average house price in the Borough for all house sales (i.e. second hand as well as new build property) over the preceding 12 months was £105,589. This figure can be compared to the equivalent average for 2018 of £129,965 *(see Fig. 5.3 above)* and £120,396 for the first five months of 2019 *(see Fig. 5.4 above).*

---

[17] *Aspinall Verdi / Colliers International: Pendle Borough Council – Development Viability Study (December 2013):* www.pendle.gov.uk/download/downloads/id/7654/pendle_development_viability_study.pdf&usg=AOvVaw3K1FUowSucj3L8SsdLcBEW

5.31 The DVS [17] featured analysis of average values being achieved at that time for the three clearly identifiable spatial areas in Pendle *(see 5.18 above)*. The DVS [17] came to the view, with which we concur, that whilst there are three spatial areas within the Borough (The M65 Corridor; West Craven Towns; Rural Pendle) there are in fact four distinct sub-market areas (as supported by *Table 5.6* above). The M65 Corridor can be divided into two, with sites to the north are generally being more attractive edge of town sites that command higher values ('M65 Corridor North') than sites to the south of the motorway, which tend to be urban and are often on former industrial sites ('M65 Corridor South'). For the purposes of our assumptions we have taken M65 Corridor North to comprise the settlements of Colne and Barrowford and M65 Corridor South to comprise the settlements of Nelson and Brierfield.

Fig. 5.6: Pendle Borough sub-market areas

Source: Google maps

5.32 Value assumptions put forward for new build dwellings within sub-market area within the DVS [17] are set out below. These were tested with delegates at a stakeholder consultation event in June 2013 and further tested with attending and non-attending delegates subsequently by email:

Table 5.7: DVS [18] new-build residential value assumptions

M65 Corridor South			
Property type	**Floor area (ft^2)**	**Value**	**Ave £ per ft^2 (£ per m^2)**
4 Bedroom House	1,238	£180,000	£145 (£1,565)
3 Bedroom House	915	£130,000	£142 (£1,529)
2 Bedroom House	753	£110,000	£146 (£1,571)
2 Bedroom Flat	645	£85,000	£132 (£1,417)
1 Bedroom Flat	540	£75,000	£139 (£1,500)

M65 Corridor North			
Property type	**Floor area (ft^2)**	**Value**	**Ave £ per ft^2 (£ per m^2)**
4 Bedroom House	1,238	£220,000	£178 (£1,913)
3 Bedroom House	915	£140,000	£153 (£1,647)
2 Bedroom House	753	£110,000	£146 (£1,571)
2 Bedroom Flat	645	£85,000	£132 (£1,417)
1 Bedroom Flat	540	£75,000	£139 (£1,500)
West Craven Towns			
Property type	**Floor area (ft^2)**	**Value**	**Ave £ per ft^2 (£ per m^2)**
4 Bedroom House	1,238	£250,000	£202 (£2,174)
3 Bedroom House	915	£140,000	£153 (£1,647)
2 Bedroom House	753	£110,000	£146 (£1,571)
2 Bedroom Flat	645	£85,000	£132 (£1,417)
1 Bedroom Flat	540	£75,000	£139 (£1,500)

Rural Pendle			
Property type	**Floor area (ft^2)**	**Value**	**Ave £ per ft^2 (£ per m^2)**
4 Bedroom House	1,238	£340,000	£275 (£2,956)
3 Bedroom House	915	£180,000	£197 (£2,118)
2 Bedroom House	753	£130,000	£173 (£1,857)
2 Bedroom Flat	645	£95,000	£147 (£1,583)
1 Bedroom Flat	540	£85,000	£158 (£1,700)

Pendle Borough – Overview of New Build Residential Market Evidence

5.33 The data contained in the preceding paragraphs provides a useful context of relative house prices in Pendle and underlying house price trends. As demonstrated in *Table 5.3* and *Table 5.4* new houses will typically sell for more than existing stock. The prices paid for existing houses will reflect the size, condition, characteristics and setting of such properties. To fully inform this LPVA we need to also understand the prices that are likely to be achieved for the sale of newly constructed dwellings. The best evidence of house prices for the purpose of this LPVA comes from recent sales of new dwellings within the Borough.

5.34 We have carried out a review of current new build asking prices and a market review of new build sales values recently achieved within Pendle Borough. This is based on a detailed analysis of HM Land Registry new-build price paid data [16], cross-referenced to floor area data held on the EPC (Energy Performance Certificate) database [18] in order to derive achieved values on a £ per square metre / foot basis. This provides a good baseline for forming a professional view on assumed new build values likely to be achieved on hypothetical future sites across the Borough, as to be modelled within this LPVA.

5.36 We have analysed new build sales values achieved within Pendle for the period since January 2017.

Pendle – New Build Residential Market Activity and Evidence

5.37 There have been 164 new build market sales within Pendle since January 2017. Further detailed analysis of each individual sale is set out at *Appendix 3.* For consistency and in order to allow some comparison between schemes the table below relates to two storey dwellings only, with schemes arranged in order of average gross sale price per unit area:

[18] *Domestic energy performance certificate register (DCLG)*: https://www.epcregister.com/

Table 5.8: Summary of new build market evidence (two storey dwellings) – Pendle (January 2017 to April 2019)

Address	*Ave floor area (m^2)*	*Market sales in period*	*Ave sale price per unit*	*Ave £ per m^2*	*Ave £ per ft^2*
Spring Mills, Fence *(Skipton Properties)*	101	21	**£274,300**	£2,717	**£252**
Southbeck, Salterforth *(Seddon Homes)*	103	23	**£251,759**	£2,414	**£224**
Kensington Forest, Barnoldswick *(Berekley DeVeer Homes)*	113	1	**£259,995**	£2,301	**£214**
The Locks, Colne (Barnfield Homes)	190	6	**£424,167**	£2,230	**£207**
Brindley Mews (Hope Mill), Barnoldswick (Together Housing – Housing Pendle)	86	2	**£179,000**	£2,081	**£193**
Deerwood Park, Colne (Persimmon Homes)	89	34	**£174,995**	£2,042	**£190**
The Hallows, Reedley, Brierfield (Barnfield Homes)	105	10	**£182,915**	£1,747	**£162**
Foxhills, Brierfield (PEARL / Barnfield Homes)	89	3	**£149,950**	£1,685	**£157**
Walton Place, Nelson (Barnfield Homes)	90	6	**£147,458**	£1,643	**£153**

5.38 Further details of selected current or recently active residential development sites within Pendle are set out below:

Rural Pendle Sites

Spring Mills, Fence (Skipton Homes)

5.39 Spring Mills is a now completed development of 22 high specification two, three and four bedroom homes. This scheme is situated on Wheatley Lane Road close to the centre of the small village of Fence in Rural Pendle. This scheme has achieved the highest average gross sales values per unit area within the Borough over the 28 month period up to April 2019 (£252/ft^2) *(see Table 5.8 above)*:

Source: Skipton Properties 'Spring Mills' Brochure

Southbeck, Salterforth (Seddon Homes)

5.40 Southbeck is a 49 unit scheme which was completed in February 2019 and features a mix of two storey and three storey dwellings built on the site of the now demolished 'Salterforth Shed'. The scheme is situated in close proximity to the Leeds and Liverpool Canal within the Rural Pendle village of Salterforth, which was part of the West Riding of Yorkshire prior to 1974. There were 23 two storey units sold within this scheme over the 26 month period up to February 2019 which produced an average gross sale price of £224/ft^2 *(see Table 5.8 above)*:

Source: LSH

5.41 It is noted that one previously sold unit at Southbeck is currently on the market. 3 Beckside, a 3 storey semi-detached four bedroomed 1,378ft^2 (128m^2) townhouse sold on first sale in November 2017 for £249,000. This property has been marketed since April 2019 with an asking price of £280,000.

West Craven Towns Sites

Kensington Forest, Barnoldswick (Berekley DeVeer Homes)

5.42 Kensington Forest is a 31 unit scheme of three and four bedroomed dwellings currently being developed by Berekley DeVeer Homes at Long Ing Lane in the West Craven Town of Barnoldswick. Asking prices for seven units currently being marketed at this scheme are set out below:

Fig. 5.7: Site layout – Kensington Forest, Barnoldswick

Source: Berekley DeVeer Homes – Kensington Forest Brochure

Table 5.9: Asking Prices – Kensington Forest, Barnoldswick (August 2019)

Unit type	*Floor area (m^2)*	*Floor area (ft^2)*	*Asking price*	*Asking price (£ per m^2)*	*Asking price (£ per ft^2)*
(Plot 30) *Spencer* – 4 bed detached with attached single garage (2 storey)	117	1,254	**£264,995**	£2,275	**£211.3**
(Plot 7) *Chaplin* – 4 bed semi-detached with off-road parking (3 storey)	103	1,105	**£224,995**	£2,192	**£203.6**
(Plot 10) *Chaplin* – 4 bed semi-detached with off-road parking (3 storey)	103	1,105	**£209,995**	£2,046	**£190.0**
(Plot 2) *Elgar* – 3 bed end-terraced with off-road parking; showhome, includes carpets (2.5 storey)	84	905	**£194,995**	£2,319	**£215.5**
(Plot 3) *Elgar* – 3 bed mid-terraced with off-road parking; showhome, includes carpets (2.5 storey)	84	905	**£189,995**	£2,260	**£209.9**

Unit type	*Floor area (m^2)*	*Floor area (ft^2)*	*Asking price*	*Asking price (£ per m^2)*	*Asking price (£ per ft^2)*
(Plot 20) *Raleigh* – 3 bed semi-detached with off-road parking (2 storey)	76	813	**£184,995**	£2,449	**£227.5**
(Plot 21) *Raleigh* – 3 bed semi-detached with off-road parking (2 storey)	76	813	**£184,995**	£2,449	**£227.5**
Average Asking Price (currently released units)			**£207,852**	£2,270	**£210.9**
Average assumed Net Price (5% assumed discount on asking price)			**£197,460**	£2,156	**£200.3**
Average assumed Net Price (disregarding 2.5 and 3 storey homes) (5% assumed discount on asking price)			**£201,079**	£2,255	**£209.5**

Spencer

Elgar (terrace of 3)

Chaplin (pair of semis)

Source: Berkeley DeVeer Homes – Kensington Forest Brochure / Rightmove [9]

M65 Corridor Sites – North

The Locks and Derwent House, Colne (Barnfield Homes)

5.40 The Locks is a high specification 'luxury development' of 32 detached dwellings set in the grounds of the former Nelson & Colne College on the north-western edge of Colne. Over the 20 month period from January 2017 to August 2018 sales of six two storey units within this scheme were completed which produced an average gross sale price of £207/ft^2. This scheme features by far the highest average floor area per unit of schemes featuring sold units within the Borough over this period *(see Table 5.8 above)*.

5.41 Derwent House is the sympathetic conversion of the former Grammar School into 23 luxury apartments set within landscaped grounds. The project involved the demolition of ancillary buildings, structural alteration and the restoration of the Westmorland green slate roof and the fitting of specifically crafted new windows. The scheme also features a secure underground car park and electronic gated access. Two sales of flatted units within this scheme were recorded over the 28 month period from January 2017 (with these sales taking place in December 2017 and January 2018) and produced an average gross sale price of £191/ft^2 *(see Table 5.8 above)*:

Source: LSH

Fig. 5.8: Site layout – The Locks, Colne

Source: Barnfield Homes – The Locks Brochure

Deerwood Park, Colne (Persimmon Homes)

5.42 Deerwood Park is a large multi-phase scheme of two to five bedroomed units currently being developed by Persimmon Homes. This greenfield site occupies an elevated position on the south-western edge of Colne and is less than a mile away from the eastern end of the M65 motorway. There were 34 two storey units sold within this scheme over the 25 month period up to March 2019 which produced an average gross sale price of £190/ft^2 *(see Table 5.8 above)*.

Source: LSH

5.43 Asking prices for four house types currently being marketed at this scheme are set out below:

Table 5.10: Asking Prices – Deerwood Park, Colne (August 2019)

Unit type	*Floor area (m^2)*	*Floor area (ft^2)*	*Asking price*	*Asking price (£ per m^2)*	*Asking price (£ per ft^2)*
Winster – 4 bed detached with integral single garage (2 storey)	118	1,275	**£235,995**	£1,992	**£185.1**
Kendal – 4 bed detached with integral single garage (2 storey)	111	1,190	**£221,995**	£2,008	**£186.6**
Rufford – 3 bed semi-detached with integral single garage (2 storey)	80	861	**£172,995**	£2,162	**£200.9**
Souter – 3 bed mid-terraced with off-road parking (2.5 storey)	87	932	**£149,995**	£1,732	**£160.9**
Average Asking Price (currently available units)			**£195,245**	£1,974	**£183.4**
Average assumed Net Price (5% assumed discount on asking price)			**£185,483**	£1,876	**£174.2**
Average assumed Net Price (disregarding 2.5 storey unit type) (5% assumed discount on asking price)			**£199,812**	£1,940	**£180.2**

Garnet

Ruby

Jade

Source: Persimmon Homes – Deerwood Park Brochure / Rightmove [8]

M65 Corridor Sites – South

The Hallows, Reedley, Brierfield (Barnfield Homes)

5.44 The Hallows is an 85 unit scheme of three and four bedroomed units built across two phases and currently being developed by Barnfield Homes. This is a predominantly greenfield site which was formerly playing fields, situated in Brierfield on the southern edge of the Borough and on the northern fringe of Burnley. There were 10 two storey units sold within this scheme over the 27 month period up to March 2019 which produced an average gross sale price of £162/ft^2 *(see Table 5.8 above)*:

5.45 Asking prices for five house types currently being marketed at this scheme are set out below:

Table 5.11: Asking Prices – The Hallows, Reedley (August 2019)

Unit type	*Floor area (m^2)*	*Floor area (ft^2)*	*Asking price*	*Asking price (£ per m^2)*	*Asking price (£ per ft^2)*
Garnet – 4 bed detached with attached single garage (2 storey)	122	1,313	**£259,950**	£2,131	**£198.0**
Ruby – 3 bed detached bungalow with attached single garage (1 storey)	66	710	**£184,950**	£2,804	**£260.5**
Quartz – 4 bed semi-detached with off-road parking (3 storey)	111	1,195	**£184,950**	£1,666	**£154.8**
Jade – 3 bed semi-detached with attached single garage (2 storey)	93	1,001	**£179,950**	£1,935	**£179.8**
Pearl – 3 bed terraced with off-road parking (2 storey)	103	1,109	**£175,000**	£1,699	**£157.8**
Average Asking Price (currently released units)			**£196,960**	£1,990	**£184.8**
Average assumed Net Price (5% assumed discount on asking price)			**£187,112**	£1,890	**£175.6**
Average assumed Net Price (disregarding 3 storey homes) (5% assumed discount on asking price)			**£194,718**	£1,837	**£170.7**

Garnet


Ruby


Jade

Source: Barnfield Homes – The Hallows Brochure / Rightmove [8]

Foxhills, Brierfield (PEARL / Barnfield Homes)

5.46 Foxhills is a 35 unit scheme of bungalows and semi-detached houses currently being developed by Barnfield Homes as part of a joint-venture arrangement with the Council known as 'PEARL' (Pendle Enterprise and Regeneration Ltd). Work on this scheme began in late 2016 on this scheme. Foxhills is one of several new housing developments centred on Northlight. This is a large mixed-use regeneration project in a historic cotton mill. It occupies a prominent location alongside the Leeds and Liverpool Canal close to Brierfield town centre. Other schemes within this wider initiative include Spinners View and Quaker Heights. There were eight sales of a mixture of one and two storey units on the Foxhills scheme between September 2018 and May 2019 which produced an average gross sale price of £169/ft^2 *(see Table 5.8 above)*:

5.47 Asking prices for three bungalow unit types currently being marketed at this scheme are set out below:

Table 5.12: Asking Prices – Foxhills, Brierfield (August 2019)

Unit type	*Floor area (m^2)*	*Floor area (ft^2)*	*Asking price*	*Asking price (£ per m^2)*	*Asking price (£ per ft^2)*
Bluebell – 3 bed semi-detached bungalow with off-road parking	75	807	**£149,950**	£2,002	**£186.0**
Lily – 2 bed semi-detached bungalow with off-road parking	70	753	**£149,950**	£2,143	**£199.1**
Orchid – 3 bed semi-detached dorma bungalow with off-road parking (1.5 storey)	88	945	**£144,950**	£1,651	**£153.4**
Average Asking Price (currently available bungalow units)			**£148,283**	£1,912	**£177.6**
Average assumed Net Price (5% assumed discount on asking price)			**£140,869**	£1,816	**£168.7**

Source: PEARL / Barnfield Homes – Foxhills Brochure / Rightmove [8]

Walton Place, Nelson (Barnfield Homes)

5.48 Walton Place is a joint-venture scheme between Barnfield Homes and Pendle Properties comprising 13 three-bedroomed semi-detached homes on a site situated directly opposite Marsden Park on the edge of Nelson. Over the 19 month period from January 2017 to July 2018 sales of the final six units within this scheme were completed which produced an average gross sale price of £153/ft^2 *(see Table 5.8 above)*.

Source: LSH / Barnfield Homes – Walton Place Brochure

Comment on Residential Transactional Analysis

5.49 Informed by the analysis set out within this Chapter and our long-standing experience of the local and wider regional residential market, further commentary is provided in Chapter 7 on the respective market value assumptions adopted within our viability testing of hypothetical site-type scenarios across the Borough *(see 7.12 to 7.14)*.

6 Commercial Market Context

National Overview

6.1 According to the Q2 2019 RICS UK Property Market Chart Book, commercial headline rents and capital vales are expected to remain the same over the next 12 months across the office, industrial and retail sectors, whilst tenant demand continues to slip for the fourth consecutive quarter.

6.2 In London and the regions, the industrial sector had the strongest performance to date. The office and retail sectors were the weaker markets demonstrating lower take up levels. Industrial availability nationally has recently dropped and on this basis both prime and secondary rents are likely to rise in the following years.

6.3 Prime office rents are forecast to increase in the following years, albeit less so in secondary locations due to the demand in city centres.

6.4 The troubles within the retail sector continue to be a factor, rental values are now declining at the quickest pace since the financial crisis. Office rents are projected to remain at a similar level whilst rents in the industrial/logistics sector are expected to continue to rise.

6.5 The RICS also publishes a quarterly commercial market survey. The most recent edition is the Q4 2019 study and provides an updated position on the commercial market from the Chart Book above. In summary:

- Prime office and industrial capital value and rental projections upgraded
- Occupier and investor demand continues to rise, albeit relatively modestly, across the industrial sector
- Occupier demand continues to fall sharply across the retail sector.

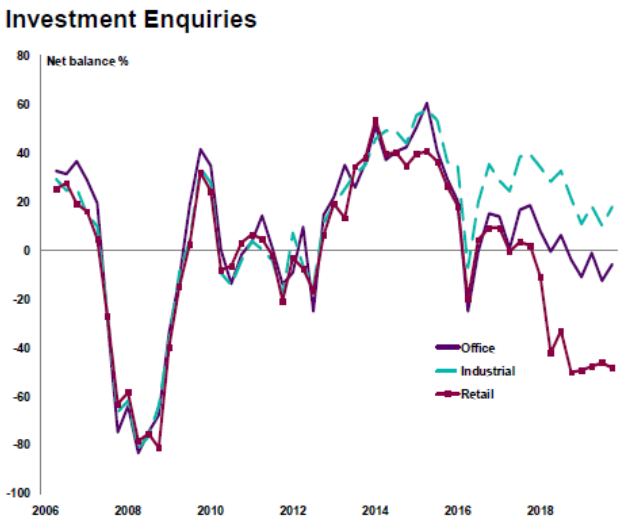
Fig. 6.1: Rental Expectations by Sector

Source: RICS Commercial Market Survey Q1 2019

6.6 As shown above in figure 6.1, Q1 rental growth can be seen across all sectors, apart from prime and secondary retail which shows significant contraction.

6.7 Across the UK, the headline investment demand indicator fell slightly from -15% in Q3 to -11% in Q4. Although the retail sector was largely to blame for much of this, buyer enquiries also fell modestly for offices.

Fig. 6.2: Investor Requirements by Sector



Source: RICS Commercial Market Survey Q1 2019

Office Market

Regional Office Market

6.8 The current average asking rent for offices in Lancashire is £10.27/ft2, with an availability rate of 11% which equates to 1,693,968ft2 of office space.

6.9 Offices in Lancashire spend an average of 15.4 months on the market.

6.10 Based on lease transactions over the last year, asking and achieved rents have ranged from £3.50 to £15/ft2 and size of accommodation leased has also varied considerably, between, between 60 and 117,092ft2.

6.11 With regard to sales figures, the average rate was £127/ft2 during the last year and the average yield was 9.2%.

Local Office Market

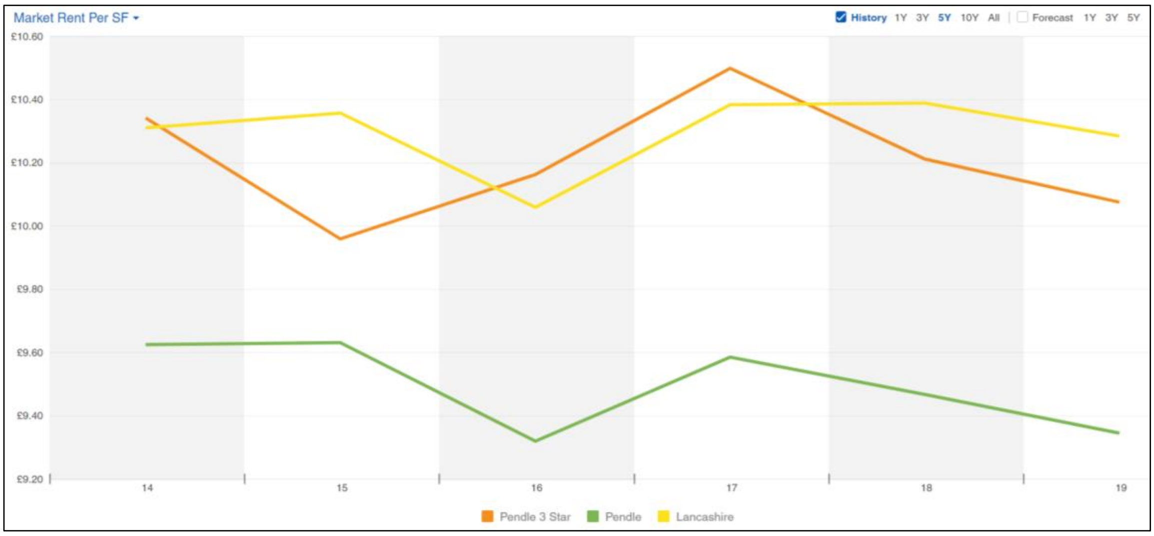
6.12 LSH has used *Costar* and Egi to ascertain levels of take up and availability rates within Pendle Borough for office premises. The following table shows current availability:

Table 6.1: Current office availability in Pendle Borough

Location	**Description**	**Size (ft^2)**	**Details**	**Tenure**	**Rent (per ft^2)**
38 Albert Road, Colne	Office 1st Floor	392	Built in 1920	Leasehold	£15.15
Vantage Court Barrowford Road, Colne	Office and 1st Floor	2420	Built in 2012	Leasehold	£11
Former Library Building Booth Street, Nelson	Office Basement, ground and 1st Floor	5004	Built in 1906	Leasehold	£4.99
Lomeshaye Bridge Mill, Bridge Mill Road, Nelson	Office 4th Floor	3211	Built in 1890	Leasehold	£5.00
58 Brown Street, Nelson	All	6945	-	Freehold	£215,000 (Rent £10-12)
Technology Centre, Carr Road, Nelson	1st floor	3781	Built in 1856	Leasehold	£6.00
Pendle Business Centre, Commercial Road, Nelson	Ground and 1st floor	2709	Built in 1980	Leasehold	£9.00
16 Lindred Road, Nelson	Ground floor	14,338	Built in 1985	Leasehold	£6.50
1-8 Market Street, Colne	1st and 2nd floor	1,079	Built in 2003	Leasehold	£8.00
The Sutton Building, Netherfield Road, Nelson	All	32,140	Built in 1980	Freehold	£500,000 (Rent £9-11)
Vantage Court, Riverside Way, Nelson	Ground and 1st floor	2,025	Built in 2010	Leasehold	£11.00
Vantage Court, Riverside Way, Nelson	Ground and 1st Floor	2,037	Built in 2012	Freehold	£250,000 (£122.73 psf)

6.13 Within Pendle Borough the average rent for office properties is £9.35/ft^2 which has remained at a similar level for the past 6 months. The market yield is 8.9% for office properties.

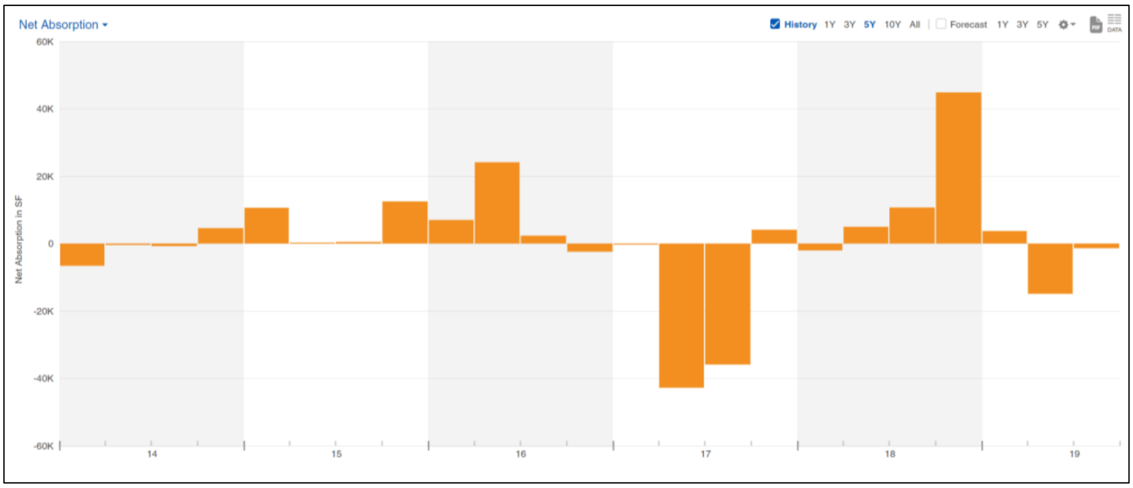
Fig. 6.3: Average office asking rents Pendle Borough



6.14 There is an availability rate of 14.4% which equates to 93,431 ft2 of office accommodation.

6.15 The 12 month net absorption rate was 41,579ft2, which means that there is a demand for office properties in the Pendle Borough. Offices spend on average 14.9 months on the market before being let.

Fig. 6.4: Net absorption of office space Pendle Borough



Industrial Market

Regional Industrial Market

6.16 The current average asking rent for industrial properties in Lancashire is £4.36/ft2, with an availability rate of 7.5% which equates to 16,502,354ft2 of industrial space.

6.17 Based on deals that have taken place over the last three years, both asking and achieved rents have varied between £1.64 and £20.41/ft2 while size of space leased has ranged between 100ft2 and 420,000ft2.

6.18 Over the last 12 months there has been a 2,558,524ft2 absorption rate, with 5,899,356ft2 of industrial space leased in total. This indicates that there are high levels of stock available throughout the region. Industrial properties spend an average of 8.2 months on the market.

6.19 Having regard to the sales market, over the last year the average sale price was £33/ft2, which is significantly lower than the average asking price of £53/ft2. The average yield achieved was 7.7%.

Local Industrial Market

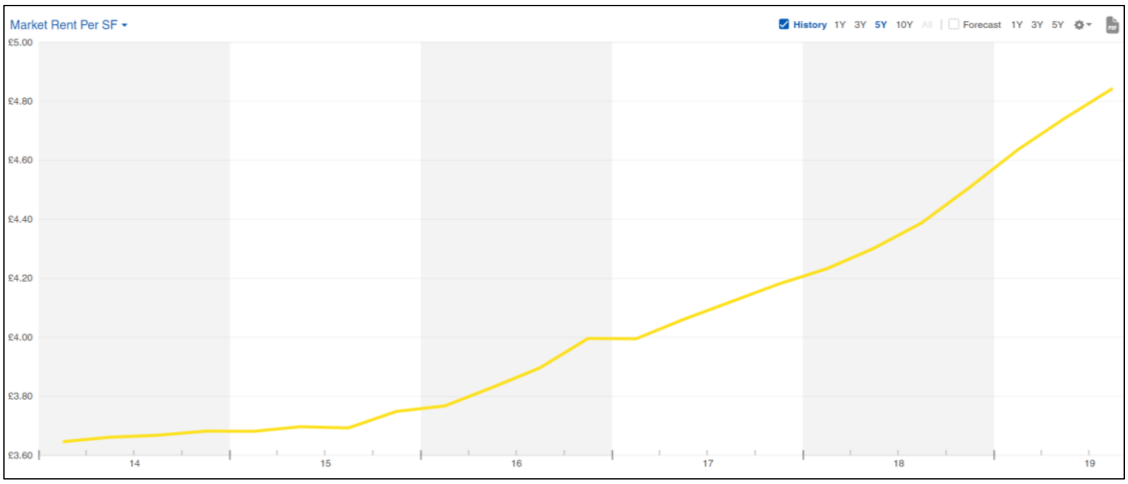
6.20 LSH has used *Costar* and *Egi* and own market data and analysis to ascertain levels of take up and availability rates within the Pendle Borough for industrial property. The table below shows the current availability:

Table 6.2: Current industrial availability in Pendle Borough

Location	Size (ft^2)	Characteristics	Tenure	Rent (per ft^2)
Bridge Mill Road	8,900	Service	Leasehold	£9.42
Brunswick Street	2,538	Warehouse	Leasehold	£3.07
Marsden Mill Brunswick Street	71,671	Light Manufacturing	Leasehold	£3.00
Bridge Mill Burnley Road	13,290	Warehouse	Leasehold	£1.69
Chapel Buildings Elizabeth Street	4,515	Service	Leasehold	£2.86
Grafton Street	2,403	Warehouse	Leasehold	£3.24
Garden Vale Business Centre Greenfield Road	2,340	Warehouse	Leasehold	£4.34-5.29
John Street Works John Street	1,354	Light Manufacturing	Leasehold	£9.54-12.09
96 Keighley Road	2,137	Service	Leasehold	£3.10
Bellwoven House New Market Street	5,007	Warehouse	Leasehold	£3.91
41-43 North Valley Road	1,821	Service	Leasehold	£5.79-8.80
Southfield Street	3,650	Manufacturing	Leasehold	£3.29
Turner Road	15,460	Warehouse	Leasehold	£3.00-4.00

6.21 The following graph shows that in the Borough of Pendle the average rent for industrial premises is £4.74/ft^2. The average yield achieved was 8.2%

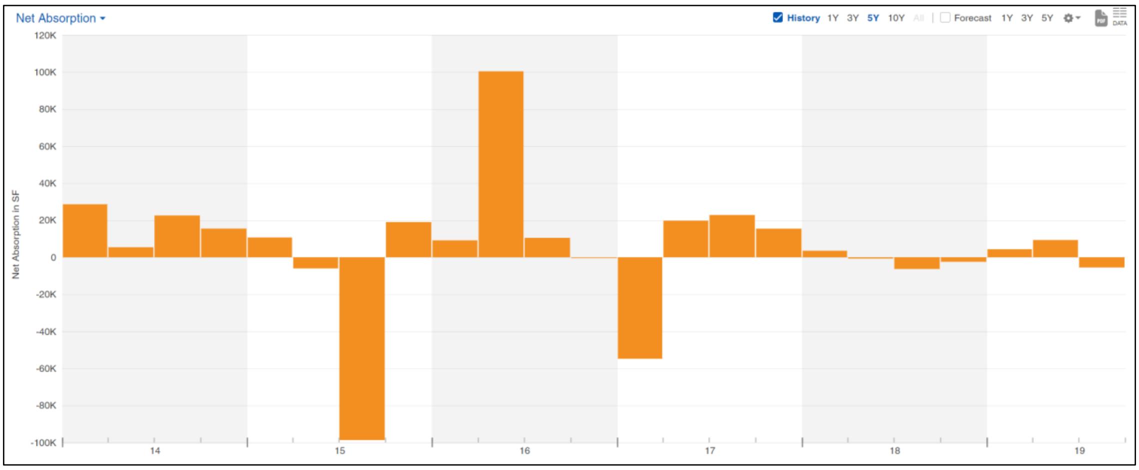
Fig. 6.5: Average industrial asking rents Pendle Borough



6.22 There is an availability rate of 3.3% which equates to 203,941ft2 of industrial accommodation.

6.23 Over the last twelve months there has been 14,406ft2 industrial space leased. The absorption, or take up rate was 6,683ft2. Industrial properties spend on average 15.9 months on the market before being let.

Fig. 6.6: Net absorption of office space Pendle Borough



Retail Market

Regional Retail Market

6.24 The Lancashire retail market contains around 27.5 million sqft of retails space. Lancashire's retail market has performed well against the national context in 2019. Retailer demand for the market's prime pitches remains fairly robust, although the market has felt the effect of the rise in retail administrations and multiple store closures across the UK.

6.25 The current average asking rent for retail space in Lancashire is £17.28/ft2 and there is an availability rate of 5.3%, which equates to 1,471,391ft2.

6.26 Over the last 12 months approximately 111,156ft2 of retail space has been leased; with absorption rate of 330,667ft2. On average retail accommodation spent 15 months on the market.

6.27 Having regard to the sales market, over the last year the average sale price was £130/ft2, which is down £12 on the previous 12 months. The average yield achieved was 7.9% for investment transactions.

Local Retail Market

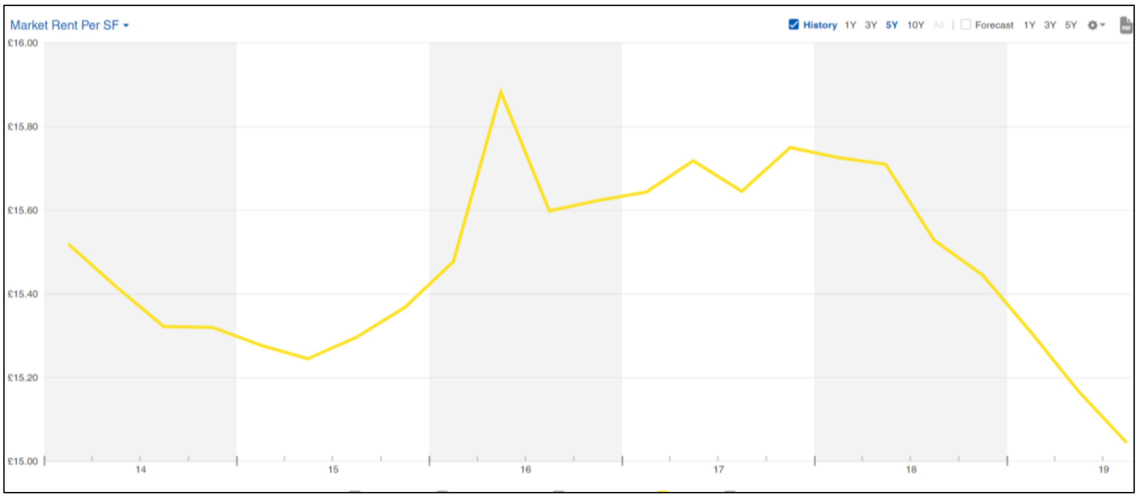
6.28 LSH has used *Costar* and *Egi* and own market data and analysis to ascertain levels of take up and availability rates within the Pendle Borough for retail premises. The table below shows the current availability:

Table 6.3: Current retail availability in Pendle Borough

Location	Size (ft^2)	Characteristics	Tenure	Rent (pa / per ft^2)
Norway House 54-65 Albert Road, Colne	1,668	Built in 1978	Leasehold	£13-16
115-117 Albert Road, Colne	4,957	Built in 1990	Freehold	£475,000
27 Burnley Road, Colne	727	Built in 1900	Freehold	£80,000
32 Church Street, Colne	1,017	Built in 1952	Freehold	£250,000
18-26 Colne Road, Nelson	5,521	Built in 1900	Leasehold	£16-19
19 Colne Road, Nelson	814	Built in 1920	Leasehold	£8,500 pa
Ribblesdale Buildings, Gisburn Road, Barnoldswick	385	Built in 1895	Leasehold	£3,120 pa
The Fountains, Unit 4 Gisburn Road, Barnoldswick	2,001	Built in 1860	Leasehold	£25,000 pa
13-15 Glenroy Ave, Colne	765	Built in 1950	Leasehold	£5,000 pa
Knotts Lane, Colne	759	Built in 1850	Leasehold	£5,200 pa
27 Victoria Road, Barnoldswick	550	Built in 1900	Freehold	£175,000

6.29 The average asking rent for retail space in Pendle is £15.14/ft^2, which is down 3.29% on the previous 12 months.

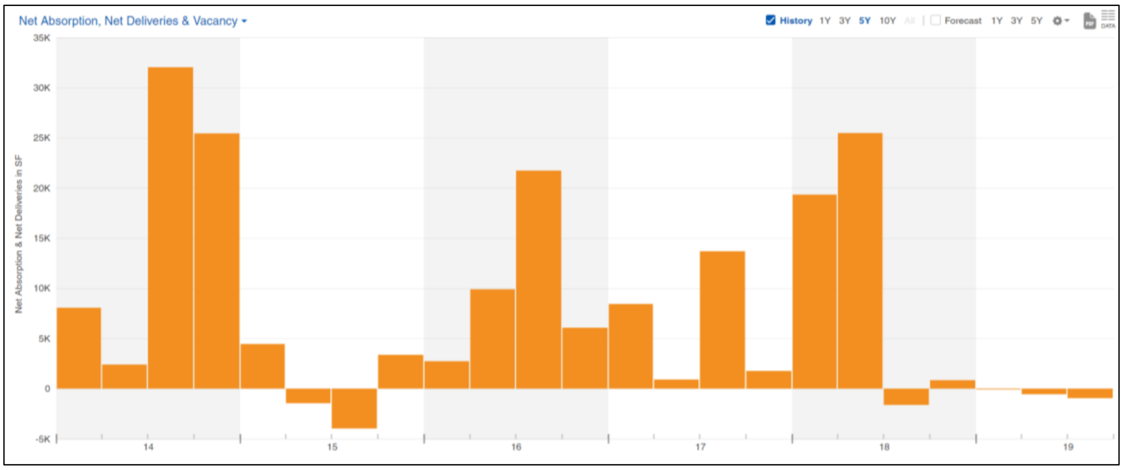
Fig. 6.7: Average retail asking rents Pendle Borough



6.30 There is an availability rate of 3.8% which equates to 43,871ft^2 and is down 31.19% on the previous 12 months for retail properties in Pendle.

6.31 Approximately 733ft^2 of retail accommodation has been leased over the last 12 months; however there is a 12 month absorption rate of minus 967ft^2. This negative figure indicates that there is low demand for retail stock compared to the higher supply levels.

Fig. 6.8: Net absorption of retail space Pendle Borough



Commercial Market Conclusions

6.32 The commercial market evidence set out above demonstrates that the regional office market for Pendle has a high availability rate at 14.4% which is above the availability rate in Lancashire (11%). Average asking rents also remained at similar levels, with the regional figure at £10.27/ft2 and £9.35/ft2 in the Borough.

6.33 The industrial market shows a similar trend in terms of similar asking rent in the Lancashire region of £4.98/ft2, compared to £4.74/ft2 in the Borough. However, availability rates sit at an average rate of 5.8% in the region, whilst slightly lower 3.3%% in the local area.

6.34 With regard to the retail market, regionally throughout Lancashire and locally in the Pendle, there is a relatively low availability rate. The absorption rates over the last 12 months also indicate that there is a lack of demand for retail premises.

7 Method, Viability Assessment Assumptions and Stakeholder Feedback

7.1 This section of the report explains the method we have adopted to conduct our viability analysis, the assumptions we have adopted in our viability modelling and the stakeholder engagement we have undertaken to test these assumptions.

The LSH Viability Model

7.2 Viability testing within this LPVA has been undertaken using a Residual Appraisal Model ('RAM') developed by LSH, which has been designed specifically to review planning contributions over a wider number of use classes. It is an ideal tool to use to assess the impact of varying planning contributions assumptions to inform and determine the appropriate and viable balance between developer contributions. The uses and typologies can be agreed and varied during testing.

7.3 In this instance development scenarios and assumptions used within the LSH RAM have been tested with locally active housebuilders, developers and agents and agreed with Council officers (see Appendix 4). A schedule outlining proposed development scenarios and appraisal assumptions was circulated by email and comments and feedback invited. A viability stakeholder event was also held at Nelson Town Hall in September 2019 *(see Appendix 5)*. Feedback received has in turn been critically reviewed and informed minor adjustments to appraisal assumptions.

7.4 The assumptions are based on Borough-wide market and cost evidence, site-specific viability audits we have recently undertaken for LPAs in the local area, our local market knowledge and other relevant CIL and local plan viability studies LSH have had involvement in. The model caters for both generic and specific inputs as required to define and review potential planning policy objectives and contributions.

7.5 This RAM approach reflects RICS Viability Guidance and the RICS Valuation Information Paper 12 (VIP 12) which provides guidance for development valuations. It also reflects the procedural methodology in the Harman Guidance 7.

Fig 7.1: LSH LPVA Residual Appraisal Methodology

Residual Value approach with 'additional profit' as output
Gross Development Value
(The combined value of the complete development)
LESS
Gross Development Cost + Target Profit
(Cost of creating the asset, including a purchase of land and target level of profit)
(i.e. Land + Construction + fees + finance charges + target profit)
= **RESIDUAL 'ADDITIONAL PROFIT'**
(the available 'surplus' for planning contributions)

7.6 The LSH RAM takes the form of a bespoke Microsoft Excel template, tailored to allow for a variety of planning contributions to be included and tested. The LSH RAM enables transparent and quick analysis of a variety of different uses and sized schemes as well as different values and builds costs (i.e. sensitivity testing) and their impact on delivering viable local planning policy options. Using the LSH RAM, we have appraised each of the agreed development typologies having regard to market values of land and normal levels of developers profit to establish whether there is any development surplus which could provide for affordable housing or other planning contributions.

7.7 This LPVA constitutes ‘stage one’ of a two stage process, with the emphasis herein being on a generic, formula based approach to assess the viability of an appropriate spectrum of representative types of sites within the Borough in accordance with best practice. More detailed analysis of the emerging strategic sites (four major housing led sites) is to be prepared following the preparation of detailed development costs associated with delivering these sites. The primary objectives of this exercise are to provide an information base to enable Council Officers and Members to make broad brush, early assumptions on whether more generally allocations are likely to be deliverable in the context of prospective planning policy objectives and to support the progression of the Local Plan towards the examination process.

7.8 Based on our analysis of the local residential and commercial property markets, we have prepared appropriate assumptions for use in our viability modelling. A draft schedule of development scenarios and appraisal assumptions was prepared and circulated to locally active housebuilders, developers and property agents. Feedback and comment on the draft schedule was invited. Based on the limited feedback received, the assumptions were reviewed and minor revisions made.

7.9 The remainder of this section of the LPVA outlines the various assumptions adopted and where these have been amended in light of stakeholder feedback, why and how they have been changed.

Development Scenarios

7.10 Based upon analysis of existing site allocations, recent planning and development activity and potential future development in the Borough a series of scenarios have been defined to test viability. These scenarios are detailed below:

Table 7.1: Pendle LPVA – Development Scenarios for the M65 Corridor Market Area

Scenario	Summary
MC1	• A large greenfield residential development site located in the M65 Corridor with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
MC2	• A large brownfield residential development site located in the M65 Corridor with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses

	◦ 10 no. two bed bungalows ◦ 5 no. one bed apartments ◦ 5 no. two bed apartments
MC3	• A medium greenfield residential development site located in the M65 Corridor with a development capacity of 60 units, comprising: ◦ 15 no. two bed houses ◦ 18 no. three bed houses ◦ 15 no. four bed houses ◦ 6 no. two bed bungalows ◦ 3 no. one bed apartments ◦ 3 no. two bed apartments
MC4	• A medium brownfield residential development site located in the M65 Corridor with a development capacity of 60 units, comprising: ◦ 15 no. two bed houses ◦ 18 no. three bed houses ◦ 15 no. four bed houses ◦ 6 no. two bed bungalows ◦ 3 no. one bed apartments ◦ 3 no. two bed apartments
MC5	• A small greenfield residential development site located in the M65 Corridor with a development capacity of 10 units, comprising: ◦ 3 no. two bed houses ◦ 4 no. three bed houses ◦ 3 no. four bed houses
MC6	• A small brownfield residential development site located in the M65 Corridor with a development capacity of 10 units, comprising: ◦ 3 no. two bed houses ◦ 4 no. three bed houses ◦ 3 no. four bed houses
MC7	• An extra small greenfield residential development site located in the M65 Corridor with a development capacity of 5 units, comprising: ◦ 2 no. two bed houses ◦ 2 no. three bed houses ◦ 1 no. four bed houses
MC8	• An extra small brownfield residential development site located in the M65 Corridor with a development capacity of 5 units, comprising: ◦ 2 no. two bed houses ◦ 2 no. three bed houses • 1 no. four bed houses

MC9	• An older persons type residential apartment development located in the M65 Corridor with a development capacity of 35 units, comprising: ○ 17 no. one bedroom apartments ○ 18 no. two bedroom apartments

Table 7.2: Pendle LPVA – Development Scenarios for M65 Corridor North Market Area

Scenario	Summary
MCN1	• A large greenfield residential development site located in the M65 Corridor North with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
MCN2	• A large brownfield residential development site located in the M65 Corridor North with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
MCN3	• A medium greenfield residential development site located in the M65 Corridor North with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments ○ 3 no. two bed apartments
MCN4	• A medium brownfield residential development site located in the M65 Corridor North with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments

	○ 3 no. two bed apartments
MCN5	• A small greenfield residential development site located in the M65 Corridor North with a development capacity of 10 units, comprising: ○ 3 no. two bed houses ○ 4 no. three bed houses ○ 3 no. four bed houses
MCN6	• A small brownfield residential development site located in the M65 Corridor North with a development capacity of 10 units, comprising: ○ 3 no. two bed houses ○ 4 no. three bed houses ○ 3 no. four bed houses
MCN7	• An extra small greenfield residential development site located in the M65 Corridor North with a development capacity of 5 units, comprising: ○ 2 no. two bed houses ○ 2 no. three bed houses ○ 1 no. four bed houses
MCN8	• An extra small brownfield residential development site located in the M65 Corridor North with a development capacity of 5 units, comprising: ○ 2 no. two bed houses ○ 2 no. three bed houses ○ 1 no. four bed houses

Table 7.3: Pendle LPVA – Development Scenarios for the West Craven Towns Market Area

Scenario	Summary
WCT1	• A large greenfield residential development site located in the West Craven Towns with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
WCT2	• A large brownfield residential development site located in the West Craven Towns with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments

	○ 5 no. two bed apartments
WCT3	• A medium greenfield residential development site located in the West Craven Towns with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments ○ 3 no. two bed apartments
WCT4	• A medium brownfield residential development site located in the West Craven Towns with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments ○ 3 no. two bed apartments
WCT5	• A small greenfield residential development site located in the West Craven Towns with a development capacity of 10 units, comprising: ○ 3 no. two bed houses ○ 4 no. three bed houses ○ 3 no. four bed houses
WCT6	• A small brownfield residential development site located in the West Craven Towns with a development capacity of 10 units, comprising: ○ 3 no. two bed houses ○ 4 no. three bed houses ○ 3 no. four bed houses
WCT7	• An extra small greenfield residential development site located in the West Craven Towns with a development capacity of 5 units, comprising: ○ 2 no. two bed houses ○ 2 no. three bed houses ○ 1 no. four bed houses
WCT8	• An extra small brownfield residential development site located in the West Craven Towns with a development capacity of 5 units, comprising: ○ 2 no. two bed houses ○ 2 no. three bed houses ○ 1 no. four bed houses
WCT9	• An older persons type residential apartment development located in the West Craven Towns with a development capacity of 35 units, comprising:

	○ 17 no. one bedroom apartments ○ 18 no. two bedroom apartments

Table 7.4: Pendle LPVA – Development Scenarios for Rural Pendle Market Area

Scenario	Summary
RP1	• A large greenfield residential development site located in Rural Pendle with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
RP2	• A large brownfield residential development site located in Rural Pendle with a development capacity of 100 units, comprising: ○ 25 no. two bed houses ○ 30 no. three bed houses ○ 25 no. four bed houses ○ 10 no. two bed bungalows ○ 5 no. one bed apartments ○ 5 no. two bed apartments
RP3	• A medium greenfield residential development site located in Rural Pendle with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments ○ 3 no. two bed apartments
RP4	• A medium brownfield residential development site located in Rural Pendle with a development capacity of 60 units, comprising: ○ 15 no. two bed houses ○ 18 no. three bed houses ○ 15 no. four bed houses ○ 6 no. two bed bungalows ○ 3 no. one bed apartments ○ 3 no. two bed apartments
RP5	• A small greenfield residential development site located in Rural Pendle

	with a development capacity of 10 units, comprising: ◦ 3 no. two bed houses ◦ 4 no. three bed houses ◦ 3 no. four bed houses
RP6	• A small brownfield residential development site located in Rural Pendle with a development capacity of 10 units, comprising: ◦ 3 no. two bed houses ◦ 4 no. three bed houses ◦ 3 no. four bed houses
RP7	• An extra small greenfield residential development site located in Rural Pendle with a development capacity of 5 units, comprising: ◦ 2 no. two bed houses ◦ 2 no. three bed houses ◦ 1 no. four bed houses
RP8	• An extra small brownfield residential development site located in Rural Pendle with a development capacity of 5 units, comprising: ◦ 2 no. two bed houses ◦ 2 no. three bed houses ◦ 1 no. four bed houses

Table 7.5: Pendle LPVA – Development Scenarios for Pendle Mixed and Commercial Sites

Scenario	Summary
C1	• A small 1,500 sqft office development on a greenfield employment allocation in Pendle.
C2	• A large 5,000 sqft office development on a greenfield employment allocation in Pendle.
C3	• A small 1,500 sqft industrial development on a greenfield employment allocation in Pendle.
C4	• A medium 5,000 sqft industrial development on a greenfield employment allocation in Pendle.
C5	• A large 10,000 sqft industrial development on a greenfield employment allocation in Pendle.
C6	• A small 2,500 sqft local centre or town centre retail parade in Pendle.
C7	• A retail foodstore development site with a development capacity of: ◦ 19,000 sqft ◦ 125 space car park
C8	• A retail warehouse development site with a development capacity of: ◦ 20,000 sqft GIA ◦ 100 space car park

C9	• A medium brownfield mixed use development site located in Pendle with a development capacity of: ○ 7,000 sqft GIA retail unit ○ 15 no. two bedroom apartments ○ 15 no. one bedroom apartments ○ 50 space car park

7.11 A detailed schedule of these development scenarios and associated appraisal assumptions is included at *Appendix 4*.

Market Value Assumptions

Gross Development Value (GDV)

7.12 Market Values achieved across Pendle for new build homes are diverse and tend to be at the lower end of values typically achieved across Lancashire.

7.13 The following table demonstrates broadly the rates and total areas that we have adopted for each house type in Urban Edge and Urban Infill locations, based on our knowledge of the local residential market and comparable evidence sourced for new build and modern re-sale homes (see Chapter 5):

Table 7.6: Market Value Assumptions – GDVs (Price / £/ft^2), Floor Area, Net to Gross

House Type	1 bed Apartment	2 Bed Apartment	2 Bed Bungalow	2 bed House	3 bed House	4+ bed House
M65 Corridor Price (£/ft^2)	£80,000 (£148.70)	£95,000 (£147.06)	£125,000 (£178.57)	£120,000 (£159.36)	£145,000 (£158.47)	£190,000 (£153.60)
M65 Corridor North Price (£/ft^2)	£90,000 (£167.29)	£107,000 (£165.63)	£145,000 (£207.14)	£140,000 (£185.92)	£167,000 (£182.51)	£225,000 (£181.89)
West Craven Towns Price (£/ft^2)	£100,000 (£185.87)	£120,000 (£185.76)	£160,000 (£228.57)	£145,000 (£192.56)	£175,000 (£191.26)	£235,000 (£189.98)
Rural Pendle Price (£/ft^2)	£115,000 (£213.75)	£135,000 (£208.98)	£180,000 (£257.14)	£165,000 (£219.12)	£200,000 (£218.58)	£270,000 (£218.27)
Area - Net - Gross	538 633	646 760	700 700	753 753	915 915	1,237 1,237
Net / Gross Ratio	85%	85%	100%	100%	100%	100%

7.14 Stakeholders raised no objection to the market value assumptions.

Land Value Assumptions

7.15 What can be considered to be a reasonable landowner return will depend upon the specific circumstances of the case, for example whether a site is greenfield or brownfield in nature, the extent of abnormal costs, current and future uses of the land. Clearly if a landowner does not receive close to what they perceive to be a reasonable return in relation to the sale of their land then it will not be made available for development.

7.16 The Threshold Land Value ('TLV') is a viability concept relating to a land value at or above that which it is assumed a landowner would be prepared to sell.

7.17 The Residual Land Value ('RLV') is the amount remaining to buy the land once the total cost of a development and an appropriate profit are deducted from the gross development value. The RLV must be above or close to the TLV in order for a scheme to be considered to be potentially viable.

7.18 Typically a landowner will have a preconceived notion of the value or worth of their site. In the case of greenfield sites (typically in an existing agricultural use) it is relatively simple to reconcile whether this notion is realistic through the benchmarking of greenfield land values against other relevant transactions. The benchmarking of land value for brownfield sites is much more subjective, depending on such factors as the existing and previous use of the property or site in question, the extent of abnormal or remediation costs required to facilitate an alternative use for the site and lost income from the termination of existing investments on the site and the perceived historic investment in the site or building by the landowner.

7.19 The 'RICS Viability Guidance' [10] states that 'site value' as a (landowner) benchmark should 'equate to the market value subject to the following assumption: that the value has regard to development plan polices and all other material planning considerations and disregards that which is contrary to the development plan.'

7.20 There is little recent evidence of land transactions within the Borough. In the context of our ongoing local knowledge and experience of Pendle and the wider north-west residential and commercial property markets we have been able to form a high-level view on appropriate benchmark land values.

7.21 We have adopted the following land value thresholds for each of the subject areas in regards to residential development (all prices per net acre):

Table 7.8: Benchmark Land Values

Spatial Area	**Benchmark Land Value (BLV)**	
	Greenfield	**Brownfield**
M65 Corridor	£100,000	£50,000
M65 Corridor North	£150,000	£100,000
West Craven Towns	£200,000	£150,000
Rural Pendle	£300,000	£200,000

7.22 For commercial / mixed use development the following land value assumptions have been adopted (all prices per net acre). These figures apply boroughwide and no distinction is made between greenfield and brownfield sites:

- Employment allocation (B1) - £125,000
- Employment allocation (B2/B8) - £125,000
- Town centre or local centre – small retail parade - £250,000
- Foodstore - £650,000
- Retail Warehouse - £500,000
- Mixed use – £250,000

7.23 Stakeholders raised no objection to the land value assumptions.

Construction Cost Assumptions

Basic Build Costs

7.24 These are direct costs relating to the creation of each proposed dwelling unit, including preliminaries, cost of creating substructure and superstructure, but excluding abnormal items. They do not include the costs of any external works beyond the footprint of the walls of each dwelling.

7.25 A useful starting point for the calculation of basic build costs for new build schemes is RICS's BCIS ('Building Cost Information Service') – the UK property market's leading provider of construction cost and price information. Adopted BCIS costs should be location adjusted to the Borough and we would generally advocate the use of lower quartile cost data. BCIS costs are based on Gross Internal Area ('GIA').

7.26 For residential schemes BCIS 'Average Prices' data arises from the analysis of sample cost returns from a range of schemes, including wholly affordable housing schemes (which will typically have greater relative costs than private residential schemes), of varying design. From experience of the preparation and analysis of site-specific viability studies and from a number of recent planning appeal decisions, it is apparent that volume housebuilders (both national and regional housebuilders) build houses at rates well below BCIS 'Average Price' data, including lower quartile costs. For this reason, we have used a combination of experience and cost evidence from appeal decisions to derive our residential build cost assumptions.

7.27 At the time of writing we have seen a significant increase in BCIS costs over the past 12 to 18 months. This increase has been greater than the rate of increase seen in representative local build costs. We have considered this build cost inflation in the build cost assumptions used in this study.

Table 7.9: Base Build Cost Assumptions – By development scenario and property type

Dev. Scenario / Property Type	Residential Scenarios: Large Site (100 units)	Medium Sites (50 units)	Small Sites (15 units)	Extra Small Sites (5 units)	Employment allocation (B1)	Employment Allocation (B2/B8)	Retail Parade	Foodstore	Retail Warehouse	Mixed Use
House (£ psf)	78.00	82.00	92.00	100.00						
Bungalow (£ psf)	113.62	113.62								
Apartment (£ psf)	113.81	113.81								
Mixed Use (£ psf)										120.00
Office (£ psf)					98.00					
Industrial (£ psf)						60.00				
Retail (£ psf)							100.00	50.00	60.00	

7.28 These residential build costs are used for all house types.

Infrastructure and External Costs

7.29 These are the costs of any external works beyond the footprint of the walls of each dwelling. These include the cost of 'non-abnormal' external works within the curtilage of each plot and within the communal areas of the site such as the installation of utilities, drainage, highways infrastructure and site landscaping. Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. It is however possible to generalise. External costs are typically lower for higher density than for lower density schemes as higher density schemes will have a smaller area of external works, and services can be used more efficiently. Large greenfield sites are more likely to require substantial expenditure on bringing mains services to the site.

7.30 Typically we expect to see external costs comprising from around 10% of basic build costs for smaller sites (up to 0.5 hectares) and increasing to 20% of basic build costs for larger Greenfield schemes (of 1.5 hectares and above).

7.31 The following table shows the assumptions adopted in regards to each scenario, based on the aforementioned principles:

Table 7.10: Demolition and external works assumptions – By development scenario

Dev. Scenario	MC1	MC2	MC3	MC4	MC5	MC6	MC7	MC8	MC9
Demolition (£k per acre)		100		105		110		115	105
External Works (%)	20	20	15	15	10	10	10	10	10

Dev. Scenario	MCN1	MCN2	MCN3	MCN4	MCN5	MCN6	MCN7	MCN8
Demolition (£k per acre)		100		105		110		115
External Works (%)	20	20	15	15	10	10	10	10

Dev. Scenario	WCT1	WCT2	WCT3	WCT4	WCT5	WCT6	WCT7	WCT8	WCT9
Demolition (£k per acre)		100		105		110		115	105
External Works (%)	20	20	15	15	10	10	10	10	10

Dev. Scenario	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8
Demolition (£k per acre)		100		105		110		115
External Works (%)	20	20	15	15	10	10	10	10

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8	C9
Demolition (£k per acre)						100	100	100	100
External Works (%)	10	10	10	10	10	10	10	10	10

7.32 Stakeholders raised no objection to the proposed assumptions for demolition or external works costs.

Site-specific abnormal costs

7.33 Abnormal costs should be those specific to the site, which are over and above costs that can reasonably be expected to be incurred for the development of an allocated, level and well-drained greenfield site with adopted highways and utilities available to the site boundary.

7.34 Stakeholders suggested that it will be important that abnormal costs are reflected in more detailed site specific viability modelling.

Contingency

7.35 A contingency allowance will typically range between 2% and 5% of total build costs for new build schemes. For previously undeveloped and otherwise straightforward sites we would normally allow a contingency of around 2-3% with a higher figure of 5% on more risky types of development and previously developed land.

Table 7.11: Assumed contingency allowances – By development scenario

Dev. Scenario	MC1	MC2	MC3	MC4	MC5	MC6	MC7	MC8	MC9
Contingency (%)	3	5	3	5	3	5	3	5	5

Dev. Scenario	MCN1	MCN2	MCN3	MCN4	MCN5	MCN6	MCN7	MCN8
Contingency (%)	3	5	3	5	3	5	3	5

Dev. Scenario	WCT1	WCT2	WCT3	WCT4	WCT5	WCT6	WCT7	WCT8	WCT9
Contingency (%)	3	5	3	5	3	5	3	5	5

Dev. Scenario	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8
Contingency (%)	3	5	3	5	3	5	3	5

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8	C9
Contingency (%)	5	5	5	5	5	5	3	5	5

Professional Fees

7.36 Professional fees for schemes within the local area (including statutory fees) will typically fall into the range of 5% to 10% of construction costs, dependent upon scale and nature of scheme. Sites requiring input from wider range of professionals (e.g. Brownfield, flood-affected and more complicated sites) are likely to be at the higher end of this range.

Fig 7.12: Assumed professional fees – By development scenario

Dev. Scenario	MC1	MC2	MC3	MC4	MC5	MC6	MC7	MC8	MC9
Professional Fees (%)	8	9	8	9	9	10	9	10	9

Dev. Scenario	MCN1	MCN2	MCN3	MCN4	MCN5	MCN6	MCN7	MCN8
Professional Fees (%)	8	9	8	9	9	10	9	10

Dev. Scenario	WCT1	WCT2	WCT3	WCT4	WCT5	WCT6	WCT7	WCT8	WCT9
Professional Fees (%)	8	9	8	9	9	10	9	10	9

Dev. Scenario	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8
Professional Fees (%)	8	9	8	9	9	10	9	10

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8	C9
Professional Fees (%)	9	9	9	8	9	9	8	9	9

Developer contributions (s106)

7.37 Typical developer cost contributions provided through s106 agreements relate to education, off-site public open and community space provision and off-site highways. However, for the purposes of this LPVA, we have assumed no s106 costs in order to assess the baseline viability position for development across Pendle Borough. The viability modelling identifies the surplus for planning contributions (s106 / CIL) once development costs (including land acquisition costs, constructions costs, fees, developers profit) and affordable housing are discounted from the Gross Development Value.

Marketing and disposal costs

7.38 Marketing and disposal costs include sales legal fees, sales promotion and agency, marketing budget and sales incentives (where necessary). Typically these cumulative costs are expected to fall within the range of 1.5% and 3% of GDV. For the purposes of this LPVA, we have assumed a flat rate of 2.5% of GDV for all residential development scenarios and 3% for commercial development scenarios.

Site acquisition costs

7.39 Site acquisition costs will typically be covered within a budget of 1.5% of site value and will incorporate acquisition agents and legal fees. In addition to this allowance SDLT (Stamp Duty Land Tax) is accounted for at the prevailing rate for the development scenario in question.

Development Finance Costs

7.40 Finance costs within a development appraisal are usually based on the accumulated debt, ideally calculated using a cash flow model in the context of the application of appropriate timescales for the scheme in question. At present most mainstream developers can obtain finance in the range of 5.5 to 6.5% per annum with a credit facility or up to around 60% loan to value. When the arrangement costs of obtaining finance are taken into account the total cost of finance will typically fall within the range of 6.5% to 7.5% per annum.

7.41 It is appreciated that the business models of some developers will involve investing more of their own funds into schemes, with other developers requiring greater external funding. The

'RICS Viability Guidance' [8] (detailed below) is very clear on how such matters must be dealt with:

'viability appraisals…should disregard either benefits or disbenefits that are unique to the applicant, whether landowner, developer or both; for example, internal financing arrangements. The aim should be to reflect industry benchmarks as applied to the particular site in question for a planning application …. Clearly, there must be consistency in viability principles and application across these interrelated planning matters.'

7.42 Consequently, for consistency, the assumption is advocated that finance will be 7% per annum of accumulated debt; assuming a requirement for 100% debt funding for all medium and larger residential developments and commercial developments. For smaller residential developments a modest increase is made to the finance cost of 0.5%, increasing the finance cost to 7% per annum.

<u>Timescale Assumptions</u>

7.43 Timescale assumptions for development appraisals relate to three key elements:

- Pre-construction
  - 3 months lead-in for pre-construction enabling and mobilisation
- Construction
  - 6 months construction per residential and commercial unit
- Sale
  - 6 months average between construction start and first sale for all residential sites
  - 2 sales per month on all small and medium residential sites
  - 4 sales per month on all large residential sites (assuming two sales outlets)
- It is assumed that commercial units will be pre-let or pre-sold

Assumed Developer Return

Developer Return (Profit) (Competitive return to a willing developer)

7.44 There has been much debate at appeal and through assessment of Local Authority policy and guidance documents of what might be considered a competitive and appropriate developer return. The following points are useful to refer to in this regard:

- The Planning Advisory Service 'Viability Handbook and Exercises' (para 4.80) (January 2011) advises that:

  Where a positive residual land value is achieved...Typical required margins, depending on the developer and the risks of the development, are a 20% margin on cost and 17.5% margin on GDV.

- The accompanying guidance to the HCA's Development Appraisal tool comments as follows on *Developer's Return for Risk and Profit (including developer's overheads)*:

Open Market Housing

The developer 'profit' (before taxation) on the open market housing as a percentage of the value of the open market housing. A typical figure currently may be in the region of 17.5-20% and overheads being deducted, but this is only a guide as it will depend on the state of the market and the size and complexity of the scheme.

Affordable Housing

The developer 'profit' (before taxation) on the affordable housing as a percentage of the value of the affordable housing (excluding SHG). A typical figure may be in the region of 6% (the profit is less than that for the open market element of the scheme, as risks are reduced), but this is only a guide.

- LSH Planning and Development Consultancy team members provided expert witness services in relation to a key appeal decision in relation to a large urban edge housing scheme in Kendal in 2013. The following extract, taken from the Appeal Decision, sets out the Inspector's conclusion as to developer return:

  'The concept of a 'competitive return' is not further defined by the NPPF [2]*, and could be the subject of differing interpretations by the parties involved in any particular development. The assessment of a competitive return will involve an element of judgement. Clearly, however, excessively ambitious predictions must be tempered by comparison with industry norms and local circumstances.*

  In this case, it is common ground that a competitive return for the developer can be taken as a profit of 18-20% of the gross development value ('GDV')…I see no reason to reach a different conclusion.'

7.45 It is important to acknowledge that the returns sought by different developers and how they secure this through the whole development process can vary considerably. Developers will take into account a range of factors relating to the risk profile of the scheme, such as scheme size, time of delivery, location and other market factors, in determining what an acceptable rate of return is. Developer's Return is often the most potentially contentious aspect of any Viability Assessment.

7.46 From experience LSH are aware that widely differing profit margins will be expected by different Developers within the Pendle area. Some smaller developers may be willing to accept profit levels of between 10 and 15% of GDV (net of central overheads) in order to keep their workforce employed. Such smaller developers will generally have low level or no funding requirements and the policies of lenders will have minimal relevance.

7.47 Other Developers have greater profit expectations of anything from 15% and 20% of GDV. Developers falling into this bracket will generally utilise bank funding facilities and therefore the current risk-averse cautious policies of lenders will have a greater effect. In general terms ongoing reduced sales rates across the UK continue to cause lenders some concern.

7.48 Whilst many funders do expect 20% of GDV as a starting point on medium and large schemes, there is typically scope for a developer with a reasonable track record to agree a reduction to 18% of GDV where viability becomes an issue and all three parties to transaction (the landowner, developer, LPA) will each need to potentially compromise expectations, to some extent, in order to broker a mutually acceptable solution.

7.49 In order to ensure that Pendle remains open and attractive to a broad range of housebuilders and developers, we have adopted 18% profit on GDV.

8 Viability Assessment Findings

8.1 This section of the report presents the findings of the stage one viability modelling. The findings are presented in turn by settlement / settlement type and development scenario.

8.2 Full development appraisals are provided for each development scenario at Appendix 5. The outturn of the development appraisals is the potential surplus for planning contributions (CIL and/or S106 works or contributions) available after total development costs (land acquisition, build costs, professional fees, borrowing costs and developers profit) and affordable housing are discounted from the gross development value.

8.3 The findings for each development scenario include the sensitivity matrix extracted from the viability appraisal. The sensitivity analysis:

- Identifies the potential surplus for planning contributions based on increases and decreases to the gross development value and / or the constructions costs.
- The central box within the sensitivity matrix provides the viability outturn based upon the appraisal assumptions detailed in this report. This figure is repeated at the top left hand corner of the matrix.
- Gross development values increase in 10% increments running horizontally in the matrix.
- Construction costs increase in 5% increments running vertically in the matrix.
- Colouring in the sensitivity matrix follows a temperature sequence, where green shades illustrate development generating a strong surplus for planning contributions, yellow shades illustrate development generating very limited or nil surplus for planning contributions and orange and red shades show development that is unviable.

(1,632,665)	(621,134)	390,397	1,401,928	2,413,459
(2,116,953)	(1,105,422)	(93,891)	917,640	1,929,171
(2,601,240)	(1,589,709)	(578,178)	433,353	1,444,884
(3,085,527)	(2,073,996)	(1,062,465)	(50,934)	960,597
(3,569,815)	(2,558,284)	(1,546,753)	(535,222)	476,309

Pendle Residential Development

M65 Corridor Sites

8.4 The following figures show the viability results for the scenarios involving large, medium, small and extra small residential developments, on greenfield and brownfield sites in the M65 Corridor market area. It should be noted that there is no existing policy requirement for afforable housing in this market area.

M65 Corridor Large Greenfield Residential Development Sites

8.5 *Fig. 8.1* demonstrates that based on current values and construction costs, a large greenfield site (100 units) in the M65 Corridor market area is unviable. Sensitivity analysis shows that modest changes (5-10% shift) to market values or construction costs will result in significant changes to development viability.

Fig. 8.1 Large Greenfield Residential (MC1)

Construction Costs	Values (578,178)	80%	90%	100%	110%	120%
	90%	(1,632,665)	(621,134)	390,397	1,401,928	2,413,459
	95%	(2,116,953)	(1,105,422)	(93,891)	917,640	1,929,171
	100%	(2,601,240)	(1,589,709)	(578,178)	433,353	1,444,884
	105%	(3,085,527)	(2,073,996)	(1,062,465)	(50,934)	960,597
	110%	(3,569,815)	(2,558,284)	(1,546,753)	(535,222)	476,309

8.6 There is development activity occurring in the M65 Corridor market area. Whilst some of this is occuring with grant assistance (i.e. Homes England Affordable Housing Grant), evidently developers are finding cost saving efficiencies to deliver new housing development in this area.

M65 Corridor Large Brownfield Residential Development Sites

8.7 *Fig. 8.2* demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that more significant changes to market values or construction costs [than the greenfield scenario] will result in significant changes to development viability.

Fig. 8.2 Large Brownfield Residential (MC2)

Construction Costs	Values (1,283,799)	80%	90%	100%	110%	120%
	90%	(2,305,476)	(1,293,945)	(282,414)	729,117	1,740,648
	95%	(2,806,168)	(1,794,637)	(783,106)	228,425	1,239,956
	100%	(3,306,861)	(2,295,330)	(1,283,799)	(272,268)	739,263
	105%	(3,807,554)	(2,796,023)	(1,784,492)	(772,961)	238,570
	110%	(4,308,246)	(3,296,715)	(2,285,184)	(1,273,653)	(262,122)

M65 Corridor Medium Greenfield Residential Development Sites

8.8 *Fig. 8.3* demonstrates that based on current values and construction costs, a medium greenfield site (60 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes (5-10% shift) to market values or construction costs will result in significant changes to development viability.

Fig. 8.3 Medium Greenfield Residential (MC3)

Construction Costs	Values (346,530)	80%	90%	100%	110%	120%
	90%	(975,359)	(368,441)	238,478	845,397	1,452,315
	95%	(1,267,863)	(660,945)	(54,026)	552,892	1,159,811
	100%	(1,560,368)	(953,449)	(346,530)	260,388	867,307
	105%	(1,852,872)	(1,245,953)	(639,035)	(32,116)	574,803
	110%	(2,145,376)	(1,538,457)	(931,539)	(324,620)	282,298

M65 Corridor Medium Brownfield Residential Development Sites

8.9 *Fig. 8.4* demonstrates that based on current values and construction costs, a medium brownfield site (60 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that more significant changes to market values or construction costs [than the medium greenfield scenario] will result in significant changes to development viability.

Fig. 8.4 Medium Brownfield Residential (MC4)

Construction Costs	Values					
	(927,133)	80%	90%	100%	110%	120%
	90%	(1,539,081)	(932,162)	(325,244)	281,675	888,594
	95%	(1,840,026)	(1,233,107)	(626,189)	(19,270)	587,649
	100%	(2,140,971)	(1,534,052)	(927,133)	(320,215)	286,704
	105%	(2,441,915)	(1,834,997)	(1,228,078)	(621,160)	(14,241)
	110%	(2,742,860)	(2,135,942)	(1,529,023)	(922,104)	(315,186)

M65 Corridor Small Greenfield Residential Development Sites

8.10 *Fig. 8.5* demonstrates that based on current values and construction costs, a small greenfield site (15 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes (5-10% shift) to market values or construction costs will result in significant changes to development viability.

Fig. 8.5 Small Greenfield Residential (MC5)

Construction Costs	Values					
	(33,024)	80%	90%	100%	110%	120%
	90%	(154,400)	(36,680)	81,040	198,759	316,479
	95%	(211,431)	(93,712)	24,008	141,727	259,447
	100%	(268,463)	(150,743)	(33,024)	84,696	202,415
	105%	(325,495)	(207,775)	(90,056)	27,664	145,384
	110%	(382,527)	(264,807)	(147,087)	(29,368)	88,352

M65 Corridor Small Brownfield Residential Development Sites

8.11 *Fig. 8.6* demonstrates that based on current values and construction costs, a small brownfield site (15 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that more significant changes to market values or construction costs [than the medium greenfield scenario] will result in significant changes to development viability.

Fig. 8.6 Small Brownfield Residential (MC6)

Construction Costs	Values					
	(128,806)	80%	90%	100%	110%	120%
	90%	(246,901)	(129,181)	(11,461)	106,258	223,978
	95%	(305,573)	(187,854)	(70,134)	47,586	165,305
	100%	(364,246)	(246,526)	(128,806)	(11,087)	106,633
	105%	(422,918)	(305,199)	(187,479)	(69,759)	47,960
	110%	(481,591)	(363,871)	(246,152)	(128,432)	(10,712)

M65 Corridor Extra Small Greenfield Residential Development Sites

8.12 *Fig. 8.7* demonstrates that based on current values and construction costs, an extra small greenfield site (5 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

Fig. 8.7 Extra Small Greenfield Residential (MC7)

	Values					
Construction Costs	(55,603)	80%	90%	100%	110%	120%
	90%	(108,990)	(52,859)	3,272	59,404	115,535
	95%	(138,428)	(82,296)	(26,165)	29,966	86,097
	100%	(167,865)	(111,734)	(55,603)	528	56,659
	105%	(197,303)	(141,172)	(85,041)	(28,909)	27,222
	110%	(226,741)	(170,610)	(114,478)	(58,347)	(2,216)

M65 Corridor Extra Small Brownfield Residential Development Sites

8.13 *Fig. 8.8* demonstrates that based on current values and construction costs, a small brownfield site (5 units) in the M65 Corridor market area is unviable. Sensitivity analysis demonstrates that more significant changes to market values or construction costs [than the medium greenfield scenario] will result in significant changes to development viability.

Fig. 8.8 Extra Small Brownfield Residential (MC8)

	Values					
Construction Costs	(128,620)	80%	90%	100%	110%	120%
	90%	(246,714)	(128,995)	(11,275)	106,444	224,164
	95%	(305,387)	(187,667)	(69,948)	47,772	165,492
	100%	(364,059)	(246,340)	(128,620)	(10,901)	106,819
	105%	(422,732)	(305,012)	(187,293)	(69,573)	48,146
	110%	(481,404)	(363,685)	(245,965)	(128,246)	(10,526)

M65 Corridor Brownfield Older Persons Apartment Developments

8.14 *Fig. 8.9* demonstrates that based on current values and construction costs, an older persons apartment development on a brownfield site (35 units) in the M65 Corridor market area is unviable. The sensitivity analysis identifed that very significant price growth and/or cost savings will be necesssary for such development to become viable.

Fig. 8.9 Brownfield Older Persons Apartment Development (MC9)

	Values					
Construction Costs	(2,204,689)	80%	90%	100%	110%	120%
	90%	(2,255,353)	(2,016,016)	(1,776,679)	(1,537,342)	(1,298,004)
	95%	(2,469,358)	(2,230,021)	(1,990,684)	(1,751,347)	(1,512,010)
	100%	(2,683,364)	(2,444,027)	(2,204,689)	(1,965,352)	(1,726,015)
	105%	(2,897,369)	(2,658,032)	(2,418,695)	(2,179,358)	(1,940,020)
	110%	(3,111,374)	(2,872,037)	(2,632,700)	(2,393,363)	(2,154,026)

M65 Corridor North Sites

8.15 The following figures show the viability results for the scenarios involving large, medium, small and extra small residential developments, on greenfield and brownfield sites in the M65 Corridor North market area. It should be noted that there is no existing policy requirement for afforable housing in this market area.

M65 Corridor North Large Greenfield Residential Development Sites

8.16 *Fig. 8.10* demonstrates that based on current values and construction costs, a large greenfield site (100 units) in the M65 Corridor North market area is viable and generates a reasonable surplus (£831k in total or £8,312 per unit) for planning policy requirements or planning contributions.

Fig. 8.10 Large Greenfield Residential (MCN1)

Construction Costs	Values: 831,255	80%	90%	100%	110%	120%
	90%	(557,681)	621,074	1,799,829	2,978,584	4,157,340
	95%	(1,041,969)	136,787	1,315,542	2,494,297	3,673,052
	100%	(1,526,256)	(347,501)	831,255	2,010,010	3,188,765
	105%	(2,010,543)	(831,788)	346,967	1,525,723	2,704,478
	110%	(2,494,830)	(1,316,075)	(137,320)	1,041,435	2,220,190

M65 Corridor North Large Brownfield Residential Development Sites

8.17 *Fig. 8.11* demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the M65 Corridor North market area is viable and generates a modest surplus of (£126k in total or £1,256 per unit) for planning policy requirements or planning contributions.

Fig. 8.11 Large Brownfield Residential (MCN2)

Construction Costs	Values: 125,634	80%	90%	100%	110%	120%
	90%	(1,230,491)	(51,736)	1,127,019	2,305,774	3,484,529
	95%	(1,731,184)	(552,429)	626,326	1,805,081	2,983,837
	100%	(2,231,877)	(1,053,122)	125,634	1,304,389	2,483,144
	105%	(2,732,569)	(1,553,814)	(375,059)	803,696	1,982,451
	110%	(3,233,262)	(2,054,507)	(875,752)	303,004	1,481,759

M65 Corridor North Medium Greenfield Residential Development Sites

8.18 *Fig. 8.12* demonstrates that based on current values and construction costs, a medium greenfield site (60 units) in the M65 Corridor North market area is viable and generates a reasonable surplus (£506k in total or £5,062 per unit) for planning policy requirements or planning contributions.

Fig. 8.12 Medium Greenfield Residential (MCN3)

Construction Costs	Values: 506,250	80%	90%	100%	110%	120%
	90%	(323,248)	384,005	1,091,258	1,798,511	2,505,764
	95%	(615,752)	91,501	798,754	1,506,007	2,213,260
	100%	(908,256)	(201,003)	506,250	1,213,503	1,920,756
	105%	(1,200,761)	(493,507)	213,746	920,999	1,628,252
	110%	(1,493,265)	(786,012)	(78,759)	628,495	1,335,748

M65 Corridor North Medium Brownfield Residential Development Sites

8.19 *Fig. 8.13* demonstrates that based on current values and construction costs, a medium brownfield site (60 units) in the M65 Corridor North market area is unviable. However, sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

Fig. 8.13 Medium Brownfield Residential (MCN4)

Construction Costs	Values: (74,353)	80%	90%	100%	110%	120%
	90%	(886,970)	(179,717)	527,537	1,234,790	1,942,043
	95%	(1,187,914)	(480,661)	226,592	933,845	1,641,098
	100%	(1,488,859)	(781,606)	(74,353)	632,900	1,340,153
	105%	(1,789,804)	(1,082,551)	(375,298)	331,955	1,039,208
	110%	(2,090,749)	(1,383,496)	(676,243)	31,010	738,263

M65 Corridor North Small Greenfield Residential Development Sites

8.20 *Fig. 8.14* demonstrates that based on current values and construction costs, a small greenfield site (15 units) in the M65 Corridor North market area is viable and generates a reasonable surplus (£125k in total or £8,355 per unit) for planning policy requirements or planning contributions.

Fig. 8.14 Small Greenfield Residential (MCN5)

Values

Construction Costs	125,319	80%	90%	100%	110%	120%
	90%	(35,504)	101,939	239,383	376,826	514,270
	95%	(92,536)	44,908	182,351	319,795	457,238
	100%	(149,568)	(12,124)	125,319	262,763	400,206
	105%	(206,599)	(69,156)	68,288	205,731	343,175
	110%	(263,631)	(126,188)	11,256	148,699	286,143

M65 Corridor North Small Brownfield Residential Development Sites

8.21 *Fig. 8.15* demonstrates that based on current values and construction costs, a small brownfield site (15 units) in the M65 Corridor North market area is viable and generates a reasonable surplus (£29.5k in total or £2,953 per unit) for planning policy requirements or planning contributions.

Fig. 8.15 Small Brownfield Residential (MCN6)

Values

Construction Costs	29,537	80%	90%	100%	110%	120%
	90%	(128,005)	9,438	146,882	284,325	421,769
	95%	(186,678)	(49,234)	88,209	225,653	363,096
	100%	(245,350)	(107,907)	29,537	166,980	304,424
	105%	(304,023)	(166,579)	(29,136)	108,308	245,751
	110%	(362,695)	(225,252)	(87,808)	49,635	187,079

M65 Corridor North Extra Small Greenfield Residential Development Sites

8.22 *Fig. 8.16* demonstrates that based on current values and construction costs, an extra small greenfield site (5 units) in the M65 Corridor North market area is viable and generates a reasonable surplus (£16.6k in total or £3,316 per unit) for planning policy requirements or planning contributions. .

Fig. 8.16 Extra Small Greenfield Residential (MCN7)

Values

Construction Costs	16,578	80%	90%	100%	110%	120%
	90%	(55,364)	10,045	75,453	140,861	206,270
	95%	(84,802)	(19,393)	46,015	111,424	176,832
	100%	(114,239)	(48,831)	16,578	81,986	147,395
	105%	(143,677)	(78,268)	(12,860)	52,548	117,957
	110%	(173,115)	(107,706)	(42,298)	23,111	88,519

M65 Corridor Extra Small Brownfield Residential Development Sites

8.23 *Fig. 8.17* demonstrates that based on current values and construction costs, an extra small brownfield site (15 units) in the M65 Corridor North market area is unviable. However, sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

Fig. 8.17 Extra Small Brownfield Residential (MCN8)

Construction Costs	Values: (36,147)	80%	90%	100%	110%	120%
	90%	(106,395)	(40,986)	24,422	89,830	155,239
	95%	(136,679)	(71,271)	(5,863)	59,546	124,954
	100%	(166,964)	(101,556)	(36,147)	29,261	94,670
	105%	(197,249)	(131,840)	(66,432)	(1,023)	64,385
	110%	(227,533)	(162,125)	(96,716)	(31,308)	34,100

West Craven Towns Sites

8.24 The following figures show the viability results for the scenarios involving large, medium, small and extra small residential developments, on greenfield and brownfield sites in the West Craven Towns market area.

West Craven Towns Large Greenfield Residential Development Sites

8.25 *Fig. 8.18* demonstrates that based on current values and construction costs, a large greenfield site (100 units) in the West Craven Towns market area is viable, can deliver 5% affordable housing and generates a reasonable surplus (£867k in total or £8,673 per unit) for planning policy requirements or planning contributions.

Fig. 8.18 Large Greenfield Residential (WCT1)

Construction Costs	Values: 867,305	80%	90%	100%	110%	120%
	90%	(593,440)	621,220	1,835,879	3,050,539	4,265,199
	95%	(1,077,727)	136,932	1,351,592	2,566,252	3,780,911
	100%	(1,562,015)	(347,355)	867,305	2,081,965	3,296,624
	105%	(2,046,302)	(831,642)	383,018	1,597,677	2,812,337
	110%	(2,530,589)	(1,315,929)	(101,270)	1,113,390	2,328,050

West Craven Towns Large Brownfield Residential Development Sites

8.26 *Fig. 8.19* demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the West Craven Towns market area is viable, can deliver 5% affordable housing and generates a modest surplus of (£161k in total or £1,617 per unit) for planning policy requirements or planning contributions.

Fig. 8.19 Large Brownfield Residential (WCT2)

Construction Costs	Values: 161,684	80%	90%	100%	110%	120%
	90%	(1,266,250)	(51,591)	1,163,069	2,377,729	3,592,389
	95%	(1,766,943)	(552,283)	662,377	1,877,036	3,091,696
	100%	(2,267,635)	(1,052,976)	161,684	1,376,344	2,591,003
	105%	(2,768,328)	(1,553,668)	(339,009)	875,651	2,090,311
	110%	(3,269,021)	(2,054,361)	(839,701)	374,958	1,589,618

West Craven Towns Medium Greenfield Residential Development Sites

8.27 *Fig. 8.20* demonstrates that based on current values and construction costs, a medium greenfield site (60 units) in the West Craven Towns market area is viable, can deliver 5% affordable housing and generates a reasonable surplus (£535k in total or £8,917 per unit) for planning policy requirements or planning contributions.

Fig. 8.20 Medium Greenfield Residential (WCT3)

Construction Costs	Values 535,001	80%	90%	100%	110%	120%
	90%	(337,583)	391,213	1,120,009	1,848,805	2,577,601
	95%	(630,087)	98,709	827,505	1,556,301	2,285,096
	100%	(922,591)	(193,795)	535,001	1,263,797	1,992,592
	105%	(1,215,095)	(486,299)	242,497	971,292	1,700,088
	110%	(1,507,599)	(778,803)	(50,008)	678,788	1,407,584

West Craven Towns Medium Brownfield Residential Development Sites

8.28 *Fig. 8.21* demonstrates that based on current values and construction costs, a medium brownfield site (60 units) in the West Craven Towns market area is unviable. However, sensitivity analysis demonstrates that very modest changes to market values or construction costs will result in significant changes to development viability.

Fig. 8.21 Medium Brownfield Residential (WCT4)

Construction Costs	Values (45,602)	80%	90%	100%	110%	120%
	90%	(901,304)	(172,508)	556,287	1,285,083	2,013,879
	95%	(1,202,249)	(473,453)	255,343	984,138	1,712,934
	100%	(1,503,194)	(774,398)	(45,602)	683,194	1,411,989
	105%	(1,804,139)	(1,075,343)	(346,547)	382,249	1,111,045
	110%	(2,105,083)	(1,376,288)	(647,492)	81,304	810,100

West Craven Towns Small Greenfield Residential Development Sites

8.29 *Fig. 8.22* demonstrates that based on current values and construction costs, a small greenfield site (10 units) in the West Craven Towns market area is viable, can deliver 5% affordable housing and generates a reasonable surplus (£122k in total or £12,207 per unit) for planning policy requirements or planning contributions.

Fig. 8.22 Small Greenfield Residential (WCT5)

Construction Costs	Values 122,067	80%	90%	100%	110%	120%
	90%	(45,885)	95,123	236,131	377,139	518,146
	95%	(102,917)	38,091	179,099	320,107	461,115
	100%	(159,948)	(18,941)	122,067	263,075	404,083
	105%	(216,980)	(75,972)	65,035	206,043	347,051
	110%	(274,012)	(133,004)	8,004	149,012	290,019

West Craven Towns Small Brownfield Residential Development Sites

8.30 *Fig. 8.23* demonstrates that based on current values and construction costs, a small brownfield site (10 units) in the West Craven Towns market area is viable, can deliver 5% affordable housing and generates a reasonable surplus (£122k in total or £12,207 per unit) for planning policy requirements or planning contributions.

Fig. 8.23 Small Brownfield Residential (WCT6)

Construction Costs	Values 16,332	80%	90%	100%	110%	120%
	90%	(148,338)	(7,330)	133,678	274,685	415,693
	95%	(207,011)	(66,003)	75,005	216,013	357,021
	100%	(265,683)	(124,675)	16,332	157,340	298,348
	105%	(324,356)	(183,348)	(42,340)	98,668	239,676
	110%	(383,028)	(242,020)	(101,013)	39,995	181,003

West Craven Towns Extra Small Greenfield Residential Development Sites

8.31 *Fig. 8.24* demonstrates that based on current values and construction costs, an extra small greenfield site (5 units) in the West Craven Towns market area is viable and generates a reasonable surplus (£7.7k in total or £1,534 per unit) for planning policy requirements or planning contributions.

Fig. 8.24 Extra Small Greenfield Residential (WCT7)

Values

Construction Costs	7,672	80%	90%	100%	110%	120%
	90%	(69,883)	(1,668)	66,547	134,762	202,977
	95%	(99,321)	(31,106)	37,109	105,324	173,539
	100%	(128,758)	(60,543)	7,672	75,887	144,102
	105%	(158,196)	(89,981)	(21,766)	46,449	114,664
	110%	(187,634)	(119,419)	(51,204)	17,011	85,226

West Craven Towns Extra Small Brownfield Residential Development Sites

8.32 *Fig. 8.25* demonstrates that based on current values and construction costs, an extra small brownfield site (5 units) in the West Craven market area is viable. However, sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

Fig. 8.25 Extra Small Brownfield Residential (WCT8)

Values

Construction Costs	(37,302)	80%	90%	100%	110%	120%
	90%	(113,163)	(44,948)	23,267	91,482	159,697
	95%	(143,447)	(75,232)	(7,017)	61,198	129,413
	100%	(173,732)	(105,517)	(37,302)	30,913	99,128
	105%	(204,016)	(135,801)	(67,586)	629	68,844
	110%	(234,301)	(166,086)	(97,871)	(29,656)	38,559

West Craven Towns Older Persons Apartment Developments

8.33 *Fig. 8.26* demonstrates that based on current values and construction costs, an older persons apartment development on a brownfield site (35 units) in the West Craven Towns market area is unviable. The sensitivity analysis identifed that very significant price growth and/or cost savings will be necesssary for such development to become viable.

Fig. 8.26 Brownfield Older Persons Apartment Development (WCT9)

Values

Construction Costs	(1,544,775)	80%	90%	100%	110%	120%
	90%	(1,744,656)	(1,448,846)	(1,153,036)	(857,226)	(561,416)
	95%	(1,940,525)	(1,644,715)	(1,348,905)	(1,053,096)	(757,286)
	100%	(2,136,395)	(1,840,585)	(1,544,775)	(1,248,965)	(953,155)
	105%	(2,332,264)	(2,036,454)	(1,740,644)	(1,444,835)	(1,149,025)
	110%	(2,528,134)	(2,232,324)	(1,936,514)	(1,640,704)	(1,344,894)

Rural Pendle Sites

8.34 The following figures show the viability results for the scenarios involving large, medium, small and extra small residential developments, on greenfield and brownfield sites in the Rural Pendle market area.

Rural Pendle Large Greenfield Residential Development Sites

8.35 *Fig. 8.27* demonstrates that based on current values and construction costs, a large greenfield site (100 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a reasonable surplus (£1.134M in total or £11,343 per unit) for planning policy requirements or planning contributions.

Fig. 8.27 Large Greenfield Residential (RP1)

Construction Costs	Values 1,134,344	80%	90%	100%	110%	120%
	90%	(530,960)	785,980	2,102,919	3,419,858	4,736,797
	95%	(1,015,247)	301,692	1,618,632	2,935,571	4,252,510
	100%	(1,499,534)	(182,595)	1,134,344	2,451,284	3,768,223
	105%	(1,983,822)	(666,882)	650,057	1,966,996	3,283,936
	110%	(2,468,109)	(1,151,170)	165,770	1,482,709	2,799,648

Rural Pendle Large Brownfield Residential Development Sites

8.36 *Fig. 8.28* demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a modest surplus of (£429k in total or £4,287 per unit) for planning policy requirements or planning contributions.

Fig. 8.28 Large Brownfield Residential (RP2)

Construction Costs	Values 428,723	80%	90%	100%	110%	120%
	90%	(1,203,770)	113,169	1,430,109	2,747,048	4,063,987
	95%	(1,704,463)	(387,523)	929,416	2,246,355	3,563,295
	100%	(2,205,155)	(888,216)	428,723	1,745,663	3,062,602
	105%	(2,705,848)	(1,388,909)	(71,969)	1,244,970	2,561,909
	110%	(3,206,541)	(1,889,601)	(572,662)	744,277	2,061,217

Rural Pendle Medium Greenfield Residential Development Sites

8.37 *Fig. 8.29* demonstrates that based on current values and construction costs, a medium greenfield site (60 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a reasonable surplus (£709k in total or £11,824 per unit) for planning policy requirements or planning contributions.

Fig. 8.29 Medium Greenfield Residential (RP3)

Construction Costs	Values 709,466	80%	90%	100%	110%	120%
	90%	(285,853)	504,311	1,294,474	2,084,638	2,874,801
	95%	(578,357)	211,806	1,001,970	1,792,134	2,582,297
	100%	(870,861)	(80,698)	709,466	1,499,629	2,289,793
	105%	(1,163,366)	(373,202)	416,962	1,207,125	1,997,289
	110%	(1,455,870)	(665,706)	124,457	914,621	1,704,785

Rural Pendle Medium Brownfield Residential Development Sites

8.38 *Fig. 8.30* demonstrates that based on current values and construction costs, a medium brownfield site (60 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a reasonable surplus (£129k in total or £2,148 per unit) for planning policy requirements or planning contributions.

Fig. 8.30 Medium Brownfield Residential (RP4)

Construction Costs	Values 128,863	80%	90%	100%	110%	120%
	90%	(849,575)	(59,411)	730,753	1,520,916	2,311,080
	95%	(1,150,519)	(360,356)	429,808	1,219,971	2,010,135
	100%	(1,451,464)	(661,301)	128,863	919,027	1,709,190
	105%	(1,752,409)	(962,245)	(172,082)	618,082	1,408,245
	110%	(2,053,354)	(1,263,190)	(473,027)	317,137	1,107,300

Rural Pendle Small Greenfield Residential Development Sites

8.39 *Fig. 8.31* demonstrates that based on current values and construction costs, a small greenfield site (10 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a reasonable surplus (£164k in total or £16,366 per unit) for planning policy requirements or planning contributions.

Fig. 8.31 Small Greenfield Residential (RP5)

Construction Costs	Values 163,664	80%	90%	100%	110%	120%
	90%	(28,166)	124,781	277,728	430,674	583,621
	95%	(85,197)	67,749	220,696	373,642	526,589
	100%	(142,229)	10,718	163,664	316,611	469,557
	105%	(199,261)	(46,314)	106,632	259,579	412,526
	110%	(256,293)	(103,346)	49,601	202,547	355,494

Rural Pendle Small Brownfield Residential Development Sites

8.40 *Fig. 8.32* demonstrates that based on current values and construction costs, a small brownfield site (10 units) in the Rural Pendle market area is viable, can deliver 20% affordable housing and generates a reasonable surplus (£67.9k in total or £6,788 per unit) for planning policy requirements or planning contributions.

Fig. 8.32 Small Brownfield Residential (RP6)

Construction Costs	Values 67,882	80%	90%	100%	110%	120%
	90%	(120,667)	32,280	185,227	338,173	491,120
	95%	(179,339)	(26,393)	126,554	279,501	432,447
	100%	(238,012)	(85,065)	67,882	220,828	373,775
	105%	(296,684)	(143,738)	9,209	162,156	315,102
	110%	(355,357)	(202,410)	(49,464)	103,483	256,430

Rural Pendle Extra Small Greenfield Residential Development Sites

8.41 *Fig. 8.33* demonstrates that based on current values and construction costs, an extra small greenfield site (5 units) in the Rural Pendle market area is viable and generates a reasonable surplus (£70.7k in total or £14,138 per unit) for planning policy requirements or planning contributions.

Fig. 8.33 Extra Small Greenfield Residential (RP7)

Construction Costs	Values 70,688	80%	90%	100%	110%	120%
	90%	(26,356)	51,604	129,564	207,524	285,484
	95%	(55,794)	22,166	100,126	178,086	256,046
	100%	(85,232)	(7,272)	70,688	148,648	226,608
	105%	(114,670)	(36,710)	41,250	119,210	197,170
	110%	(144,107)	(66,147)	11,813	89,773	167,733

Rurual Pendle Extra Small Brownfield Residential Development Sites

8.42 *Fig. 8.25* demonstrates that based on current values and construction costs, an extra small brownfield site (5 units) in the Rural Pendle market area is viable and generates a reasonable surplus (£27.8k in total or £2,790 per unit) for planning policy requirements or planning contributions.

Fig. 8.25 Extra Small Brownfield Residential (RP8)

Construction Costs	Values: 27,895	80%	90%	100%	110%	120%
	90%	(67,456)	10,504	88,464	166,424	244,384
	95%	(97,740)	(19,780)	58,180	136,140	214,100
	100%	(128,025)	(50,065)	27,895	105,855	183,815
	105%	(158,310)	(80,350)	(2,390)	75,570	153,530
	110%	(188,594)	(110,634)	(32,674)	45,286	123,246

Commercial and Mixed Use Sites

8.43 The following figures show the viability results for the scenarios involving mixed use, employment and retail developments, on greenfield and brownfield sites in the Borough:

Small Office Development Sites

Fig. 8.29. Small Office Development (C1)

Construction Costs	Values: (129,766)	80%	90%	100%	110%	120%
	90%	(138,124)	(119,804)	(101,485)	(83,165)	(64,846)
	95%	(152,264)	(133,945)	(115,625)	(97,306)	(78,986)
	100%	(166,405)	(148,085)	(129,766)	(111,446)	(93,127)
	105%	(180,545)	(162,226)	(143,906)	(125,587)	(107,267)
	110%	(194,686)	(176,366)	(158,047)	(139,727)	(121,408)

8.44 *Fig. 8.29* demonstrates that based on current values and construction costs, a small greenfield office development site in Pendle is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Large Office Development Site

Fig. 8.30 Large Office Development (C2)

Construction Costs	Values: (188,345)	80%	90%	100%	110%	120%
	90%	(245,462)	(178,410)	(111,358)	(44,306)	22,745
	95%	(283,955)	(216,904)	(149,852)	(82,800)	(15,748)
	100%	(322,449)	(255,397)	(188,345)	(121,294)	(54,242)
	105%	(360,943)	(293,891)	(226,839)	(159,787)	(92,736)
	110%	(399,436)	(332,385)	(265,333)	(198,281)	(131,229)

8.45 *Fig. 8.30* demonstrates that based on current values and construction costs, a large greenfield office development site in Pendle is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Small Industrial Development Sites

Fig. 8.31 Small Industrial Development (C3)

Construction Costs	Values (47,113)	80%	90%	100%	110%	120%
	90%	(54,783)	(43,878)	(32,973)	(22,068)	(11,163)
	95%	(61,853)	(50,948)	(40,043)	(29,138)	(18,233)
	100%	(68,923)	(58,018)	(47,113)	(36,208)	(25,303)
	105%	(75,994)	(65,089)	(54,184)	(43,279)	(32,374)
	110%	(83,064)	(72,159)	(61,254)	(50,349)	(39,444)

8.46 *Fig. 8.31* demonstrates that based on current values and construction costs, a small greenfield industrial development site in Pendle is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Medium Industrial Development Sites

Fig. 8.32* Medium Industrial Development *(C4)

Construction Costs	Values (132,639)	80%	90%	100%	110%	120%
	90%	(158,636)	(122,286)	(85,936)	(49,586)	(13,236)
	95%	(181,987)	(145,637)	(109,287)	(72,937)	(36,587)
	100%	(205,339)	(168,989)	(132,639)	(96,289)	(59,939)
	105%	(228,690)	(192,340)	(155,990)	(119,640)	(83,290)
	110%	(252,041)	(215,691)	(179,341)	(142,991)	(106,641)

8.47 *Fig. 8.32* demonstrates that based on current values and construction costs, a medium greenfield industrial development site in Pendle is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Large Industrial Development Sites

Fig. 8.33 Large Industrial Development (C5)

Construction Costs	Values (246,239)	80%	90%	100%	110%	120%
	90%	(296,168)	(224,069)	(151,969)	(79,870)	(7,770)
	95%	(343,303)	(271,204)	(199,104)	(127,005)	(54,905)
	100%	(390,438)	(318,339)	(246,239)	(174,140)	(102,040)
	105%	(437,573)	(365,474)	(293,374)	(221,275)	(149,175)
	110%	(484,709)	(412,609)	(340,510)	(268,410)	(196,311)

8.48 *Fig. 8.33* demonstrates that based on current values and construction costs, a large greenfield industrial development site in Pendle is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Small Retail Parade

Fig. 8.34 Small Retail Parade (C6)

Construction Costs	Values (28,800)	80%	90%	100%	110%	120%
	90%	(68,435)	(28,978)	10,479	49,936	89,392
	95%	(88,074)	(48,618)	(9,161)	30,296	69,753
	100%	(107,714)	(68,257)	(28,800)	10,656	50,113
	105%	(127,354)	(87,897)	(48,440)	(8,983)	30,474
	110%	(146,993)	(107,536)	(68,080)	(28,623)	10,834

8.49 *Fig. 8.34* demonstrates that based on current values and construction costs, a small retail parade development site in Pendle is likely unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will be necessary for development to become viable.

Retail Foodstore Development Sites

Fig. 8.35 Brownfield Retail Foodstore Development (C7)

Construction Costs	Values 2,011,072	80%	90%	100%	110%	120%
	90%	1,328,339	1,790,963	2,253,588	2,716,213	3,178,838
	95%	1,207,080	1,669,705	2,132,330	2,594,955	3,057,580
	100%	1,085,822	1,548,447	2,011,072	2,473,696	2,936,321
	105%	964,564	1,427,188	1,889,813	2,352,438	2,815,063
	110%	843,305	1,305,930	1,768,555	2,231,180	2,693,805

8.50 *Fig. 8.35* demonstrates that based on current values and construction costs, a brownfield retail foodstore development site is viable and generates a potential surplus for planning contributions of £2.011 million.

Retail Warehouse Development Sites

Fig. 8.36 Brownfield Retail Warehouse Development (C8)

Construction Costs	Values 154,845	80%	90%	100%	110%	120%
	90%	(323,127)	7,917	338,961	670,006	1,001,050
	95%	(415,186)	(84,141)	246,903	577,947	908,992
	100%	(507,244)	(176,199)	154,845	485,889	816,934
	105%	(599,302)	(268,257)	62,787	393,831	724,876
	110%	(691,360)	(360,316)	(29,271)	301,773	632,817

8.51 *Fig. 8.36* demonstrates that based on current values and construction costs, a brownfield retail warehouse development site is viable and generates a potential surplus for planning contributions of £159k. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

Brownfield Mixed Use Development Sites

Fig. 8.37 Mixed Use Development Sites (C9)

Construction Costs	Values (671,222)	80%	90%	100%	110%	120%
	90%	(1,113,596)	(493,494)	126,608	746,710	1,366,812
	95%	(1,358,842)	(738,740)	(118,638)	501,464	1,121,566
	100%	(1,604,087)	(983,985)	(363,883)	256,219	876,321
	105%	(1,849,332)	(1,229,230)	(609,128)	10,974	631,076
	110%	(2,094,577)	(1,474,475)	(854,373)	(234,271)	385,831

8.52 *Fig 8.37* demonstrates that based on current values and construction costs, a mixed use brownfield development site is unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

9 Conclusions and Recommendations

9.1 LSH was appointed by Pendle Council in June 2019 to advise on and prepare an Local Plan Viability Assessment ('LPVA') covering a representative range of housing, commercial and employment development sites across the Borough. This LPVA will form part of the evidence base for the emerging Pendle Local Plan Part 2 – Site Allocations and Development Management Policies.

9.2 When considering the deliverability of the emerging Pendle Local Plan Part 2, it is also useful to consider paragraph 16 of the NPPF [2]:

"Plans should:

…

b) be prepared positively, in a way that is aspirational but deliverable

c) be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees"

9.3 Thus, whilst it is important that emerging Local Plan policy is realistic and informed by careful viability analysis (supported by proportionate and effective engagement), the Plan should be aspirational. The emerging Local Plan will need to consider and identify how viable development can be achieved.

9.4 The preparation of the LPVA has been informed and tested by engagement with a variety of stakeholders involved in the development process in Pendle. Stakeholders have been presented with the scenarios and assumptions adopted in this LPVA and invited to share their experience of delivering a variety of developments across the area.

9.5 Overall the viability modelling identifies a mixed picture of viability. This picture is not uncommon with our experience of site specific and plan-wide viability in neighbouring authorities and across the wider region. The viability modelling shows:

- That residential development is generally viable across the Borough in all areas other than the M65 Corridor market area. However, there are variations between each market area and between brownfield and greenfield sites.

- In the M65 Corridor:

    - Residential development (irrespective of development size and whether the size is greenfield or brownfield) based on current values and construction costs is shown to be unviable. Sensitivity analysis demonstrates that changes to values or construction costs will result in significant changes to development viability. Evidently, there is development activity occurring in the M65 Corridor market area. Whilst some of this is occurring with grant assistance (i.e. Homes England Affordable Housing Grant), evidently housebuilders are finding cost saving efficiencies to deliver new housing development in this area.

- In the M65 Corridor North:

    - Large, medium, small and extra small greenfield development sites are shown to be viable and deliver a reasonable surplus for planning policy requirements and planning contributions.

    - A slightly more mixed picture emerges for brownfield sites, where large and small brownfield development sites are shown to be viable and deliver a modest surplus for planning policy requirements and planning contributions, whilst medium and extra small brownfield development sites are shown to be unviable (albeit only marginally unviable).

    - Sensitivity analysis demonstrates that modest changes to value and / or cost will result in significant changes to development viability and the potential surplus for planning policy requirements or planning contributions.

- In the West Craven Towns:

    - Large, medium and small greenfield development sites are shown to be viable, to deliver 5% affordable housing and deliver a reasonable surplus for planning policy requirements and planning contributions.

    - Large and small brownfield development sites are shown to be viable, to deliver 5% affordable housing and deliver a modest surplus for planning policy requirements and planning contributions.

    - The medium brownfield development site is shown to be marginally unviable. However, sensitivity analysis demonstrates that modest changes to value and / or cost will result in significant changes to development viability and the potential to provide the 5% affordable housing requirement plus a surplus for planning policy requirements or planning contributions.

    - The extra small housing sites are below the national policy threshold to provide affordable housing. However, the greenfield site will provide a reasonable surplus for planning policy requirements and planning contributions. The extra small brownfield housing sites are shown to be unviable, although modest price growth would reverse this situation and 10% price growth would result in development becoming viable and creating a reasonable surplus for planning policy requirements and planning contributions.

    - The brownfield apartment sites are shown to be unviable based on the sales value and build cost assumptions adopted in the appraisal. Significant sales value growth will be necessary for such development to be viable.

    - Again, sensitivity analysis demonstrates that modest changes to value and / or cost will result in significant changes to development viability and the potential surplus for planning policy requirements or planning contributions.

- In Rural Pendle

    - Large, medium and small greenfield and brownfield development sites are shown to be viable, to deliver 20% affordable housing and deliver a reasonable surplus for planning policy requirements and planning contributions.

    - The extra small housing sites are below the national policy threshold to provide affordable housing. However, these sites will provide a reasonable surplus for planning policy requirements and planning contributions.

    - Again, sensitivity analysis demonstrates that modest changes to value and / or cost will result in significant changes to development viability and the potential surplus for planning policy requirements or planning contributions.

- That the foodstore and retail warehouse development on brownfield sites are viable and generate a significant or reasonable surplus (respectively) for planning policy requirements and planning contributions.

- That small retail developments are unviable based upon the adopted values and build costs.

- That office and industrial / logistics development is unviable based upon the adopted values and build costs.

- That mixed use brownfield development is unviable based upon the adopted values and build costs.

9.6 This LPVA process provides a mixed picture on viability with a number of scenarios providing a surplus for affordable housing, elevated planning policy requirements and s106 contributions.

9.7 This LPVA process provides baseline market evidence and viability modelling for future detailed analysis of the emerging site allocations and against which to benchmark site specific viability appraisals.

9.8 The findings also identify that employment development across the Borough has potential viability challenges. These types of development will be unlikely to deliver elevated policy standards or s106 contributions. Rather, careful consideration will need to be given through the application of Local Plan policy and the determination of future planning applications towards how these sites and types of development can be delivered.

9.9 The viability modelling assumes that development will be delivered speculatively by housebuilders and developers in exchange for a reasonable development profit. This approach to assessing development viability follows national guidance and recognised practise. However, a range of developments, including business premises, retail stores, affordable housing schemes and self-build housing, will be occupier or operator led and rely on different financial rational. Employment, commercial, mixed use and appropriate residential sites should appropriately be identified to meet this potential demand.

9.10 Pendle and the wider region also has a long record of realising development (including major employment developments) that have been assisted through public sector funding support or enabling development. The future context for public sector funding assistance (particularly in light of Brexit) is unclear. However, opportunities for public sector support or enabling development are being utilised to advance otherwise unviable commercial developments in neighbouring authorities and across the wider region. Examples include:

- Direct development delivery by public sector organisations.
- Public sector organisations providing income strip guarantees to developers to support development viability.
- Enabling development, whereby high value uses are included to cross-subsidise unviable development elements to provide reasonable returns to landowner and developer.

9.11 These options to enhance development viability should be considered through the Local Plan preparation process and further site specific and plan-wide viability modelling.

Appendix 1: Schedule of Infrastructure Requirements

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	SCS Goal	Core Strategy SO	Core Strategy Policy
1. Transport												
a. Highways												
Improvements to motorway junctions	Brierfield to Colne	Work would help to improve access to the strategic employment (Junction 12) and housing sites (Junction 13) proposed in the Core Strategy. They would also help to improve traffic movements in and around these busy junctions helping to better serve existing employment sites (Lomeshaye and Riverside Business Park), Nelson & Colne College and Nelson Town Centre.	2015/16-2016/17	Physical improvements to the M65, A682 and A6068 to help improve the flow of traffic, including signalisation of the roundabout junctions.	Lancashire County Council	Lancashire County Council	£2m	Single Growth Fund Lancashire County Council S106	In July 2014, the Lancashire Economic Partnership announced a £12 million programme to improve the M65 from Junction 6 at Whitebirk to Junction 14 at Colne, including £8m million from the Single Local Growth Fund, with the additional £4 million to be allocated by Lancashire County Council as part of the East Lancashire Highways and Transport Masterplan. Further funding from the Single Growth Fund is subject to further review. Work at Junction 13 is partly dependent on planning conditions secured against development at the Riverside Business Park and the strategic housing site allocation at Trough Laithe Fam.	PG2 PG3 PG6	SO2 SO6 SO11	ENV4 LIV2 WRK1 WRK3
Construction of A56 Colne bypass	Colne to Foulridge	There has been a long standing proposal to address the issues resulting from the abrupt termination of the M65 just to the west of Colne and the resultant congestion along the A6068 within the North Valley area of Colne. The 'A56 Village Bypasses' scheme would see a bypass built from the end of the M65 to north of Kelbrook/Earby. However, this proposal has so far not attracted funding therefore the current proposal is to provide a direct link from the M65 motorway to the North of Foulridge. Reduce traffic congestion in Colne and improve journey times between Pennine Lancashire and the West Craven area of Pendle.	2021/22 onwards	There are six routes under consideration for the construction of a proposed bypass to the west of Colne. These vary in length from 3.8k-5.4km. Some of the routes would preclude the reinstatement of the Colne-Skipton rail link (see below). The Brown route protects the existing tracked and is the route favoured by Pendle Council.	Lancashire County Council	Lancashire County Council	£24-£71 million - depending on the route selected	Central Government	A large proportion of the funding for this project is dependent on the Single Local Growth Fund. This is a competitive bidding process, which the Council's Growth Strategy is aligned towards. Whilst £12m funding for the Burnley-Pendle Growth Corridor was secured in July 2014, funding for the bypass is not certain at this time, but the Council is confident that a case can be made. It is likely that additional funding from Lancashire County Council, Pendle Borough Council and developer contributions will also be required. The Core Strategy supports the construction of a bypass. However, commencement of the scheme is not anticipated before 2021/22 at the earliest so delivery of the plan objectives is not reliant on the bypass being delivered during in the plan period.	PG2 PG6	SO2 SO6 SO11	ENV4 WRK1
Construction of mini roundabout on A682 Gisburn Road (at junction with Halstead Lane)	Barrowford	Allow safe access into new supermarket. Improve traffic flow.	2014/15	Construction of mini roundabout on A682 Gisburn Road (at junction with Halstead Lane) to allow safe access/egress from car park for a new Booths Supermarket due to open by Christmas 2014.	Lancashire County Council	Lancashire County Council	Unknown at this stage	Lancashire County Council S106	Timing dependant on progress with development of new supermarket.	PG2 PG6	SO2 SO3 SO11	ENV4
b. Railways												
Reinstatement of former Colne-Skipton railway line	Colne to Earby	Poor connectivity with North Yorkshire would be improved by reinstatement of former railway line, and up to 500,000 passenger journeys per annum are projected. Gentle gradients along the route make it suitable as an alternative route for trans-Pennine freight, alleviating traffic on other busy rail and road routes crossing the backbone of England, thereby helping to reduce transport emissions. There may also be considerable economic benefits from providing a direct link between the Central Lancashire and Leeds City Regions.	2019-2029 (Lancashire & Cumbria RUS)	Proposed reinstatements of the former railway line between Colne and Skipton. The 18km track bed is protected and free from development, with the exception of a 300-400m stretch where Lancashire County Council is in discussions with the landowner to purchase and protect. New tracks will need to be layed and there is potential for new stations at Foulridge and Earby. Other works include the crossing of Vivary Way in Colne, a new bridge over the canal at Foulridge and level crossings at several locations in West Craven. There possibility of constructing a new cycleway alongside the route is also being explored.	Department for Transport Network Rail	Network Rail	£42.6 million - single track £80.7 million - double track £0.86-£6.25 million - Additional annual costs depending on service and frequency provided (2007)	Network Rail has confirmed that it has no funding available at present to support implementation of the scheme. SELRAP, the local campaign group for reinstatement of the railway, has recently conceded that money from Central Government is unlikely, but that funding may be available from other sources (e.g. Regional Growth Fund).	Funding would be through the Lancashire Transport Plan, or its successor. Lancashire County Council supports the reopening of the line in principle, but is mindful of the potential cost implications of seeking to deliver both road and rail project s in close proximity. The Steer Davis Gleave Report highlights level crossings in Earby as a key risk to project viability. Further investigation is considered necessary to determine the optimum proposal for this busy corridor.	PG2 PG6	SO2 SO6 SO11	ENV4 ENV5 WRK1

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	SCS Goal	Core Strategy SO	Core Strategy Policy
c. Public Transport Services												
Improvements to 'Quality Bus Corridor' (Nelson-Rawtenstall-Manchester)	Brierfield-Nelson-Colne-West Craven	Will provide improved public transport links between areas of deprivation and schools, employment areas, healthcare facilities and shops. Car journeys will be transferred to buses which will reduce traffic flows and congestion thereby helping to improve road safety and air quality	0-10 years	Works to improve the A682 Quality Bus Corridor between Nelson and Manchester are already underway, although a number of the key improvements are within Greater Manchester rather than Pendle. There is future potential to extend the projected beyond Colne to Earby and Barnoldswick, via Foulridge; and possibly along the A6068 between Colne and Keighley dependent upon establishing a partnership with bus operators and neighbouring authorities.	Lancashire County Council and partners	Lancashire County Council	Unknown at this stage	Lancashire County Council S106 Private bus companies	Funding and co-operation of partners across neighbouring authorities.	PG6	SO2 SO11	ENV4
d. Footpaths, Cycleways and Bridleways												
Provision of West Craven cycle path	Earby to Barnoldswick	Improve cycle access to local schools. Provide better commuting opportunities with key employment areas. Open up new leisure opportunities by linking to the Pennine Bridleway (a national cycle route). Enhance road / cyclist safety and promote health improvements by encouraging cycling as part of a healthy lifestyle choice.	0-5 years	Creation of a multi-user path linking Earby to Barnoldswick	Pendle Borough Council	Lancashire County Council	£500,000	Unknown SUSTRANS	Funding is still to be secured and there are land ownership issues to resolve. A feasibility study for the Earby to Barnoldswick section was completed in 2004 and the cost was estimated to be in the region of £600,000. Engineers revisited the scheme in 2013 and suggested a slightly amended route to reduce the scheme costs. Pendle Council failed to secure match funding from the Paths 4 Communities Fund before the scheme ran out. There is still an intention to secure match funding to complete a safe off-road route between Earby and Barnoldswick in the future.	PG5 PG6	SO2 SO9 SO11	ENV4
Development of Bradley cycle routes	Bradley, Nelson	Improve cycle access to local schools. Provide better commuting opportunities with key employment areas. Enhance road / cyclist safety and promote health improvements by encouraging cycling as part of a healthy lifestyle choice.	5-10 years	Development of new cycleway network throughout Bradley in Nelson.	Pendle Borough Council	Lancashire County Council	Unknown at this stage Initial feasibility work to be carried out	Public S106	Dependent on results of initial feasibility work.	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
Improvements to Nelson-Colne Schools Link (cycle route)	Nelson to Colne	Improve cycle access to local schools. Provide better commuting opportunities with key employment areas. Enhance road / cyclist safety and promote health improvements by encouraging cycling as part of a healthy lifestyle choice.	0-5 years	Improvements to the existing pathways along Oxford Road and Wackersall Road, with a view to linking several schools and forming a connection with the new cycle path along Whitewalls Drive. The Colne School Link was finished in 2012 with a shared use path on Regent Street and improvements and new construction to the path from Pendle Vale on Oxford Road to Primet Heights school. There is a missing link to connect to Knotts Lane. At the moment cyclists are forced back onto the main road at Wackersall Road. The missing link is through Persimmon land. Persimmon stated in the past that if their Planning Application to build housing were approved they would include a cycle link to Knotts Lane.	Pendle Borough Council	Lancashire County Council	Unknown	SUSTRANS - Colne Schools Link S106 - Toucan Crossing on Whitewalls Drive Planning gain - funding to address the 'missing link'	Colne School Link completed. Missing link to be addressed through a Planning Gain with Persimmon Homes (Knotts Lane).	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
Construction of Green Way along tack-bed of the former Colne-Skipton railway line	Colne to Foulridge	Improved pedestrian / cycle access.	5-10 years	Creation of a 'Green Way' along the former track-bed, or alongside a restored railway line.	Sustrans Pendle Borough Council Lancashire County Council	Lancashire County Council	£800,000 (Recently re-calculated this cost using costs for the recently laid cycle path from School Lane in Earby to West Craven Business Park which came to circa. £22,000 per 240m length of path).	Unknown; SUSTRANS;	Pendle Council's Scrutiny Committee agreed to open up discussions with SELRAP, as they would be encouraged to see this proposed route progress.	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
Creation of Nelson-Brierfield Schools Link (cycle route)	Nelson to Brierfield	Improve cycle access to local schools. Provide better commuting opportunities with key employment areas. Enhance road / cyclist safety and promote health improvements by encouraging cycling as part of a healthy lifestyle choice.	5-15 years	Construction of a new cycle path and the introduction of improvements, including signage, linking residential areas of Nelson and Brierfield with Marsden Heights in Brierfield and St. Paul's Primary School in Nelson.	Pendle Borough Council	Lancashire County Council	£80,000	Unknown	Funding bid	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	SCS Goal	Core Strategy SO	Core Strategy Policy
Improvements to Ferndean Way	Colne	Improve cycle access to local schools. Provide better commuting opportunities with key employment areas. Open up new leisure opportunities by linking to the Pennine Bridleway (a national cycle route). Enhance road / cyclist safety and promote health improvements by encouraging cycling as part of a healthy lifestyle choice.	5-15 years	Improvement of existing public right of way and permissive footpath constituting the 'Ferndean Way' to provide a multi-use footpath, cycle path and bridleway.	Pendle Borough Council	Lancashire County Council	£15,000 - feasibility study £350,000 - works	Unknown	Funding bid Landowner permissions	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
Improvements to maintenance of existing cycle way network	Borough-wide	Maintain the safety and integrity of cycling infrastructure. Promote and increase public awareness / acceptance of cycling.	Ongoing	Maintenance of physical infrastructure.	Pendle Borough Council	Lancashire County Council (if legally designated as a cyclepath), or Pendle Borough Council	£5,000 annual revenue budget	Pendle Borough Council	LCC maintain designated cycle routes. Pendle Council's Environmental Action Group maintain any undesignated cycle paths in the borough.	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
e. Canals and Waterways												
Improve maintenance along canal towpath	Borough-wide	Maintain the safety and integrity of cycling infrastructure (canal towpath forms part of the Sustrans national cycle network). Promote and increase public awareness / acceptance of cycling.	Ongoing	Maintenance of physical infrastructure.	Canal & River Trust	Canal & River Trust	£31,000 - for a five year period	Canal & River Trust S106	Insufficient funding	PG5 PG6	SO2 SO9 SO11	ENV4 ENV5
2. Energy, Utilities, Minerals and Waste												
a. Energy												
Replacement of Electricity Sub-station at Spring Cottage	Nelson	Replacement of existing electricity substation.	2015	Construction of new substation and switch house on adjacent land.	United Utilities	United Utilities	Unknown at this stage	United Utilities	Need to acquire land alongside the existing substation for construction of a new switch house.	-	SO2	SDP8
b. Utilities												
Upgrading of Colne Sewage Works	Colne	The current waste water treatment works is operating at close to capacity, but United Utilities has not raised any concerns in respect of the levels of development identified in the Core Strategy.	2015 onwards	Details of requirements as yet unknown	United Utilities	United Utilities	Confidential - draft costs available	United Utilities OFWAT funding	No guarantee that funding to upgrade the waste water treatment works will be approved. The inclusion of a site within the Local Plan will provide sufficient evidence to demonstrate a level of certainty that the site will be developed in the future. If any new (Greenfield) development is proposed post 2015, this will provide the utility company with the opportunity to include the site(s) in any funding bid to the regulator OFWAT, enabling them to fund the necessary upgrades in the period 2015-2020.	PG6	SO2	ENV7
Upgrading of Earby Sewage Works	Earby	The current waste water treatment works is operating at close to capacity. Yorkshire Water has identified funding to upgrade the Earby facility in the Draft Yorkshire Water Business Plan, due to be confirmed in 2014	2015 onwards	Details of requirements as yet unknown	Yorkshire Water	Yorkshire Water	Unknown at this stage	Yorkshire Water OFWAT funding	No guarantee that funding to upgrade the waste water treatment works will be approved. The inclusion of a site within the Local Plan will provide sufficient evidence to demonstrate a level of certainty that the site will be developed in the future. If any new (Greenfield) development is proposed post 2015, this will provide the utility company with the opportunity to include the site(s) in any funding bid to the regulator OFWAT, enabling them to fund the necessary upgrades in the period 2015-2020.	PG6	SO2	ENV7
Upgrading of Foulridge Sewage Works	Foulridge	The current waste water treatment works is operating at close to capacity, but Yorkshire Water has not raised any concerns in respect of the levels of development identified in the Core Strategy.	2015 onwards	Details of requirements as yet unknown	Yorkshire Water	Yorkshire Water	Unknown at this stage	Yorkshire Water OFWAT funding	No guarantee that funding to upgrade the waste water treatment works will be approved. The inclusion of a site within the Local Plan will provide sufficient evidence to demonstrate a level of certainty that the site will be developed in the future. If any new (Greenfield) development is proposed post 2015, this will provide the utility company with the opportunity to include the site(s) in any funding bid to the regulator OFWAT, enabling them to fund the necessary upgrades in the period 2015-2020.	PG6	SO2	ENV7

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	SCS Goal	Core Strategy SO	Core Strategy Policy
c. Minerals and Waste												
Provision of Recycling Transfer Station	Nelson	The need for a Waste Transfer Station, where domestic waste will be sorted before transfer to a strategic site, is highlighted in the Joint Lancashire Minerals and Waste Core Strategy.	By 2021	Improvements to the existing waste recycling site at Regent Street in Nelson to form a new Pendle recycling transfer station, where waste will be sorted before being transferred to a strategic waste management site outside the borough.	Lancashire County Council	Lancashire County Council	Unknown at this stage	Lancashire County Council	Unknown at this stage	PG6	SO2	ENV6
Construction of Built Waste Management Facility	Nelson or Colne	The need for a Built Waste Management facility, where waste from construction projects will be sorted before transfer to a strategic site, is highlighted in the Joint Lancashire Minerals and Waste Core Strategy.	By 2021	Exact details are unknown at this time.	Lancashire County Council	Lancashire County Council	Unknown at this stage	Lancashire County Council	The Lomeshaye and Whitewalls Industrial Estates have been identified as potential locations in Pendle.	PG6	SO2	ENV6
3. Economic Development												
Provision of a strategic employment site adjacent to the existing Lomeshaye Industrial Estate (M65 Junction 12)	Nelson / Brierfield	To provide new employment opportunities early in the plan period by attracting inward investment and allowing for the relocation of indigenous businesses looking to expand. Helping to strengthen and diversify the local economy will sustain a dynamic, competitive and healthy local economy.	0-5 years	Site assembly and associated infrastructure provision. See (1) above for further information on associated transport and highways schemes.	PEARL2 Lancashire County Council United Utilities Environment Agency	PEARL2	Unknown at this stage	Public Private	The site is currently in private ownership (agricultural use), although it is understood that the owners are willing to sell and that an option to purchase is in place.	PG2	SO2 SO6 SO11	ENV4 WRK1 WRK2 WRK3
4. Community Facilities												
Replacement of Waterside Youth Club	Waterside, Colne	The existing building is outdated and ideally needs to be replaced with a new facility.	0-5 years	demolition of existing building and the construction of a new youth and community centre on the same site.	Groundwork East Lancashire Pendle Borough Council	Groundwork East Lancashire	Unknown at this stage	Public Private	The site is currently owned by Lancashire County Council and leased to Pendle Borough Council, who sub-let the building to South Valley Children's Action Group. The environmental charity Groundwork has been hiring the building and would like to undertake fundraising with a view to developing a new improved youth and community centre. This will be dependant on whether Pendle Borough Council can acquire the land from Lancashire County Council and offer Groundwork a longer-term lease to make funding a replacement building viable and whether sufficient funds can be raised.	PG5	SO8	SUP 1 SUP 2
5. Specialist Housing												
No projects identified												
6. Education												
Replacement of Laneshaw Bridge Primary School		The former school was in an unsuitable condition and of insufficient size to provide appropriate facilities for the pupils. The new school provides modern facilities and eight additional places per year group.	2012/13	Demolition of the old school buildings and replacement with a new school on land to the north-west of the former site.	Lancashire County Council	Lancashire County Council	£4m	Department for Education - Targeted Capital Fund	Funding secured	PG7	SO8	SUP3
Replacement of Whitefield Infant School	Nelson	A shortage of primary school places is anticipated in Nelson early in the plan period. The new school provides modern facilities and additional places for each year group.	2014/15	Provision of a new school to the south (across the Leeds & Liverpool Canal) on a site formerly occupied by the Water Board.	Lancashire County Council	Lancashire County Council	£4m	Department for Education - Targeted Capital Fund	Funding secured	PG7	SO8	SUP3
Replacement of St. Paul's Primary School	Nelson	A shortage of primary school places is anticipated in Nelson early in the plan period. The new school provides modern facilities and additional places for each year group.	2014/15	Provision of a new school on land to the north west on a site formerly occupied by Edge End High School.	Lancashire County Council	Lancashire County Council	£4m	Department for Education - Targeted Capital Fund	Funding secured	PG7	SO8	SUP3

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	SCS Goal	Core Strategy SO	Core Strategy Policy
Expansion of Lomeshaye Junior School	Nelson	Maintain provision of a good standard of equipment. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children.	2015/16	Replacement of outdated school building, which is too small for current and projected pupil numbers. Exact details unknown at this stage, but expansion will take place on adjacent site vacated by Whitefield School. Scheme due for completion in time for September 2015 intake (i.e. 2015/16 school year).	Lancashire County Council	Lancashire County Council	Unknown at this stage	Lancashire County Council - Capital Strategy for Schools	Funding secured	PG7	SO8	SUP3
Improvements to Park High School Out of School Club	Colne	Maintain provision of a good standard of equipment. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children.	0-5 years	Improvements to the existing outdoor play area and provision of a covered play area to meet the requirements of the Early Years Foundation Stage.	Park High School	Park High School	£10,000	Unknown at this time	Unknown at this stage	PG7	SO8	SUP3
Improvements to St John's Southworth Primary School Out of School Club	Nelson	Maintain provision of a good standard of equipment. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children.	0-5 years	Improvements to the existing outdoor play area and provision of a covered play area to meet the requirements of the Early Years Foundation Stage.	St John's Southworth Primary School	St John's Southworth Primary School	£10,000	Unknown at this time	Unknown at this stage	PG7	SO8	SUP3
Re-modelling of West Craven High School	Barnoldswick	Proposal included in Phase 4 of the Building Schools for the Future programme.	5-10 years	Major rebuilding and remodelling of the existing facility to create a 700 place school.	Lancashire County Council	Lancashire County Council	Unknown at this stage	Lancashire County Council - Capital Strategy for Schools	The rebuilding and remodelling of West Craven high School was part of Phase 4 of the Building Schools for the Future (BSF) programme. This phase, worth £100m, was due to commence in 2010/11. On 5th July 2010, the Coalition Government announced that the BSF programme would not continue, so funding provisionally allocated to the scheme was lost. Announcement to follow regarding funding future school improvements through an alternative mechanism.	PG7	SO8	SUP3
7. Health and Social Care												
No projects identified												
8. Leisure and Culture												
No projects identified												
9. Green Infrastructure												
a. Parks and Open Space												
Provision of open space and parkland within Riverside Mill site	Nelson	Part of Bradley AAP	0-5 years	Redevelopment of mill for mixed use development, providing new housing, business premises and open space together with associated improvements to the river corridor.	Private	Private	£8,659,620 (est.)	Public Private	Funding bid Developer contributions	PG5 PG6	SO1 SO3 SO9 SO10	ENV1 LIV5 SUP4
Improvements to landscape and streetscape within area covered by the Railway Street SPD (Brierfield)	Brierfield	Part of the Railway Street Masterplan	0-5 years	A range of environmental improvements to public realm, open space and streetscapes including improved street surfacing and provision of street trees. Focus around Sackville St and the Mosque and Sackville Park area.	Pendle Borough Council	Pendle Borough Council	£280,000	Public	Funding secured. Scheme is under-way.	PG6	SO3 SO9	ENV1 SUP4
b. Sports Facilities												
Improvements at Bullholme Playing Fields	Barrowford	Improved facilities required. Helps to encourage active and healthy lifestyles.	2013/14	Development of new a new clubhouse and changing rooms.	Pendle Borough Council	Pendle Borough Council	£600,000 (est.)	Pendle Borough Council - capital funding	Funding	PG5	SO9	ENV1 SUP1

1. SUMMARY OF KEY INFRASTRUCTURE REQUIREMENTS				2. PROJECT DELIVERY & MANAGEMENT			3. FINANCIAL IMPLICATIONS			4. POLICY LINKS		
										SCS	Core Strategy	
What	Where	Why	When	Description of investment	Lead Organisation(s): Delivery	Lead Organisation(s): Management	Project Cost	Sources of Funding	Dependencies	Goal	SO	Policy
Construction of new sports facilities on the site of the former Edge End High School	Nelson	Maintain provision of appropriate facilities that are child friendly and meet the recognised standards established by Sport England. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children, and promoting community cohesion.	2014/15	Provide new sports pitches and construct new changing facilities, associated with the landscaping of a former school site.	Lancashire County Council	Pendle Borough Council	Confidential - draft costs available	Pendle Borough Council - capital funding Lancashire County Council Land swap with monies to be provided by Lancashire County Council for building new pavilions.	Funding secured. Scheme is complete.	PG5	SO9	ENV1 SUP1
Construction of new sports facilities at Swinden Playing Fields	Nelson	Maintain provision of appropriate facilities that are child friendly and meet the recognised standards established by Sport England. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children, and promoting community cohesion.	2014/15	Development of a new 1.2km cycle track, together with associated upgrade of the existing (football) changing facilities for use by cyclists.	Pendle Borough Council	Pendle Borough Council	£600,000 (est.)	Pendle Borough Council - capital funding Sport England British Cycling Lancs Environmental Fund	Funding secured. Scheme is complete.	PG5	SO9	ENV1 SUP1
Improvements at Holt House Playing Fields	Colne	Maintain provision of appropriate facilities that are child friendly and meet the recognised standards established by Sport England. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children, and promoting community cohesion.	2014/15	Improvements to clubhouse and changing rooms.	Pendle Borough Council	Pendle Borough Council	£600,000 (est.)	Pendle Borough Council - capital funding				
Creation of new sports pitches at former Lucas Sports Club	Reedley	Ensures continued provision of an appropriate distribution of good quality sports facilities across Pendle. Helps to encourage active and healthy lifestyles and community cohesion.	0-5 years	Development of new sports pitches (senior football pitch and cricket oval) and associated pavillion including changing facilities.	Barnfield Construction	Pendle Borough Council	Unknown at this stage Private developer	S106 Monies to be provided for maintenance and upkeep.	The trigger for provision of the new facility and its transfer to Pendle Borough Council is dependent on the sale of 21 new homes on the extended site.	PG5	SO9	ENV1 SUP1
Improvements at Heyhead Park	Brierfield	Maintain provision of appropriate facilities that meet customer needs. Encourage active play and healthy lifestyles, thereby positively addressing local concerns with poor health and obesity, particularly in young children, and promoting community cohesion.	0-5 years	Demolition of existing wooden Bowls Pavilion and associated landscaping. Refurbishment of existing brick Bowls Pavilion with possible extension and refurbishment of unused bothy.	Pendle Borough Council	Pendle Borough Council	Currently un-costed	Unknown at this time	Funding not identified or secured.	PG5	SO9	ENV1 SUP1

Appendix 2: Local Plan Policy Summary and Viability Impact Matrix

Pendle Local Plan Part 2

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
SDP7	Settlement Boundaries	No	To ensure the delivery of sustainable development, new development will be directed towards the urban area. The settlement boundaries will define where the certain policies contained within the Development Plan will be applied.
SDP8	Developer Contributions and Infrastructure	Yes	Developer and infrastructure contributions will directly impact on the gross development value of a scheme and therefore its viability. The appraisals will calculate the maximum CIL and / or developer contributions for various development typologies for a given threshold land value, developers profit and other policy requirements.
ENV8	Open Countryside	No	The protection of the countryside from inappropriate development is a long established role of planning policy. The cost associated with the protection of the countryside is factored into the property development market.
ENV9	Landscape Character	Yes	Consideration of landscaping within proposals will augment developer costs and therefore will have a direct impact on viability. This will be accounted for in the appraisals as part of a site specific infrastructure cost.
ENV9	Areas of Outstanding Natural Beauty (AONB)	Yes	Consideration of high quality design and landscaping within proposals will augment developer costs and therefore have a direct impact on viability. This will be accounted for in the appraisals as part of a site specific infrastructure cost.
ENV10	Green Belt	No	The protection of the Green Belt from inappropriate development is a long established role of planning policy. The Policy seeks to protect the Green Belt from inappropriate development, and direct

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			development towards the urban area. The protection of the Green Belt from development will not impact on the viability of new development. The cost associated with the protection of Green Belt land is factored into the property development market.
ENV12	Green Infrastructure	No	The protection of green infrastructure is a long established role of planning policy. The policy seeks to protect existing green infrastructure and enhance links to it. This will not directly impact on the viability of new development.
ENV13	Biodiversity and Ecological Networks	Yes	The requirement to deliver a net gain for biodiversity will directly impact on the viability of new development due to the infrastructure required to deliver such environmental benefits. A suitable allowance must be made in the appraisals for such infrastructure through site specific infrastructure cost.
ENV14	Local Green Spaces	No	The protection of the green spaces from inappropriate development is a long established role of planning policy. The protection of the Green Spaces from development will not impact on the viability of new development. The cost associated with the protection of Local Green Spaces is factored into the property development market.
ENV15	Open Space	Yes	Proposals for new residential development resulting in the net gain of five or more dwellings will be required to provide sufficient open space to meets its recreational need in accordance with the Council's most up-to-date Open Space Strategy. Developers will be expected to contribute either through on site provision and / or a Section 106 contribution, or through CIL except where: • The benefit of the proposals outweighs the harm; • The open space is no longer needed; or,

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			• It can be demonstrated there are no reasonable alternative sites available. The Policy goes on to state that residential development that will contribute to recreational pressure on the South Pennine Moor SPA and SAC will be required to mitigate these effects through the provision of new natural green spaces for recreation or to contribute towards improvements to existing open spaces. A suitable allowance must therefore be made within the appraisals for the provision and / or improvement of open space through either a site specific infrastructure cost, or a relevant policy requirement cost.
ENV16	Trees and Hedgerows	Yes	For new residential development in Pendle, there is a requirement to deliver 3 new trees per home. For non-residential development 1 new tree should be delivered per parking space, or per 50 sq.m. For each tree lost to development, provision should be made for 2 new trees, or a commuted sum payment of £506.50 per tree. The appraisals will calculate the maximum CIL and / or developer contributions (including for tree planting) for various development typologies for a given threshold land value, developers profit and other policy requirements.
ENV17	Environmental Protection	No	The environmental impact on air quality, noise and vibration and lighting of development proposals should be minimised and any adverse impacts mitigated. Environmental protection is a long established role of the planning system. The cost associated with environmental protection is factored into the development market.
ENV18	Contaminated and Unstable Land	No	A key role for the planning system is to ensure that land used for development is suitable for its proposed use and that contaminated land is remediated and unstable land can be appropriately mitigated.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			These are long established principles of the planning system. The costs associated with contaminated and unstable land are factored into the development market, although typically considered as abnormal costs.
ENV19	Design and Placemaking	No	Design and placemaking are central facets of the planning system. The costs associated with good design and placemaking are factored into the development market. Policy ENV19 doesn't specifically address design responses to the Council's declaration of a Climate Change Emergency, although the pre-text makes a brief reference. Additional costs of elevated design considerations will require careful consideration.
ENV20	Historic Environment	No	Conserving and enhancing historic assets is a long standing objective of the planning system. The protection of heritage assets will not directly affect the costs of development, beyond proposals to heritage assets.
ENV21	Leeds and Liverpool Canal Corridor	Yes	Contributions will be sought for any necessary improvements to enable a development to proceed, which arise from its canal side location, will be met by developers though planning contributions (Policy SDP 8). The appraisals will calculate the maximum CIL and / or developer contributions (including costs associated with necessary canal improvements) for various development typologies for a given threshold land value, developers profit and other policy requirements.
ENV22	Equestrian Development	No	The Policy supports the development of appropriate equestrian facilities in suitable locations, provided the proposals meet the identified criteria. Equestrian developments generally require a rural

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			location. Development in these areas must be respectful of the rural character.
ENV23	Walking and Cycling	No	The Policy protects existing public rights of way and promotes the use of sustainable modes of transport, including walking and cycling in new development. These are long standing objectives of the planning system and will be factored into the property development market.
ENV24	Parking	No	The Policy provides guidance on the quantum and type of parking that should be provided to support new developments. Parking provision will not be required within town and local shopping centres where it can be demonstrated that there is sufficient public car parking available. Conversely, areas suffering with significant on-street parking, greater provision will be sought where alternative measures to address the issue cannot be identified. Developments will be required to provide electric vehicle charging points. These are long standing objectives of the planning system and will be factored into the property development market.
ENV25	Taxis	No	The policy provides guidance on the use of premises for the control or administration of taxis.
ENV26	Digital and Electronic Communications	No	The policy provides guidance on the protection of digital and telecommunications infrastructure through new development and guidance on the provision of new infrastructure.
ENV27	Zero Net Carbon	Yes	The policy requires that all development should be designed to reduce the extent and impacts of climate change. New development should meet the highest technically feasible and viable standards during construction and following occupation. Small scale renewable and low carbon energy generation should be incorporated into the design of

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			development. Domestic development are encouraged to meet accredited energy and sustainability standards. Non domestic developments will be required to achieve a minimum standard of BREAAM 'Excellent'. The policy also gives in principle support for commercial generation of renewable and low carbon energy and sets the development management criteria that such development must satisfy. Elevated standards for design and construction of new development will have an impact on development costs and an appropriate allowance should be made.
LIV6	Housing Site Allocations	Yes	The policy allocates sites for housing development. The location and size of housing sites will have an impact on the potential values and development costs. Appropriate, representative development scenarios should be developed to reflect the location and scale of allocated housing sites.
LIV7	Reserved Sites for Housing	Yes	The policy allocated reserved sites for long term housing development. The location and size of housing sites will have an impact on the potential values and development costs. Appropriate, representative development scenarios should be developed to reflect the location and scale of reserved housing sites.
LIV8	Affordable Housing	Yes	The Policy identifies the affordable housing requirement (10% of homes) for new residential developments comprising 10 or more units. The policy applies regardless of viability considerations. Only in exceptional circumstances will the Council accept a commuted sum in-lieu of onsite provision. Section 106 Agreements will be required to secure the provision of affordable housing. The Policy will have a direct impact on the viability of new residential developments. The provision of affordable housing will need to be

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			included as a relevant policy requirement cost into the appraisals.
LIV9	Quality Housing	Yes	The policy requires new housing developments to be of the highest quality and reflect their context within the wider environment. In addition to general design criteria, the policy requires new homes to meet the nationally prescribed space standards (NPSS) and (where practical and viable) include a proportion of homes to meet the optional technical standards of Part M4(2) of the Building Regulations 2010 (M4(2)). Providing high quality housing is a long standing objectives of the planning system and will be factored into the property development market. Additional requirements for new homes to meet NPSS and M4(2) will have implication for the property development market and an appropriate allowance should be made.
LIV10	Householder Development	No	The policy relates to householder applications and identifies that where planning permission is required proposals will be assessed against the Council's SPD on Design Principles. Design quality is a long standing objective of the planning system and will be factored into the property development market.
LIV11	Self and Custom Build Housing	No	Self and Custom housing will be supported on allocated sites and encouraged and sought on larger housing sites and in regeneration areas respectively.
LIV12	Housing in the Countryside	No	The Policy sets out the type of residential development that will be permitted in the countryside. The viability of development depends on various macroeconomic factors including population and economic growth. At a local level viability is affected by a range of factors such as landowner expectations and occupier demand. The supply of land as determined by the planning system acts an

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			indirect factor upon the influences of viability. It shapes which sites or localities are available for development, therefore impacting the market through limiting the availability of sites in the short term. The cost associated with residential development in the countryside is factored into the property development market.
LIV13	Communal Living	No	Communal living, older persons housing and purpose built student accommodation schemes will be supported subject to meeting specified development management criteria. These criteria generally relate to the integration of such schemes into the wider community and shouldn't have a direct impact on development viability. HMOs will be resisted where proposals will result in more than 10% of housing stock to ensure a balanced housing mix.
LIV14	Accommodation for Travelling Communities	No	The policy provides development management criteria by which proposals for residential pitches or additional moorings will be assessed.
WRK7	Employment Site Allocations	No	The policy allocates sites for employment use (B1, B2 and B8 Use Classes) and designates them as protected employment areas. Development of employment uses on these sites will be supported subject to specific policy requirements for each site.
WRK8	Protected Employment Areas	No	The Policy identifies areas which are safeguarded for employment development. Development of Use Class B proposals within these areas will be supported. In addition, the following uses may be acceptable, subject to other relevant development plan policies being satisfied: • Industrial or commercial training facilities; • Specialised leisure uses which cannot be accommodated in

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			town centres; • Essential public utilities development; and, • Ancillary facilities which support the functioning of the Protected Employment Area. The Council will seek to support and encourage economic growth and new employment development opportunities within established employment areas in accordance with relevant local and national planning policy. Provided that the employment land supply meets the requirement, this Policy will not impact on the viability new developments.
WRK9	Mixed Use	No	The Policy supports mixed use developments provided they do not compromise wider spatial objectives. The viability of development depends on various macroeconomic factors, including the population growth and the economy. At a local level, viability is affected by a range of factors including land owner expectations, occupier demand or funding. Encouraging mixed use developments will ensure that the opportunities from sites are maximised and that they are being used efficiently. The Policy will not impact on the viability of new developments.
WRK10	Retail Site Allocations	No	The policy allocates sites for retail and specified complimentary use (including, mixed use, leisure use and drive thru). Development of retail uses on these sites will be supported subject to specific policy requirements for each site.
WRK11	Vibrant Town Centres	No	The Policy seeks to direct new retail development towards the six identified centres. The centres are identified as the preferred location for retail, leisure, cultural and office developments. By directing new retail development towards these centres, the values of town centre land will increase. This market dynamic is factored into the property

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			market.
WRK11	Active Frontages	No	Within each town or local shopping centre, a primary shopping area has been identified. Development within these areas should seek to provide an active frontage. Proposals for A1 and A2 uses will be permitted. Proposals for non-retail uses at ground floor level will be permitted unless they create a continuous street frontage of more than 20m, or they result in 30% of the total frontage in any one street falling into non-retail use. Within secondary frontages, the change of use of the lower ground floor from A1 to A2-A5, D1-D2 and the identified sui-generis will be acceptable in principle.
WRK12	Edge and Out-of-Centre Retail	No	The Policy sets out that retail outlets which cannot be accommodated within the designated boundary of a centre will be permitted on sites allocated for retail development, edge of centre sites, or out of centre sites (where there are no other suitable sites available). The Policy identifies the threshold for a retail impact study; the threshold varies dependence on the centre.
WRK14	Neighbourhood Shops and Services	No	Within Local Shopping Frontages the change of use to lower ground floor to main town centres uses will be acceptable in principle. Outside of designated frontages local shops that serve immediate day to day needs of the immediate locality will be permitted.
WRK15	Retail in Rural Areas		The Policy supports proposals for shops in rural villages or the open countryside provided that they are consistent with the policy approach for town centres and retailing. The Policy is clear that proposals should meet every day need or promote sustainable tourism.
WRK16	Tourist Facilities and Accommodation	No	The policy provides support for proposals relating to sustainable

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			tourism activities, accommodation and facilities subject to specific policy requirements.
SUP5	Community Site Allocations	No	The policy allocates sites for community use (including community and employment use). Development of community uses on these sites will be supported subject to specific policy requirements for each site. Development, including temporary use of vacant building, for community, creative and cultural uses will be supported, although (where possible) sports and built facilities that attract large visitor numbers should be located in Key Service Centres and easily accessible by public transport, walking and cycling.
SUP6	Supporting Healthy Places and Lifestyles	No	The Policy seeks to support and promote healthy lifestyles. It requires that all development should support improvements in public health or a reduction in health inequality. It also seeks to restrict the clustering of hot-food takeaways and their opening hours. The Policy is clear that applications for hot-food takeaways within 400m of a secondary school or youth centre, or within a ward where pupils are overweight will be refused.
SUP7	Advertising and Commercial Signage	No	The policy requires that advertisements should make a positive contribution to a safe and attractive environment and sets policy criteria for new advertisements that require planning permission. Clutter caused by a proliferation of advertisements will also be avoided.

Appendix 3: Analysis of Residential New Build Market Data

APPENDIX 3

164 sales within period

Analysis of new build market sales data - Pendle (01-01-2017 to 30-04-2019)

Date of sale	Postcode	Type	Tenure	Address	Settlement		Sale price					
Spring Mills, Wheatley Lane Rd, Fence (SKIPTON PROPERTIES)						21 sales within period		m^2	ft^2	£/ft^2		
20/08/2018	BB12 9FA	S	F	3 PENDLE LANE	FENCE		£220,000	93	1001	£220	mid terr	
12/07/2018	BB12 9EF	T	F	1 SPRING MILL COURT	FENCE		£239,950	97	1044	£230	end terr	
22/06/2018	BB12 9EF	T	F	2 SPRING MILL COURT	FENCE		£233,950	96	1033	£226	mid terr	
11/04/2018	BB12 9FA	S	F	7 PENDLE LANE	FENCE		£300,000	110	1184	£253	detached	
16/03/2018	BB12 9FA	T	F	2 PENDLE LANE	FENCE		£225,000	75	807	£279	end terr	
16/02/2018	BB12 9FA	S	F	17 PENDLE LANE	FENCE		£314,950	125	1345	£234	semi	
02/02/2018	BB12 9FA	D	F	15 PENDLE LANE	FENCE		£407,000	155	1668	£244	detached	
26/01/2018	BB12 9EF	T	F	3 SPRING MILL COURT	FENCE		£229,950	83	893	£257	end terr	
18/12/2017	BB12 9FA	S	F	21 PENDLE LANE	FENCE		£314,950	125	1345	£234	semi	
15/12/2017	BB12 9FA	S	F	23 PENDLE LANE	FENCE		£324,950	125	1345	£242	semi	
12/12/2017	BB12 9FA	S	F	31 PENDLE LANE	FENCE		£234,950	84	904	£260	end terr	
16/11/2017	BB12 9FA	D	F	1 PENDLE LANE	FENCE		£244,950	81	872	£281	end terr	
27/10/2017	BB12 9FA	S	F	5 PENDLE LANE	FENCE		£180,000	66	710	£253	end terr	
06/10/2017	BB12 9FA	S	F	19 PENDLE LANE	FENCE		£314,950	125	1345	£234	semi	
06/10/2017	BB12 9FA	S	F	29 PENDLE LANE	FENCE		£230,000	84	904	£254	end terr	
01/09/2017	BB12 9FA	D	F	11 PENDLE LANE	FENCE		£289,950	97	1044	£278	detached	
13/07/2017	BB12 9FA	D	F	9 PENDLE LANE	FENCE		£429,950	155	1668	£258	detached	
28/04/2017	BB12 9FA	D	F	25 PENDLE LANE	FENCE		£289,950	97	1044	£278	detached	
28/04/2017	BB12 9FA	D	F	27 PENDLE LANE	FENCE		£289,950	97	1044	£278	detached	
31/03/2017	BB12 9FA	T	F	6 PENDLE LANE	FENCE		£264,950	84	904	£293	end terr	
15/03/2017	BB12 9FA	T	F	4 PENDLE LANE	FENCE		£180,000	66	710	£253	mid terr	
Spring Mills, Fence						**AVERAGES FOR SCHEME**	**£274,300**	**101**	**1087**	**£252**		
Southbeck, Salterforth (SEDDON HOMES)						38 sales within period		m^2	ft^2	£/ft^2		
01/02/2019	BB18 5BL	D	L	1 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£279,000	107	1152	£242	detached	
15/01/2019	BB18 5BL	D	L	19 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£325,000	173	1862	£175	detached	3 storey
31/08/2018	BB18 5BL	S	L	42 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£249,000	128	1378	£181	semi	3 storey
23/08/2018	BB18 5BL	S	L	30 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£249,000	128	1378	£181	semi	3 storey
20/07/2018	BB18 5BL	S	L	2 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£249,995	128	1378	£181	semi	3 storey
16/07/2018	BB18 5BL	D	L	40 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£244,000	98	1055	£231	detached	
29/06/2018	BB18 5BL	D	L	41 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£257,000	107	1152	£223	detached	
29/06/2018	BB18 5BL	S	L	43 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£244,000	128	1378	£177	semi	3 storey
28/06/2018	BB18 5BL	D	L	37 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£257,000	107	1152	£223	detached	
28/06/2018	BB18 5BL	D	L	44 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£259,000	107	1152	£225	detached	
28/06/2018	BB18 5BL	D	L	45 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£244,000	98	1055	£231	detached	
21/06/2018	BB18 5BL	D	L	39 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£262,000	107	1152	£227	detached	
31/05/2018	BB18 5BR	S	L	4 BROADSTONES	SALTERFORTH	BARNOLDSWICK	£215,000	114	1227	£175	semi	3 storey
23/02/2018	BB18 5BL	D	L	36 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£280,000	114	1227	£228	detached	
26/01/2018	BB18 5BL	S	L	31 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£249,000	128	1378	£181	semi	3 storey
21/12/2017	BB18 5BL	D	L	34 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£237,000	98	1055	£225	detached	
21/12/2017	BB18 5BL	D	L	38 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£257,000	107	1152	£223	detached	
18/12/2017	BB18 5BL	D	L	29 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£257,000	107	1152	£223	detached	
11/12/2017	BB18 5BR	S	L	2 BROADSTONES	SALTERFORTH	BARNOLDSWICK	£215,000	114	1227	£175	semi	3 storey
30/11/2017	BB18 5BL	S	L	3 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£249,000	128	1378	£181	semi	3 storey
30/11/2017	BB18 5BL	D	L	21 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£272,000	115	1238	£220	detached	
30/11/2017	BB18 5BL	D	L	27 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£237,000	98	1055	£225	detached	
30/10/2017	BB18 5BL	D	L	32 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£209,000	84	904	£231	detached	
30/10/2017	BB18 5BL	D	L	33 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£209,000	84	904	£231	detached	
27/10/2017	BB18 5BL	D	L	20 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£272,000	114	1227	£222	detached	
28/09/2017	BB18 5BL	S	L	16 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£247,000	128	1378	£179	semi	3 storey
22/09/2017	BB18 5BL	S	L	17 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£247,000	128	1378	£179	semi	3 storey
18/08/2017	BB18 5BL	S	L	25 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£212,000	114	1227	£173	semi	3 storey
28/07/2017	BB18 5BL	S	L	26 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£212,000	114	1227	£173	semi	3 storey
13/07/2017	BB18 5BL	D	L	11 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£353,950	173	1862	£190	detached	3 storey
30/06/2017	BB18 5BL	D	L	24 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£349,950	173	1862	£188	detached	3 storey
05/06/2017	BB18 5BL	D	L	22 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£237,000	98	1055	£225	detached	
25/05/2017	BB18 5BL	D	L	23 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£274,000	115	1238	£221	detached	
19/05/2017	BB18 5BL	D	L	18 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£234,000	98	1055	£222	detached	
13/04/2017	BB18 5BL	D	L	12 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£270,000	115	1238	£218	detached	
10/03/2017	BB18 5BL	S	L	15 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£193,000	84	904	£213	semi	
03/03/2017	BB18 5BL	S	L	14 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£189,950	84	904	£210	semi	
30/01/2017	BB18 5BL	D	L	10 BECKSIDE	SALTERFORTH	BARNOLDSWICK	£270,000	115	1238	£218	detached	
	2 storey units			Number of sales (units) 23		AVERAGES	**£247,824**	**103**	**1105**	**£224**		
	3 storey units			Number of sales (units) 15		AVERAGES	**£257,793**	**133**	**1434**	**£180**		
Southbeck, Salterforth						**AVERAGES FOR SCHEME**	**£251,759**	**115**	**1235**	**£204**		
Kensington Forest, Barnoldswick (BERKELEY DeVEER HOMES)						1 sale within period		m^2	ft^2	£/ft^2		
26/04/2019	BB18 6BJ	D	F	10 LONG ING LANE		BARNOLDSWICK	£259,995	113	1216	**£214**	detached	
The Locks, Barrowford Road, Colne (BARNFIELD HOMES)						8 sales within period		m^2	ft^2	£/ft^2		
31/08/2018	BB8 9PL	D	F	23 GRENFELL GARDENS		COLNE	£495,000	215	2314	£214	detached	
26/01/2018	BB8 9PN	F	L	APARTMENT 24 DERWENT HOUSE GRENFELL GARDENS		COLNE	£260,000	118	1270	£205	top-floor	
21/12/2017	BB8 9PL	D	F	20 GRENFELL GARDENS		COLNE	£345,000	159	1711	£202	detached	
21/12/2017	BB8 9PL	D	F	21 GRENFELL GARDENS		COLNE	£345,000	159	1711	£202	detached	
14/12/2017	BB8 9PN	F	L	APARTMENT 14 DERWENT HOUSE GRENFELL GARDENS		COLNE	£250,000	130	1399	£179	top-floor	
08/09/2017	BB8 9PL	D	F	17 GRENFELL GARDENS		COLNE	£470,000	215	2314	£203	detached	
07/06/2017	BB8 9PL	D	F	6 GRENFELL GARDENS		COLNE	£415,000	178	1916	£217	detached	
13/01/2017	BB8 9PL	D	F	11 GRENFELL GARDENS		COLNE	£475,000	215	2314	£205	detached	
	House units			Number of sales (units) 6		AVERAGES	**£424,167**	**190**	**2047**	**£207**		
	Flatted units			Number of sales (units) 2		AVERAGES	**£255,000**	**124**	**1335**	**£191**		
The Locks, Colne						**AVERAGES FOR SCHEME**	**£381,875**	**174**	**1869**	**£204**		
Brindley Mews (Hope Mill Development), Barnoldswick (TOGETHER HOUSING - HOUSING PENDLE)						2 sales within period		m^2	ft^2	£/ft^2		
29/03/2019	BB18 6FG	S	F	1 RAIKES HILL		BARNOLDSWICK	£178,000	86	926	£192	semi	
29/03/2019	BB18 6FG	S	F	3 RAIKES HILL		BARNOLDSWICK	£180,000	86	926	£194	semi	
Brindley Mews, Barnoldswick						**AVERAGES FOR SCHEME**	**£179,000**	**86**	**926**	**£193**		

Deerwood Park, Knotts Drive, Colne (PERSIMMON HOMES)						54 sales within period		m²	ft²	£/ft²		
29/03/2019	BB8 8FF	T	F	2 ASPINALL DRIVE		COLNE	£112,995	51	549	£206	end-terr	
29/03/2019	BB8 8FF	T	F	6 ASPINALL DRIVE		COLNE	£109,995	51	549	£200	mid-terr	
20/12/2018	BB8 8DZ	S	F	69 KNOTTS MOUNT		COLNE	£159,995	87	936	£171	semi	3 storey
20/12/2018	BB8 8DZ	S	F	71 KNOTTS MOUNT		COLNE	£159,995	87	936	£171	semi	3 storey
20/12/2018	BB8 8DZ	D	F	73 KNOTTS MOUNT		COLNE	£232,995	118	1270	£183	detached	
20/12/2018	BB8 8DZ	T	F	79 KNOTTS MOUNT		COLNE	£146,995	87	936	£157	mid-terr	3 storey
20/12/2018	BB8 8DZ	T	F	81 KNOTTS MOUNT		COLNE	£148,995	87	936	£159	end-terr	3 storey
19/12/2018	BB8 8DZ	D	F	59 KNOTTS MOUNT		COLNE	£186,995	89	958	£195	detached	
19/12/2018	BB8 8DZ	T	F	75 KNOTTS MOUNT		COLNE	£148,995	87	936	£159	end-terr	3 storey
19/12/2018	BB8 8DZ	T	F	77 KNOTTS MOUNT		COLNE	£146,995	87	936	£157	mid-terr	3 storey
19/12/2018	BB8 8DZ	D	F	83 KNOTTS MOUNT		COLNE	£219,995	107	1152	£191	detached	
30/11/2018	BB8 8DZ	D	F	51 KNOTTS MOUNT		COLNE	£186,995	89	958	£195	detached	
30/11/2018	BB8 8DZ	D	F	53 KNOTTS MOUNT		COLNE	£228,995	109	1173	£195	detached	
29/11/2018	BB8 8DZ	S	F	57 KNOTTS MOUNT		COLNE	£141,995	70	753	£188	semi	
23/11/2018	BB8 8DZ	S	F	55 KNOTTS MOUNT		COLNE	£141,995	70	753	£188	semi	
23/11/2018	BB8 8FF	D	F	16 ASPINALL DRIVE		COLNE	£218,995	100	1076	£203	detached	
15/11/2018	BB8 8FF	D	F	17 ASPINALL DRIVE		COLNE	£214,995	109	1173	£183	detached	
13/09/2018	BB8 8FF	T	F	3 ASPINALL DRIVE		COLNE	£124,995	67	721	£173	mid-terr	3 storey
31/08/2018	BB8 8FF	T	F	5 ASPINALL DRIVE		COLNE	£126,995	67	721	£176	end-terr	3 storey
29/06/2018	BB8 8FF	T	F	1 ASPINALL DRIVE		COLNE	£127,995	67	721	£177	end-terr	3 storey
20/06/2018	BB8 8FF	D	F	23 ASPINALL DRIVE		COLNE	£218,995	109	1173	£187	detached	
31/05/2018	BB8 8FF	D	F	27 ASPINALL DRIVE		COLNE	£214,995	107	1152	£187	detached	
20/04/2018	BB8 8DZ	D	F	47 KNOTTS MOUNT		COLNE	£210,995	107	1152	£183	detached	
09/04/2018	BB8 8DZ	T	L	10 KNOTTS MOUNT		COLNE	£114,995	67	721	£159	mid-terr	3 storey
29/03/2018	BB8 8DZ	D	L	16 KNOTTS MOUNT		COLNE	£212,995	109	1173	£182	detached	
29/03/2018	BB8 8FF	D	L	15 ASPINALL DRIVE		COLNE	£225,995	118	1270	£178	detached	
29/03/2018	BB8 8FF	D	L	19 ASPINALL DRIVE		COLNE	£228,995	118	1270	£180	detached	
28/03/2018	BB8 8FF	D	F	21 ASPINALL DRIVE		COLNE	£216,995	100	1076	£202	detached	
23/02/2018	BB8 8FF	D	L	7 ASPINALL DRIVE		COLNE	£207,995	100	1076	£193	detached	
07/02/2018	BB8 8DZ	D	L	18 KNOTTS MOUNT		COLNE	£217,995	107	1152	£189	detached	
22/12/2017	BB8 8DZ	T	L	39 KNOTTS MOUNT		COLNE	£144,995	87	936	£155	mid-terr	3 storey
21/12/2017	BB8 8DZ	T	L	8 KNOTTS MOUNT		COLNE	£127,995	67	721	£177	mid-terr	3 storey
18/12/2017	BB8 8FF	D	L	9 ASPINALL DRIVE		COLNE	£175,995	89	958	£184	semi	
18/12/2017	BB8 8FF	S	L	11 ASPINALL DRIVE		COLNE	£174,995	89	958	£183	semi	
17/11/2017	BB8 8DZ	T	L	41 KNOTTS MOUNT		COLNE	£146,995	87	936	£157	semi	3 storey
27/10/2017	BB8 8DZ	T	L	37 KNOTTS MOUNT		COLNE	£144,995	87	936	£155	mid-terr	3 storey
27/10/2017	BB8 8DZ	D	L	43 KNOTTS MOUNT		COLNE	£176,995	82	883	£201	detached	
27/10/2017	BB8 8DZ	D	L	45 KNOTTS MOUNT		COLNE	£186,995	89	958	£195	detached	
29/09/2017	BB8 8DZ	D	L	29 KNOTTS MOUNT		COLNE	£184,995	89	958	£193	detached	
29/09/2017	BB8 8DZ	T	L	35 KNOTTS MOUNT		COLNE	£146,995	87	936	£157	semi	3 storey
31/08/2017	BB8 8DZ	D	L	27 KNOTTS MOUNT		COLNE	£184,995	89	958	£193	detached	
31/08/2017	BB8 8DZ	S	L	31 KNOTTS MOUNT		COLNE	£174,995	89	958	£183	semi	
31/08/2017	BB8 8DZ	S	L	33 KNOTTS MOUNT		COLNE	£175,995	89	958	£184	semi	
28/07/2017	BB8 8DZ	T	L	17 KNOTTS MOUNT		COLNE	£129,995	67	721	£180	mid-terr	3 storey
17/07/2017	BB8 8DZ	D	L	14 KNOTTS MOUNT		COLNE	£219,995	109	1173	£188	detached	
30/06/2017	BB8 8DZ	T	L	6 KNOTTS MOUNT		COLNE	£132,995	67	721	£184	semi	3 storey
30/06/2017	BB8 8DZ	T	L	12 KNOTTS MOUNT		COLNE	£132,995	67	721	£184	semi	3 storey
30/06/2017	BB8 8DZ	T	L	15 KNOTTS MOUNT		COLNE	£132,995	67	721	£184	semi	3 storey
30/06/2017	BB8 8DZ	D	L	20 KNOTTS MOUNT		COLNE	£229,995	109	1173	£196	detached	
18/05/2017	BB8 8DZ	D	L	9 KNOTTS MOUNT		COLNE	£214,995	107	1152	£187	detached	
28/04/2017	BB8 8DZ	T	L	19 KNOTTS MOUNT		COLNE	£132,995	67	721	£184	end-terr	3 storey
28/04/2017	BB8 8DZ	D	L	21 KNOTTS MOUNT		COLNE	£224,995	109	1173	£192	detached	
26/04/2017	BB8 8DZ	D	L	11 KNOTTS MOUNT		COLNE	£214,995	107	1152	£187	detached	
31/03/2017	BB8 8DZ	D	L	7 KNOTTS MOUNT		COLNE	£174,995	82	883	£198	detached	
	2 storey units			Number of sales (units) 34		AVERAGES	£196,142	96	1034	£190		
	3 storey units			Number of sales (units) 20		AVERAGES	£139,045	77	829	£168		
Deerwood Park, Colne						AVERAGES FOR SCHEME	£174,995	89	958	£183		

The Hallows, Reedley (BARNFIELD HOMES)						24 sales within period		m²	ft²	£/ft²		
29/03/2019	BB10 2AQ	S	F	10 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£179,950	98	1055	£171	semi	
29/03/2019	BB10 2AQ	S	F	28 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,950	136	1464	£126	semi	3 storey
06/02/2019	BB10 2AQ	S	F	31 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,950	136	1464	£126	semi	3 storey
25/01/2019	BB10 2AQ	S	F	40 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,335	136	1464	£126	semi	3 storey
30/11/2018	BB10 2AQ	S	F	27 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,950	136	1464	£126	semi	3 storey
26/10/2018	BB10 2AQ	S	F	39 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£181,950	136	1464	£124	semi	3 storey
21/09/2018	BB10 2AQ	S	F	32 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,950	136	1464	£126	semi	3 storey
24/07/2018	BB10 2AQ	S	F	33 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£184,950	136	1464	£126	semi	3 storey
13/07/2018	BB10 2AQ	S	F	34 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£160,000	135	1453	£110	semi	3 storey
21/05/2018	BB10 2AQ	S	F	37 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£179,950	118	1270	£142	semi	
08/12/2017	BB10 2AQ	S	F	36 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£175,000	98	1055	£166	semi	
08/12/2017	BB10 2AQ	D	F	55 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£265,000	144	1550	£171	detached	
09/11/2017	BB10 2AQ	S	F	35 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£169,950	98	1055	£161	semi	
15/08/2017	BB10 2AQ	D	F	53 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£276,500	144	1550	£178	detached	
28/07/2017	BB10 2AQ	T	F	71 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£122,950	71	764	£161	mid terr	
01/06/2017	BB10 2AQ	S	F	62 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£179,950	135	1453	£124	semi	3 storey
26/05/2017	BB10 2AQ	S	F	64 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£179,950	135	1453	£124	semi	3 storey
05/05/2017	BB10 2AQ	S	F	65 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£185,000	135	1453	£127	semi	3 storey
28/04/2017	BB10 2AQ	S	F	67 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£189,950	135	1453	£131	semi	3 storey
07/04/2017	BB10 2AQ	D	F	66 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£195,000	135	1453	£134	semi	3 storey
24/03/2017	BB10 2AQ	T	F	72 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£124,950	68	732	£171	end terr	
21/03/2017	BB10 2AQ	S	F	68 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£185,000	135	1453	£127	semi	3 storey
06/03/2017	BB10 2AQ	T	F	2 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£169,950	104	1119	£152	mid terr	
23/01/2017	BB10 2AQ	S	F	76 CLARKSON CLOSE	REEDLEY	BRIERFIELD	£164,950	104	1119	£147	semi	
	2 storey units			Number of sales (units) 10		AVERAGES	£182,915	105	1127	£162		
	3 storey units			Number of sales (units) 14		AVERAGES	£170,067	126	1354	£126		
The Hallows, Reedley						AVERAGES FOR SCHEME	£183,126	123	1320	£139		

Foxhills, Brierfield (PEARL / BARNFIELD HOMES)						8 sales within period		m²	ft²	£/ft²		
10/05/2019	BB9 5QD	S	F	4 AKRIGG WAY	BRIERFIELD	NELSON	£149,950	89	958	£157	semi	
29/03/2019	BB9 5QD	S	F	5 AKRIGG WAY	BRIERFIELD	NELSON	£147,500	77	829	£178	semi	1 storey
22/03/2019	BB9 5QD	S	F	7 AKRIGG WAY	BRIERFIELD	NELSON	£147,500	77	829	£178	semi	1 storey
08/04/2019	BB9 5QD	S	F	8 AKRIGG WAY	BRIERFIELD	NELSON	£149,950	89	958	£157	semi	
29/03/2019	BB9 5QD	S	F	9 AKRIGG WAY	BRIERFIELD	NELSON	£147,500	77	829	£178	semi	1 storey
29/03/2019	BB9 5QD	S	F	15 AKRIGG WAY	BRIERFIELD	NELSON	£147,500	77	829	£178	semi	1 storey
07/12/2018	BB9 5QD	S	F	14 AKRIGG WAY	BRIERFIELD	NELSON	£149,950	89	958	£157	semi	
20/09/2018	BB9 5QD	S	F	17 AKRIGG WAY	BRIERFIELD	NELSON	£147,950	77	829	£179	semi	1 storey
	1 storey units			Number of sales (units) 5		AVERAGES	£147,590	77	829	£178		
	2 storey units			Number of sales (units) 3		AVERAGES	£149,950	89	958	£157		
Foxhills, Brierfield						AVERAGES FOR SCHEME	£148,475	82	877	£169		

Walton Place, Nelson (BARNFIELD HOMES)						6 sales within period		m^2	ft^2	£/ft^2	
14/02/2017	BB9 8DQ	S	F	1	WALTON PLACE	NELSON	£154,950	93	1001	£155	semi
27/10/2017	BB9 8DQ	S	F	5	WALTON PLACE	NELSON	£149,950	89	958	£157	semi
15/12/2017	BB9 8DQ	S	F	6	WALTON PLACE	NELSON	£154,950	89	958	£162	semi
15/12/2017	BB9 8DQ	S	F	7	WALTON PLACE	NELSON	£149,950	89	958	£157	semi
03/07/2018	BB9 8DQ	S	F	9	WALTON PLACE	NELSON	£125,000	89	958	£130	semi
28/07/2017	BB9 8DQ	S	F	11	WALTON PLACE	NELSON	£149,950	89	958	£157	semi
Walton Place, Nelson						**AVERAGES FOR SCHEME**	**£147,458**	**90**	**965**	**£153**	

The Courtyard, Colne (RILEY DEVELOPMENTS)							2 sales within period		m^2	ft^2	£/ft^2	
03/08/2018	BB8 0DY	F	L	11	THE COURTYARD	COLNE LANE	COLNE	£83,000	58	624	£133	mid-floor
03/08/2018	BB8 0DY	F	L	12	THE COURTYARD	COLNE LANE	COLNE	£80,000	85	915	£87	top-floor
The Courtyard, Colne							**AVERAGES FOR SCHEME**	**£81,500**	**72**	**770**	**£106**	

Appendix 4: Schedule of Development Scenarios and Appraisal Assumptions

Pendle Council	**M65 Corridor Sites (Indicative site types - Residential)**									**Lambert Smith Hampton**
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	**Large Greenfield Residential**	**Large Brownfield Residential**	**Medium Greenfield Residential**	**Medium Brownfield Residential**	**Small Greenfield Residential**	**Small Brownfield Residential**	**Extra Small Greenfield Residential**	**Extra Small Brownfield Residential**	**Older Persons Apartment**	**LSH comment**
Scenario Reference	**MC1**	**MC2**	**MC3**	**MC4**	**MC5**	**MC6**	**MC7**	**MC8**	**MC9**	
Headline Assumptions										
Number of units (residential)	**100**	**100**	**60**	**60**	**10**	**10**	**5**	**5**	**35**	
Net site area (hectares)	2.63	2.63	1.58	1.58	0.28	0.28	0.17	0.17	0.39	
Net site area (acres)	6.50	6.50	3.90	3.90	0.69	0.69	0.36	0.36	0.97	
Density (residential units per net hectare)	38	38	38	38	36	36	34	34	80	
Density (residential units per net acre)	15.4	15.4	15.4	15.4	14.6	14.6	13.8	13.8	36.0	
Total sqft of floorspace	90,120	90,120	54,072	54,072	9,630	9,630	4,573	4,573	16,197	
Sqft of floorspace per net site acre	13,859	13,859	13,859	13,859	14,030	14,030	12,584	12,584	16,660	
Gross to net ratio	0.6	0.6	0.75	0.75	0.85	0.85	0.85	0.85	0.85	Net area as ratio of gross
Gross site area (hectares)	4.39	4.39	2.11	2.11	0.33	0.33	0.20	0.20	0.46	
Gross site area (acres)	10.84	10.84	5.20	5.20	0.81	0.81	0.43	0.43	1.14	
Value Assumptions										
2 Bed House	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	-	£159.36/ft2
3 Bed House	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	-	£158.47/ft2
4+ Bed House	£190,000	£190,000	£190,000	£190,000	£190,000	£190,000	£190,000	£190,000	-	£153.60/ft2
2 Bed Bungalow	£125,000	£125,000	£125,000	£125,000	£125,000	£125,000	£125,000	£125,000	-	£178.57/ft2
1 Bed Apartment	£80,000	£80,000	£80,000	£80,000	£80,000	£80,000	£80,000	£80,000	100% Affordable	£148.7/ft2
2 Bed Apartment	£95,000	£95,000	£95,000	£95,000	£95,000	£95,000	£95,000	£95,000	100% Affordable	£147.06/ft2
Residential Rent (£psf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Unit Sizes										
2 Bed House - GIA (sqft)	753	753	753	753	753	753	753	753	-	70m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	40.0%	40.0%	-	
3 Bed House - GIA (sqft)	915	915	915	915	915	915	915	915	-	85m2 (standard)
% of total units in scenario	30.0%	30.0%	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	-	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	-	114.9m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	20.0%	20.0%	-	
2 Bed Bungalow - GIA (sqft)	700	700	700	700	-	-	-	-	-	65m2 (standard)
% of total units in scenario	10.0%	10.0%	10.0%	10.0%	-	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	538	538	-	-	-	-	538	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	633	633	-	-	-	-	633	
Net to Gross	85%	85%	85%	85%	-	-	-	-	85%	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	48.6%	
2 Bed Apartment - Net sales (sqft)	646	646	646	646	-	-	-	-	646	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	760	760	-	-	-	-	760	
Net to Gross	85%	85%	85%	85%	-	-	-	-	85%	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	51.4%	
Land Value										
Land Price (per net acre)	£100,000	£50,000	£100,000	£50,000	£100,000	£50,000	£100,000	£50,000	£75,000	Assumed older persons housing scheme RP
Stamp Duty Land Tax (SDLT)	Applied at the prevailing rate									delivered
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions										
Initial Payments -										
Statutory Planning Fees	£29,759	£29,759	£24,239	£24,239	£6,930	£6,930	£2,310	£2,310	£16,170	
Construction Costs -										
Demolition, Site Clearance and remediation (per gross acre)	-	£100,000	-	£105,000	-	£110,000	-	£115,000	£105,000	Cost per acre
Houses Build Costs	£78	£78	£82	£82	£92	£92	£100	£100		
Bungalow Build Costs	£113.62	£113.62	£113.62	£113.62	-	-	-	-		£ per ft2 - Base build cost of footprint of units
Apartment Build Costs	£113.81	£113.81	£113.81	£113.81	-	-	-	-	£130.00	only
External works inc. utilities reinforcement (allowance)	20%	20%	15%	15%	10%	10%	10%	10%	10%	% of base build
Contingency	3%	5%	3%	5%	3%	5%	3%	5%	5%	% of total construction
M4(2) Allowance per unit for 20% of units										
Professional Fees (Note 1) -	8%	9%	8%	9%	9%	10%	9%	10%	9%	% of total construction
Disposal Costs -										
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -										
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6.5%	6.5%	6.5%	6.5%	6%	% interest per annum on cumulative balance
Profit										
Developers Profit	18%	18%	18%	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1 Includes planning application professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of each unit) is not includ

External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit

Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites

Construction period (months per unit)

Average months between construction start and first sale

Sales per month. Small and medium sized schemes

Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

Affordable housing (as percentage of total units)

To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Pendle Council	M65 Corridor North Sites (Indicative site types - Residential)								Lambert Smith Hampton
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	Large Greenfield Residential	Large Brownfield Residential	Medium Greenfield Residential	Medium Brownfield Residential	Small Greenfield Residential	Small Brownfield Residential	Extra Small Greenfield Residential	Extra Small Brownfield Residential	LSH comment
Scenario Reference	MCN1	MCN2	MCN3	MCN4	MCN5	MCN6	MCN7	MCN8	
Headline Assumptions									
Number of units (residential)	**100**	**100**	**60**	**60**	**10**	**10**	**5**	**5**	
Net site area (hectares)	2.63	2.63	1.58	1.58	0.28	0.28	0.17	0.17	
Net site area (acres)	6.50	6.50	3.90	3.90	0.69	0.69	0.36	0.36	
Density (residential units per net hectare)	38.00	38.00	38.00	38.00	36.00	36.00	34.00	34.00	
Density (residential units per net acre)	15.4	15.4	15.4	15.4	14.6	14.6	13.8	13.8	
Total sqft of floorspace	90,120	90,120	54,072	54,072	9,630	9,630	4,573	4,573	
Sqft of floorspace per net site acre	13,859	13,859	13,859	13,859	14,030	14,030	12,584	12,584	
Gross to net ratio	0.6	0.6	0.75	0.75	0.85	0.85	0.85	0.85	Net area as ratio of gross
Gross site area (hectares)	4.39	4.39	2.11	2.11	0.33	0.33	0.20	0.20	
Gross site area (acres)	10.84	10.84	5.20	5.20	0.81	0.81	0.43	0.43	
Value Assumptions									
2 Bed House	£140,000	£140,000	£140,000	£140,000	£140,000	£140,000	£140,000	£140,000	£185.92/ft2
3 Bed House	£167,000	£167,000	£167,000	£167,000	£167,000	£167,000	£167,000	£167,000	£182.51/ft2
4+ Bed House	£225,000	£225,000	£225,000	£225,000	£225,000	£225,000	£225,000	£225,000	£181.89/ft2
2 Bed Bungalow	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£207.14/ft2
1 Bed Apartment	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£167.29/ft2
2 Bed Apartment	£107,000	£107,000	£107,000	£107,000	£107,000	£107,000	£107,000	£107,000	£165.63/ft2
Residential Rent (£psf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Unit Sizes									
2 Bed House - GIA (sqft)	753	753	753	753	753	753	753	753	70m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	40.0%	40.0%	
3 Bed House - GIA (sqft)	915	915	915	915	915	915	915	915	85m2 (standard)
% of total units in scenario	30.0%	30.0%	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	114.9m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	20.0%	20.0%	
2 Bed Bungalow - GIA (sqft)	700	700	700	700	-	-	-	-	65m2 (standard)
% of total units in scenario	10.0%	10.0%	10.0%	10.0%	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	538	538	-	-	-	-	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	633	633	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	
2 Bed Apartment - Net sales (sqft)	646	646	646	646	-	-	-	-	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	760	760	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	
Land Value									
Land Price (per net acre)	£150,000	£100,000	£150,000	£100,000	£150,000	£100,000	£150,000	£100,000	
Stamp Duty Land Tax (SDLT)	Applied at the prevailing rate								
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions									
Initial Payments -									
Statutory Planning Fees	£29,759	£29,759	£24,239	£24,239	£6,930	£6,930	£2,310	£2,310	
Construction Costs -									
Demolition, Site Clearance and remediation (per gross acre)	-	£100,000	-	£105,000	-	£110,000	-	£115,000	Cost per acre
Houses Build Costs	£78	£78	£82	£82	£92	£92	£100	£100	
Bungalow Build Costs	£113.62	£113.62	£113.62	£113.62	-	-	-	-	£ per ft2 - Base build cost of footprint of units only
Apartment Build Costs	£113.81	£113.81	£113.81	£113.81	-	-	-	-	
External works inc. utilities reinforcement (allowance)	20%	20%	15%	15%	10%	10%	10%	10%	% of base build
Contingency	3%	5%	3%	5%	3%	5%	3%	5%	% of total construction
M4(2) Allowance per unit for 20% of units									
Professional Fees (Note 1) -	8%	9%	8%	9%	9%	10%	9%	10%	% of total construction
Disposal Costs -									
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -									
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6.5%	6.5%	6.5%	6.5%	% interest per annum on cumulative balance
Profit									
Developers Profit	18%	18%	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1 Includes planning application professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of ea

External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit

Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites

Construction period (months per unit)

Average months between construction start and first sale

Sales per month. Small and medium sized schemes

Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

Affordable housing (as percentage of total units)

To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Pendle Council	West Craven Towns Sites (Indicative site types - Residential)									Lambert Smith Hampton
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	Large Greenfield Residential	Large Brownfield Residential	Medium Greenfield Residential	Medium Brownfield Residential	Small Greenfield Residential	Small Brownfield Residential	Extra Small Greenfield Residential	Extra Small Brownfield Residential	Older Persons Apartment	LSH comment
Scenario Reference	WCT1	WCT2	WCT3	WCT4	WCT5	WCT6	WCT7	WCT8	WCT9	
Headline Assumptions										
Number of units (residential)	**100**	**100**	**60**	**60**	**10**	**10**	**5**	**5**	**35**	
Net site area (hectares)	2.63	2.63	1.58	1.58	0.28	0.28	0.17	0.17	0.39	
Net site area (acres)	6.50	6.50	3.90	3.90	0.69	0.69	0.36	0.36	0.97	
Density (residential units per net hectare)	38.00	38.00	38.00	38.00	36.00	36.00	34.00	34.00	80.00	
Density (residential units per net acre)	15.4	15.4	15.4	15.4	14.6	14.6	13.8	13.8	36.0	
Total sqft of floorspace	90,120	90,120	54,072	54,072	9,630	9,630	4,573	4,573	16,197	
Sqft of floorspace per net site acre	13,859	13,859	13,859	13,859	14,030	14,030	12,584	12,584	16,660	
Gross to net ratio	0.6	0.6	0.75	0.75	0.85	0.85	0.85	0.85	0.85	Net area as ratio of gross
Gross site area (hectares)	4.39	4.39	2.11	2.11	0.33	0.33	0.20	0.20	0.46	
Gross site area (acres)	10.84	10.84	5.20	5.20	0.81	0.81	0.43	0.43	1.14	
Value Assumptions										
2 Bed House	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	-	£192.56/ft2
3 Bed House	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	-	£191.26/ft2
4+ Bed House	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	-	£189.98/ft2
2 Bed Bungalow	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	-	£228.57/ft2
1 Bed Apartment	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	100% Affordable	£185.87/ft2
2 Bed Apartment	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	100% Affordable	£185.76/ft2
Residential Rent (£psf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Unit Sizes										
2 Bed House - GIA (sqft)	753	753	753	753	753	753	753	753	-	70m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	40.0%	40.0%	-	
3 Bed House - GIA (sqft)	915	915	915	915	915	915	915	915	-	85m2 (standard)
% of total units in scenario	30.0%	30.0%	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	-	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	-	114.9m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	20.0%	20.0%	-	
2 Bed Bungalow - GIA (sqft)	700	700	700	700	-	-	-	-	-	65m2 (standard)
% of total units in scenario	10.0%	10.0%	10.0%	10.0%	-	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	538	538	-	-	-	-	538	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	633	633	-	-	-	-	633	
Net to Gross	85%	85%	85%	85%	-	-	-	-	85%	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	48.6%	
2 Bed Apartment - Net sales (sqft)	646	646	646	646	-	-	-	-	646	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	760	760	-	-	-	-	760	
Net to Gross	85%	85%	85%	85%	-	-	-	-	85%	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	51.4%	
Land Value										
Land Price (per net acre)	£200,000	£150,000	£200,000	£150,000	£200,000	£150,000	£200,000	£150,000	£75,000	
Stamp Duty Land Tax (SDLT)	Applied at the prevailing rate									
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions										
Initial Payments -										
Statutory Planning Fees	£29,759	£29,759	£24,239	£24,239	£6,930	£6,930	£2,310	£2,310	£16,170	
Construction Costs -										
Demolition, Site Clearance and remediation (per gross acre)	-	£100,000	-	£105,000	-	£110,000	-	£115,000	£105,000	Cost per acre
Houses Build Costs	£78	£78	£82	£82	£92	£92	£100	£100		
Bungalow Build Costs	£113.62	£113.62	£113.62	£113.62	-	-	-	-		£ per ft2 - Base build cost of footprint of units
Apartment Build Costs	£113.81	£113.81	£113.81	£113.81	-	-	-	-	£130.00	only
External works inc. utilities reinforcement (allowance)	20%	20%	15%	15%	10%	10%	10%	10%	10%	% of base build
Contingency	3%	5%	3%	5%	3%	5%	3%	5%	5%	% of total construction
M4(2) Allowance per unit for 20% of units										
Professional Fees (Note 1) -	8%	9%	8%	9%	9%	10%	9%	10%	9%	% of total construction
Disposal Costs -										
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -										
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6.5%	6.5%	6.5%	6.5%	6%	% interest per annum on cumulative balance
Profit										
Developers Profit	18%	18%	18%	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1 Includes planning application professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of each unit) is not includ

External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit

Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites	**3 months**
Construction period (months per unit)	**6 months**
Average months between construction start and first sale	**6 months**
Sales per month. Small and medium sized schemes	**1.5 sales**
Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets	**3 sales**

Affordable housing (as percentage of total units)

To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Pendle Council	Rural Pendle Sites (Indicative site types - Residential)								Lambert Smith Hampton
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	Large Greenfield Residential	Large Brownfield Residential	Medium Greenfield Residential	Medium Brownfield Residential	Small Greenfield Residential	Small Brownfield Residential	Extra Small Greenfield Residential	Extra Small Brownfield Residential	LSH comment
Scenario Reference	RA1	RA2	RA3	RA4	RA5	RA6	RA7	RA8	
Headline Assumptions									
Number of units (residential)	**100**	**100**	**60**	**60**	**10**	**10**	**5**	**5**	
Net site area (hectares)	2.63	2.63	1.58	1.58	0.28	0.28	0.17	0.17	
Net site area (acres)	6.50	6.50	3.90	3.90	0.69	0.69	0.36	0.36	
Density (residential units per net hectare)	38.00	38.00	38.00	38.00	36.00	36.00	34.00	34.00	
Density (residential units per net acre)	15.4	15.4	15.4	15.4	14.6	14.6	13.8	13.8	
Total sqft of floorspace	90,120	90,120	54,072	54,072	9,630	9,630	4,573	4,573	
Sqft of floorspace per net site acre	13,859	13,859	13,859	13,859	14,030	14,030	12,584	12,584	
Gross to net ratio	0.6	0.6	0.75	0.75	0.85	0.85	0.85	0.85	Net area as ratio of gross
Gross site area (hectares)	4.39	4.39	2.11	2.11	0.33	0.33	0.20	0.20	
Gross site area (acres)	10.84	10.84	5.20	5.20	0.81	0.81	0.43	0.43	
Value Assumptions									
2 Bed House	£165,000	£165,000	£165,000	£165,000	£165,000	£165,000	£165,000	£165,000	£219.12/ft2
3 Bed House	£200,000	£200,000	£200,000	£200,000	£200,000	£200,000	£200,000	£200,000	£218.58/ft2
4+ Bed House	£270,000	£270,000	£270,000	£270,000	£270,000	£270,000	£270,000	£270,000	£218.27/ft2
2 Bed Bungalow	£180,000	£180,000	£180,000	£180,000	£180,000	£180,000	£180,000	£180,000	£257.14/ft2
1 Bed Apartment	£115,000	£115,000	£115,000	£115,000	£115,000	£115,000	£115,000	£115,000	£213.75/ft2
2 Bed Apartment	£135,000	£135,000	£135,000	£135,000	£135,000	£135,000	£135,000	£135,000	£208.98/ft2
Residential Rent (£psf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Unit Sizes									
2 Bed House - GIA (sqft)	753	753	753	753	753	753	753	753	70m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	40.0%	40.0%	
3 Bed House - GIA (sqft)	915	915	915	915	915	915	915	915	85m2 (standard)
% of total units in scenario	30.0%	30.0%	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	114.9m2 (standard)
% of total units in scenario	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	20.0%	20.0%	
2 Bed Bungalow - GIA (sqft)	700	700	700	700	-	-	-	-	65m2 (standard)
% of total units in scenario	10.0%	10.0%	10.0%	10.0%	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	538	538	-	-	-	-	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	633	633	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	
2 Bed Apartment - Net sales (sqft)	646	646	646	646	-	-	-	-	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	760	760	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	5.0%	5.0%	-	-	-	-	
Land Value									
Land Price (per net acre)	£300,000	£250,000	£300,000	£250,000	£300,000	£250,000	£300,000	£250,000	
Stamp Duty Land Tax (SDLT)	Applied at the prevailing rate								
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions									
Initial Payments -									
Statutory Planning Fees	£29,759	£29,759	£24,239	£24,239	£6,930	£6,930	£2,310	£2,310	
Construction Costs -									
Demolition, Site Clearance and remediation (per gross acre)	-	£100,000	-	£105,000	-	£110,000	-	£115,000	Cost per acre
Houses Build Costs	£78	£78	£82	£82	£92	£92	£100	£100	
Bungalow Build Costs	£113.62	£113.62	£113.62	£113.62	-	-	-	-	£ per ft2 - Base build cost of footprint of units only
Apartment Build Costs	£113.81	£113.81	£113.81	£113.81	-	-	-	-	
External works inc. utilities reinforcement (allowance)	20%	20%	15%	15%	10%	10%	10%	10%	% of base build
Contingency	3%	5%	3%	5%	3%	5%	3%	5%	% of total construction
M4(2) Allowance per unit for 20% of units									
Professional Fees (Note 1) -	8%	9%	8%	9%	9%	10%	9%	10%	% of total construction
Disposal Costs -									
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -									
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6.5%	6.5%	6.5%	6.5%	% interest per annum on cumulative balance
Profit									
Developers Profit	18%	18%	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1 Includes planning application professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of ea

External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit

Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites

Construction period (months per unit)

Average months between construction start and first sale

Sales per month. Small and medium sized schemes

Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

Affordable housing (as percentage of total units)

To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Pendle Council	Pendle Borough (Mixed and Commerical sites)									Lambert Smith Hampton
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	Small Office	Large Office	Small Industrial	Medium Industrial	Large Industrial	Small Retail Parade	Foodstore	Retail Warehouse	Mixed use (residential/ commercial)	LSH comment
Scenario Reference	C1	C2	C3	C4	C5	C6	C7		C8	
Headline Assumptions										
Number of units (residential)	-	-	-	-	-	-	-	-	-	
Net site area (hectares)	0.38	1.61	1.61	0.52	0.52	2.1	2.1	0.4	0.50	
Net site area (acres)	0.94	3.98	3.98	1.28	1.28	5.19	5.19	0.99	1.24	
Density (residential units per net hectare)	-	-	-	-	-	-	-	-	-	
Density (residential units per net acre)	-	-	-	-	-	-	-	-	-	
Gross to net ratio	0.50	0.40	0.40	0.40	0.40	0.50	0.50	0.40	0.40	
Gross site area (hectares)	0.04	0.10	0.03	1.30	1.30	0.03	0.60	0.65	0.50	
Gross site area (acres)	0.10	0.25	0.07	3.21	3.21	0.07	1.48	1.61	1.24	
Further description (mixed used and commercial scenarios)	1,500 sqft office building	5,000 sqft office building	1,500 sqft industrial unit	5,000 sqft industrial / warehouse unit	10,000sqft industrial unit	small 2,500 sqft retail parade	Assume single storey budget retail store of 19,000 sqft. External: 125 space car park	20,000 sqft retail warehouse	Assume 4 storey building of 7000 sqft per floor. Retail on ground floor, residential on floors above. External: 50 space car park	
Value Assumptions										
1 Bed Apartment										
2 Bed Apartment										
Residential Rent (£psf)									£20.00	
Residential Yield									8.00%	
Retail Rent (£psf)						£14.00	£16.00	£16.00	£14.00	
Retail Yield						7.00%	5.50%	7.50%	8.00%	
Office Rent (£psf)	£14.00	£14.00								
Office Yield	9.00%	8.50%								
Industrial Rent (£psf)			£7.00	£7.00	£6.50					
Industrial Yield			8.00%	8.00%	7.50%					
Unit Sizes										
1 Bed Apartment - Net sales (sqft)									538	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)									633	
Net to Gross									85%	
% of total MARKET units in scenario									50%	
% of total AFFORDABLE units in scenario									50%	
2 Bed Apartment - Net sales (sqft)									646	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)									760	
Net to Gross									85%	
% of total MARKET units in scenario									100%	
% of total AFFORDABLE units in scenario									-	
Retail - Net sales (sqft)						2,375	18,050	19,000	6,000	
Retail - GIA (sqft)						2,500	19,000	20,000	7,000	
Net to Gross						90%	95%	95%	86%	
Office - Net sales (sqft)	1350	4,500								
Office - GIA (sqft)	1,500	5,000								
Net to Gross	90.0%	90.0%								
Industrial - Net sales (sqft)			1,425	4,750	9,500					
Industrial - GIA (sqft)			1,500	5,000	10,000					
Net to Gross			95.0%	95.0%	95.0%					
Land Value										
Land Price (per net acre)	£125,000	£125,000	£125,000	£125,000	£125,000	£250,000	£650,000	£500,000	£250,000	
Stamp Duty Land Tax (SDLT)										
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions										
Initial Payments -										
Statutory Planning Fees	£924	£3,234	£924	£3,234	£6,006	£1,848	£11,088	£11,550	£18,018	
Construction Costs -										
Demolition, Site Clearance and remediation (per gross acre)						£100,000	£100,000	£100,000	£100,000	Cost per acre
Mixed Use Build Cost										£ per ft2 - Base build cost of footprint of units only
Office Build Cost	£120	£120								
Industrial Build Cost			£60	£60	£60	£100	£120	£60	£120	
Retail Build Cost										
External works inc. utilities reinforcement (allowance)	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Contingency	5%	5%	5%	5%	5%	5%	3%	5%	5%	% of base build % of total construction
Professional Fees (Note 1) -	9%	9%	9%	9%	9%	9%	8%	9%	9%	
Disposal Costs -										
Letting Agents Costs	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Letting Legal Costs	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	1%	% of Gross Development Value
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Marketing and Promotion	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Finance Costs -										
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6%	6%	6%	6%	6%	% interest per annum on cumulative balance
Profit										
Developers Profit	20%	20%	20%	20%	20%	20%	18%	20%	20%	

Specific Notes
Includes planning application professional fees and reports

General Note
Build Costs
Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of each unit) is not included in this assumed figure.
External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit
Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes
Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites
Construction period (months per unit)
Average months between construction start and first sale
Sales per month. Small and medium sized schemes
Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

Affordable housing (as percentage of total units)
To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Appendix 5: Details of Attendees at Stakeholder Consultation Event (September 2019)

Pendle Viability Workshop **Attendance List**

Hosts

Name	**Organisation**	**Position**
Simon **Turner**	Lambert Smith Hampton	Head of Planning, Development and Regeneration - NW
Matt **Messenger**	Lambert Smith Hampton	Estates & Valuation Surveyor
Alice **Williams**	Lambert Smith Hampton	Graduate Surveyor
Neil **Watson**	Pendle Council	Planning Manager
John **Halton**	Pendle Council	Principal Planning Officer

Attendees

Name (A-Z)	**Organisation**	**Position**
Simon **Artiss**	Barrett Homes	Planning Manager
Stuart **Booth**	JWPC	Associate
Stuart **Douglas**	Guest of DG-A Ltd.	Client
David **Goodger**	DG-A Ltd	Managing Director
Chris **Ing**	Ing Consulting for Skipton Properties	Managing Director
Alan **Kinder**	Avalon Town Planning	Managing Director
Andrew **Morgan**	AMD Design	Chartered Architectural Technologist
John **Seagar**	Beck Developments	Plannner

Pendle Viability Workshop **Attendance List**

Name (A-Z)	**Organisation**	**Position**
Chris **Stroud**	Maro Developments	Director of Development
Andrew **Walker**	AJW Planning	-
Tony **Ward**	Together Housing	Head of New Business
Julie **Whittaker**	Pendle Council	Housing, Health & Engineering Services Manager
Ben **Wilkinson**	Beck Developments	Managing Director

Appendix 6: Development Appraisals

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC1.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	25	25.0%	3,000,000
3 Bed houses	145,000	30	30.0%	4,350,000
4+ Bed houses	190,000	25	25.0%	4,750,000
2 Bed Bungalow	125,000	10	10.0%	1,250,000
1 Bed Apartment	80,000	5	5.0%	400,000
2 Bed Apartment	95,000	5	5.0%	475,000
		100	100%	14,225,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**14,225,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(649,873)
SDLT	649,873	@	Rate		(17,994)
Acquisition Agent fees	649,873	@	1%		(6,499)
Acquisition Legal fees	649,873	@	0.5%		(3,249)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	0	per acre	-
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	3%		(228,289)
Professional Fees	9,359,841	@	8%		(748,787)
Disposal Costs -					
Sale Agents Costs	14,225,000	GDV @	1.00%		(142,250)
Sale Legal Costs	14,225,000	GDV @	0.50%		(71,125)
Marketing and Promotion (1)	14,225,000	GDV @	2.50%		(355,625)
Finance Costs -					
Finance Fees	11,385,002	@	1.00%		(113,850)
Interest allowance (land) (2)	40	months @	6.00%		(135,523)
Interest allowance (build) (3)	12	months @	6.00%		(608,303)
Developers Profit	14,225,000	@	18.00%		(2,560,500)
TOTAL COSTS					(14,803,178)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(578,178)

SENSITIVITY ANALYSIS

		Values				
	(578,178)	80%	90%	100%	110%	120%
Construction Costs	90%	(1,632,665)	(621,134)	390,397	1,401,928	2,413,459
	95%	(2,116,953)	(1,105,422)	(93,891)	917,640	1,929,171
	100%	(2,601,240)	(1,589,709)	(578,178)	433,353	1,444,884
	105%	(3,085,527)	(2,073,996)	(1,062,465)	(50,934)	960,597
	110%	(3,569,815)	(2,558,284)	(1,546,753)	(535,222)	476,309

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC2.

ASSUMPTIONS					
Land Acquisition Value	50,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				

	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%

Residential density per ha 38 units per hectare

VALUES	£	# units		
2 Bed houses	120,000	25	25.0%	3,000,000
3 Bed houses	145,000	30	30.0%	4,350,000
4+ Bed houses	190,000	25	25.0%	4,750,000
2 Bed Bungalow	125,000	10	10.0%	1,250,000
1 Bed Apartment	80,000	5	5.0%	400,000
2 Bed Apartment	95,000	5	5.0%	475,000
		100	100%	14,225,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%		40% discount from MV	-
(of which) Intermediate	40%		25% discount from MV	-
GROSS DEVELOPMENT VALUE				**14,225,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(324,937)
SDLT	324,937	@	Rate		(1,747)
Acquisition Agent fees	324,937	@	1%		(3,249)
Acquisition Legal fees	324,937	@	0.5%		(1,625)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	100,000	per acre	(649,873)
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	5%		(456,578)
Professional Fees	10,238,003	@	9%		(921,420)
Disposal Costs -					
Sale Agents Costs	14,225,000	GDV @	1.00%		(142,250)
Sale Legal Costs	14,225,000	GDV @	0.50%		(71,125)
Marketing and Promotion (1)	14,225,000	GDV @	2.50%		(355,625)
Finance Costs -					
Finance Fees	12,089,739	@	1.00%		(120,897)
Interest allowance (land) (2)	40	months @	6.00%		(66,311)
Interest allowance (build) (3)	12	months @	6.00%		(671,351)
Developers Profit	14,225,000	@	18.00%		(2,560,500)
TOTAL COSTS					(15,508,799)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(1,283,799)

SENSITIVITY ANALYSIS

		Values				
	(1,283,799)	80%	90%	100%	110%	120%
Construction Costs	90%	(2,305,476)	(1,293,945)	(282,414)	729,117	1,740,648
	95%	(2,806,168)	(1,794,637)	(783,106)	228,425	1,239,956
	100%	(3,306,861)	(2,295,330)	(1,283,799)	(272,268)	739,263
	105%	(3,807,554)	(2,796,023)	(1,784,492)	(772,961)	238,570
	110%	(4,308,246)	(3,296,715)	(2,285,184)	(1,273,653)	(262,122)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC3.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	15	25.0%	1,800,000
3 Bed houses	145,000	18	30.0%	2,610,000
4+ Bed houses	190,000	15	25.0%	2,850,000
2 Bed Bungalow	125,000	6	10.0%	750,000
1 Bed Apartment	80,000	3	5.0%	240,000
2 Bed Apartment	95,000	3	5.0%	285,000
		60	100%	8,535,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40% discount from MV		-
(of which) Intermediate	40%	25% discount from MV		-
GROSS DEVELOPMENT VALUE				**8,535,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(390,158)
SDLT	390,158	@	Rate		(5,008)
Acquisition Agent fees	390,158	@	1%		(3,902)
Acquisition Legal fees	390,158	@	0.5%		(1,951)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	0	per acre	-
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	3%		(163,911)
Professional Fees	5,627,626	@	8%		(450,210)
Disposal Costs -					
Sale Agents Costs	8,535,000	GDV @	1.00%		(85,350)
Sale Legal Costs	8,535,000	GDV @	0.50%		(42,675)
Marketing and Promotion (1)	8,535,000	GDV @	2.50%		(213,375)
Finance Costs -					
Finance Fees	6,844,493	@	1.00%		(68,445)
Interest allowance (land) (2)	33	months @	6.00%		(66,168)
Interest allowance (build) (3)	12	months @	6.00%		(366,124)
Developers Profit	8,535,000	@	18.00%		(1,536,300)
TOTAL COSTS					(8,881,530)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(346,530)

SENSITIVITY ANALYSIS

		Values				
	(346,530)	80%	90%	100%	110%	120%
Construction Costs	90%	(975,359)	(368,441)	238,478	845,397	1,452,315
	95%	(1,267,863)	(660,945)	(54,026)	552,892	1,159,811
	100%	(1,560,368)	(953,449)	(346,530)	260,388	867,307
	105%	(1,852,872)	(1,245,953)	(639,035)	(32,116)	574,803
	110%	(2,145,376)	(1,538,457)	(931,539)	(324,620)	282,298

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC4.

ASSUMPTIONS				
Land Acquisition Value	50,000	per acre		
Developers Profit	18.0%	on GDV		
Gross Site Area	2.11	hectares	5.20	acres
Net Site Area	1.58	hectares	3.90	acres
Gross to Net Ratio	0.75			
	Net sales (sqft)		GIA (sqft)	Net to Gross %
2 Bed houses	753		753	100.0%
3 Bed houses	915		915	100.0%
4+ Bed houses	1,237		1,237	100.0%
2 Bed Bungalow	700		700	100.0%
1 Bed Apartment	538		633	85.0%
2 Bed Apartment	646		760	85.0%
Residential density per ha	38	units per hectare		

VALUES	£	# units		
2 Bed houses	120,000	15	25.0%	1,800,000
3 Bed houses	145,000	18	30.0%	2,610,000
4+ Bed houses	190,000	15	25.0%	2,850,000
2 Bed Bungalow	125,000	6	10.0%	750,000
1 Bed Apartment	80,000	3	5.0%	240,000
2 Bed Apartment	95,000	3	5.0%	285,000
		60	100%	8,535,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**8,535,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(195,079)
SDLT	195,079	@	Rate		4,746
Acquisition Agent fees	195,079	@	1%		(1,951)
Acquisition Legal fees	195,079	@	0.5%		(975)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	105,000	per acre	(546,221)
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	5%		(273,186)
Professional Fees	6,283,121	@	9%		(565,481)
Disposal Costs -					
Sale Agents Costs	8,535,000	GDV @	1.00%		(85,350)
Sale Legal Costs	8,535,000	GDV @	0.50%		(42,675)
Marketing and Promotion (1)	8,535,000	GDV @	2.50%		(213,375)
Finance Costs -					
Finance Fees	7,407,500	@	1.00%		(74,075)
Interest allowance (land) (2)	33	months @	6.00%		(31,888)
Interest allowance (build) (3)	12	months @	6.00%		(412,370)
Developers Profit	8,535,000	@	18.00%		(1,536,300)
TOTAL COSTS					(9,462,133)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(927,133)

SENSITIVITY ANALYSIS

		Values				
	(927,133)	80%	90%	100%	110%	120%
Construction Costs	90%	(1,539,081)	(932,162)	(325,244)	281,675	888,594
	95%	(1,840,026)	(1,233,107)	(626,189)	(19,270)	587,649
	100%	(2,140,971)	(1,534,052)	(927,133)	(320,215)	286,704
	105%	(2,441,915)	(1,834,997)	(1,228,078)	(621,160)	(14,241)
	110%	(2,742,860)	(2,135,942)	(1,529,023)	(922,104)	(315,186)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC5.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	3	30.0%	360,000
3 Bed houses	145,000	4	40.0%	580,000
4+ Bed houses	190,000	3	30.0%	570,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,510,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%		40% discount from MV	-
(of which) Intermediate	40%		25% discount from MV	-
GROSS DEVELOPMENT VALUE				**1,510,000**

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.28	ha	0.69 acres	
Site Purchase Price				(68,639)
SDLT	68,639	@	Rate	11,068
Acquisition Agent fees	68,639	@	1%	(686)
Acquisition Legal fees	68,639	@	0.5%	(343)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	0 per acre	-
Houses Build Costs	9,630	sqft @	92.00 psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%	(88,596)
Contingency	974,556	@	3%	(29,237)
Professional Fees	1,003,793	@	9%	(90,341)
Disposal Costs -				
Sale Agents Costs	1,510,000	GDV @	1.00%	(15,100)
Sale Legal Costs	1,510,000	GDV @	0.50%	(7,550)
Marketing and Promotion (1)	1,510,000	GDV @	2.50%	(37,750)
Finance Costs -				
Finance Fees	1,220,064	@	1.00%	(12,201)
Interest allowance (land) (2)	10	months @	6.50%	(3,174)
Interest allowance (build) (3)	6	months @	6.50%	(35,785)
Developers Profit	1,510,000	@	18.00%	(271,800)
TOTAL COSTS				(1,543,024)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(33,024)

SENSITIVITY ANALYSIS

		Values				
	(33,024)	80%	90%	100%	110%	120%
Construction Costs	90%	(154,400)	(36,680)	81,040	198,759	316,479
	95%	(211,431)	(93,712)	24,008	141,727	259,447
	100%	(268,463)	(150,743)	(33,024)	84,696	202,415
	105%	(325,495)	(207,775)	(90,056)	27,664	145,384
	110%	(382,527)	(264,807)	(147,087)	(29,368)	88,352

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC6.

ASSUMPTIONS					
Land Acquisition Value	50,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	3	30.0%	360,000
3 Bed houses	145,000	4	40.0%	580,000
4+ Bed houses	190,000	3	30.0%	570,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,510,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**1,510,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.28	ha	0.69	acres	
Site Purchase Price					(34,319)
SDLT	34,319	@	Rate		12,784
Acquisition Agent fees	34,319	@	1%		(343)
Acquisition Legal fees	34,319	@	0.5%		(172)
Initial Payments -					
Statutory Planning Fees					(6,930)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	110,000	per acre	(88,827)
Houses Build Costs	9,630	sqft @	92.00	psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%		(88,596)
Contingency	974,556	@	5%		(48,728)
Professional Fees	1,112,111	@	10%		(111,211)
Disposal Costs -					
Sale Agents Costs	1,510,000	GDV @	1.00%		(15,100)
Sale Legal Costs	1,510,000	GDV @	0.50%		(7,550)
Marketing and Promotion (1)	1,510,000	GDV @	2.50%		(37,750)
Finance Costs -					
Finance Fees	1,312,702	@	1.00%		(13,127)
Interest allowance (land) (2)	10	months @	6.50%		(1,194)
Interest allowance (build) (3)	6	months @	6.50%		(39,983)
Developers Profit	1,510,000	@	18.00%		(271,800)
TOTAL COSTS					(1,638,806)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(128,806)

SENSITIVITY ANALYSIS						
		Values				
	(128,806)	80%	90%	100%	110%	120%
Construction Costs	90%	(246,901)	(129,181)	(11,461)	106,258	223,978
	95%	(305,573)	(187,854)	(70,134)	47,586	165,305
	100%	(364,246)	(246,526)	(128,806)	(11,087)	106,633
	105%	(422,918)	(305,199)	(187,479)	(69,759)	47,960
	110%	(481,591)	(363,871)	(246,152)	(128,432)	(10,712)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC7.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.17	hectares	0.43	acres	
Net Site Area	0.15	hectares	0.36	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	34	units per hectare			

VALUES	£	# units		
2 Bed houses	120,000	2	40.0%	240,000
3 Bed houses	145,000	2	40.0%	290,000
4+ Bed houses	190,000	1	20.0%	190,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	720,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**720,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.15	ha	0.36	acres	
Site Purchase Price					(36,338)
SDLT	36,338	@	Rate		12,683
Acquisition Agent fees	36,338	@	1%		(363)
Acquisition Legal fees	36,338	@	0.5%		(182)
Initial Payments -					
Statutory Planning Fees					(2,310)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.43	acres (gross) @	0	per acre	-
Houses Build Costs	4,573	sqft @	100.00	psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%		(45,730)
Contingency	503,030	@	3%		(15,091)
Professional Fees	518,121	@	9%		(46,631)
Disposal Costs -					
Sale Agents Costs	720,000	GDV @	1.00%		(7,200)
Sale Legal Costs	720,000	GDV @	0.50%		(3,600)
Marketing and Promotion (1)	720,000	GDV @	2.50%		(18,000)
Finance Costs -					
Finance Fees	620,062	@	1.00%		(6,201)
Interest allowance (land) (2)	10	months @	6.50%		(1,311)
Interest allowance (build) (3)	6	months @	6.50%		(18,430)
Developers Profit	720,000	@	18.00%		(129,600)
TOTAL COSTS					(775,603)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(55,603)

SENSITIVITY ANALYSIS

		Values				
	(55,603)	80%	90%	100%	110%	120%
Construction Costs	90%	(108,990)	(52,859)	3,272	59,404	115,535
	95%	(138,428)	(82,296)	(26,165)	29,966	86,097
	100%	(167,865)	(111,734)	(55,603)	528	56,659
	105%	(197,303)	(141,172)	(85,041)	(28,909)	27,222
	110%	(226,741)	(170,610)	(114,478)	(58,347)	(2,216)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC8.

ASSUMPTIONS					
Land Acquisition Value	50,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	3	30.0%	360,000
3 Bed houses	145,000	4	40.0%	580,000
4+ Bed houses	190,000	3	30.0%	570,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,510,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**1,510,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.28	ha	0.69	acres	
Site Purchase Price					(34,319)
SDLT	34,319	@	Rate		12,784
Acquisition Agent fees	34,319	@	1%		(343)
Acquisition Legal fees	34,319	@	0.5%		(172)
Initial Payments -					
Statutory Planning Fees					(2,310)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	115,000	per acre	(92,864)
Houses Build Costs	9,630	sqft @	92.00	psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%		(88,596)
Contingency	974,556	@	5%		(48,728)
Professional Fees	1,116,148	@	10%		(111,615)
Disposal Costs -					
Sale Agents Costs	1,510,000	GDV @	1.00%		(15,100)
Sale Legal Costs	1,510,000	GDV @	0.50%		(7,550)
Marketing and Promotion (1)	1,510,000	GDV @	2.50%		(37,750)
Finance Costs -					
Finance Fees	1,312,523	@	1.00%		(13,125)
Interest allowance (land) (2)	10	months @	6.50%		(1,194)
Interest allowance (build) (3)	6	months @	6.50%		(39,977)
Developers Profit	1,510,000	@	18.00%		(271,800)
TOTAL COSTS					(1,638,620)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(128,620)

SENSITIVITY ANALYSIS

		Values				
	(128,620)	80%	90%	100%	110%	120%
Construction Costs	90%	(246,714)	(128,995)	(11,275)	106,444	224,164
	95%	(305,387)	(187,667)	(69,948)	47,772	165,492
	100%	(364,059)	(246,340)	(128,620)	(10,901)	106,819
	105%	(422,732)	(305,012)	(187,293)	(69,573)	48,146
	110%	(481,404)	(363,685)	(245,965)	(128,246)	(10,526)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191129 Pendle Plan Wide Viability Model - MC Corridor v1

MC9.

ASSUMPTIONS					
Land Acquisition Value	75,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.67	hectares	1.65	acres	
Net Site Area	0.50	hectares	1.24	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	70	units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	0	0.0%	-
3 Bed houses	145,000	0	0.0%	-
4+ Bed houses	190,000	0	0.0%	-
2 Bed Bungalow	125,000	0	0.0%	-
1 Bed Apartment	80,000	17	48.6%	1,360,000
2 Bed Apartment	95,000	18	51.4%	1,710,000
		35	100%	3,070,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%		40% discount from MV	-
(of which) Intermediate	40%		25% discount from MV	-
GROSS DEVELOPMENT VALUE				**3,070,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.50	ha	1.24	acres	
Site Purchase Price					(92,663)
SDLT	92,663	@	Rate		9,867
Acquisition Agent fees	92,663	@	1%		(927)
Acquisition Legal fees	92,663	@	0.5%		(463)
Initial Payments -					
Statutory Planning Fees					(16,170)
Construction Costs -					
Demolition and Site Clearance (allowance)	1.65	acres (gross) @	105,000	per acre	(172,970)
Houses Build Costs	-	sqft @	82.00	psf	-
Bungalow Build Costs	-	sqft @	113.62	psf	-
Apartment Build Costs	24,441	sqft @	130.00	psf	(3,177,330)
External works inc. utilities reinforcement (allowance)	3,177,330	@	10%		(317,733)
Contingency	3,495,063	@	5%		(174,753)
Professional Fees	3,842,786	@	9%		(345,851)
Disposal Costs -					
Sale Agents Costs	3,070,000	GDV @	1.00%		(30,700)
Sale Legal Costs	3,070,000	GDV @	0.50%		(15,350)
Marketing and Promotion (1)	3,070,000	GDV @	2.50%		(76,750)
Finance Costs -					
Finance Fees	4,411,792	@	1.00%		(44,118)
Interest allowance (land) (2)	33	months @	6.00%		(13,891)
Interest allowance (build) (3)	12	months @	6.00%		(252,288)
Developers Profit	3,070,000	@	18.00%		(552,600)
TOTAL COSTS					(5,274,689)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(2,204,689)

SENSITIVITY ANALYSIS

		Values				
	(2,204,689)	80%	90%	100%	110%	120%
Construction Costs	90%	(2,255,353)	(2,016,016)	(1,776,679)	(1,537,342)	(1,298,004)
	95%	(2,469,358)	(2,230,021)	(1,990,684)	(1,751,347)	(1,512,010)
	100%	(2,683,364)	(2,444,027)	(2,204,689)	(1,965,352)	(1,726,015)
	105%	(2,897,369)	(2,658,032)	(2,418,695)	(2,179,358)	(1,940,020)
	110%	(3,111,374)	(2,872,037)	(2,632,700)	(2,393,363)	(2,154,026)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN1.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	140,000	25	25.0%	3,500,000
3 Bed houses	167,000	30	30.0%	5,010,000
4+ Bed houses	225,000	25	25.0%	5,625,000
2 Bed Bungalow	145,000	10	10.0%	1,450,000
1 Bed Apartment	90,000	5	5.0%	450,000
2 Bed Apartment	107,000	5	5.0%	535,000
		100	100%	16,570,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**16,570,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(974,810)
SDLT	974,810	@	Rate		(34,240)
Acquisition Agent fees	974,810	@	1%		(9,748)
Acquisition Legal fees	974,810	@	0.5%		(4,874)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	0	per acre	-
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	3%		(228,289)
Professional Fees	9,359,841	@	8%		(748,787)
Disposal Costs -					
Sale Agents Costs	16,570,000	GDV @	1.00%		(165,700)
Sale Legal Costs	16,570,000	GDV @	0.50%		(82,850)
Marketing and Promotion (1)	16,570,000	GDV @	2.50%		(414,250)
Finance Costs -					
Finance Fees	11,824,859	@	1.00%		(118,249)
Interest allowance (land) (2)	40	months @	6.00%		(204,734)
Interest allowance (build) (3)	12	months @	6.00%		(608,303)
Developers Profit	16,570,000	@	18.00%		(2,982,600)
TOTAL COSTS					(15,738,745)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	831,255

SENSITIVITY ANALYSIS

		Values				
	831,255	80%	90%	100%	110%	120%
Construction Costs	90%	(557,681)	621,074	1,799,829	2,978,584	4,157,340
	95%	(1,041,969)	136,787	1,315,542	2,494,297	3,673,052
	100%	(1,526,256)	(347,501)	831,255	2,010,010	3,188,765
	105%	(2,010,543)	(831,788)	346,967	1,525,723	2,704,478
	110%	(2,494,830)	(1,316,075)	(137,320)	1,041,435	2,220,190

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN2.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES	£	# units		
2 Bed houses	140,000	25	25.0%	3,500,000
3 Bed houses	167,000	30	30.0%	5,010,000
4+ Bed houses	225,000	25	25.0%	5,625,000
2 Bed Bungalow	145,000	10	10.0%	1,450,000
1 Bed Apartment	90,000	5	5.0%	450,000
2 Bed Apartment	107,000	5	5.0%	535,000
		100	100%	16,570,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**16,570,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(649,873)
SDLT	649,873	@	Rate		(17,994)
Acquisition Agent fees	649,873	@	1%		(6,499)
Acquisition Legal fees	649,873	@	0.5%		(3,249)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	100,000	per acre	(649,873)
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	5%		(456,578)
Professional Fees	10,238,003	@	9%		(921,420)
Disposal Costs -					
Sale Agents Costs	16,570,000	GDV @	1.00%		(165,700)
Sale Legal Costs	16,570,000	GDV @	0.50%		(82,850)
Marketing and Promotion (1)	16,570,000	GDV @	2.50%		(414,250)
Finance Costs -					
Finance Fees	12,529,597	@	1.00%		(125,296)
Interest allowance (land) (2)	40	months @	6.00%		(135,523)
Interest allowance (build) (3)	12	months @	6.00%		(671,351)
Developers Profit	16,570,000	@	18.00%		(2,982,600)
TOTAL COSTS					(16,444,366)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	125,634

SENSITIVITY ANALYSIS

		Values				
	125,634	80%	90%	100%	110%	120%
Construction Costs	90%	(1,230,491)	(51,736)	1,127,019	2,305,774	3,484,529
	95%	(1,731,184)	(552,429)	626,326	1,805,081	2,983,837
	100%	(2,231,877)	(1,053,122)	125,634	1,304,389	2,483,144
	105%	(2,732,569)	(1,553,814)	(375,059)	803,696	1,982,451
	110%	(3,233,262)	(2,054,507)	(875,752)	303,004	1,481,759

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN3.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	140,000	15	25.0%	2,100,000
3 Bed houses	167,000	18	30.0%	3,006,000
4+ Bed houses	225,000	15	25.0%	3,375,000
2 Bed Bungalow	145,000	6	10.0%	870,000
1 Bed Apartment	90,000	3	5.0%	270,000
2 Bed Apartment	107,000	3	5.0%	321,000
		60	100%	9,942,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**9,942,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(585,237)
SDLT	585,237	@	Rate		(14,762)
Acquisition Agent fees	585,237	@	1%		(5,852)
Acquisition Legal fees	585,237	@	0.5%		(2,926)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	0	per acre	-
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	3%		(163,911)
Professional Fees	5,627,626	@	8%		(450,210)
Disposal Costs -					
Sale Agents Costs	9,942,000	GDV @	1.00%		(99,420)
Sale Legal Costs	9,942,000	GDV @	0.50%		(49,710)
Marketing and Promotion (1)	9,942,000	GDV @	2.50%		(248,550)
Finance Costs -					
Finance Fees	7,108,532	@	1.00%		(71,085)
Interest allowance (land) (2)	33	months @	6.00%		(100,448)
Interest allowance (build) (3)	12	months @	6.00%		(366,124)
Developers Profit	9,942,000	@	18.00%		(1,789,560)
TOTAL COSTS					(9,435,750)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	506,250

SENSITIVITY ANALYSIS

		Values				
	506,250	80%	90%	100%	110%	120%
Construction Costs	90%	(323,248)	384,005	1,091,258	1,798,511	2,505,764
	95%	(615,752)	91,501	798,754	1,506,007	2,213,260
	100%	(908,256)	(201,003)	506,250	1,213,503	1,920,756
	105%	(1,200,761)	(493,507)	213,746	920,999	1,628,252
	110%	(1,493,265)	(786,012)	(78,759)	628,495	1,335,748

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN4.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	140,000	15	25.0%	2,100,000
3 Bed houses	167,000	18	30.0%	3,006,000
4+ Bed houses	225,000	15	25.0%	3,375,000
2 Bed Bungalow	145,000	6	10.0%	870,000
1 Bed Apartment	90,000	3	5.0%	270,000
2 Bed Apartment	107,000	3	5.0%	321,000
		60	100%	9,942,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**9,942,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(390,158)
SDLT	390,158	@	Rate		(5,008)
Acquisition Agent fees	390,158	@	1%		(3,902)
Acquisition Legal fees	390,158	@	0.5%		(1,951)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	105,000	per acre	(546,221)
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	5%		(273,186)
Professional Fees	6,283,121	@	9%		(565,481)
Disposal Costs -					
Sale Agents Costs	9,942,000	GDV @	1.00%		(99,420)
Sale Legal Costs	9,942,000	GDV @	0.50%		(49,710)
Marketing and Promotion (1)	9,942,000	GDV @	2.50%		(248,550)
Finance Costs -					
Finance Fees	7,671,539	@	1.00%		(76,715)
Interest allowance (land) (2)	33	months @	6.00%		(66,168)
Interest allowance (build) (3)	12	months @	6.00%		(412,370)
Developers Profit	9,942,000	@	18.00%		(1,789,560)
TOTAL COSTS					(10,016,353)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(74,353)

SENSITIVITY ANALYSIS							
		Values					
	(74,353)	80%	90%	100%	110%	120%
Construction Costs	90%	(886,970)	(179,717)	527,537	1,234,790	1,942,043
	95%	(1,187,914)	(480,661)	226,592	933,845	1,641,098
	100%	(1,488,859)	(781,606)	(74,353)	632,900	1,340,153
	105%	(1,789,804)	(1,082,551)	(375,298)	331,955	1,039,208
	110%	(2,090,749)	(1,383,496)	(676,243)	31,010	738,263

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN5.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES	£	# units		
2 Bed houses	140,000	3	30.0%	420,000
3 Bed houses	167,000	4	40.0%	668,000
4+ Bed houses	225,000	3	30.0%	675,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,763,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**1,763,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.28	ha	0.69	acres	
Site Purchase Price					(102,958)
SDLT	102,958	@	Rate		9,352
Acquisition Agent fees	102,958	@	1%		(1,030)
Acquisition Legal fees	102,958	@	0.5%		(515)
Initial Payments -					
Statutory Planning Fees					(6,930)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	0	per acre	-
Houses Build Costs	9,630	sqft @	92.00	psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%		(88,596)
Contingency	974,556	@	3%		(29,237)
Professional Fees	1,003,793	@	9%		(90,341)
Disposal Costs -					
Sale Agents Costs	1,763,000	GDV @	1.00%		(17,630)
Sale Legal Costs	1,763,000	GDV @	0.50%		(8,815)
Marketing and Promotion (1)	1,763,000	GDV @	2.50%		(44,075)
Finance Costs -					
Finance Fees	1,266,735	@	1.00%		(12,667)
Interest allowance (land) (2)	10	months @	6.50%		(5,154)
Interest allowance (build) (3)	6	months @	6.50%		(35,785)
Developers Profit	1,763,000	@	18.00%		(317,340)
TOTAL COSTS					(1,637,681)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	125,319

SENSITIVITY ANALYSIS

		Values				
	125,319	80%	90%	100%	110%	120%
Construction Costs	90%	(35,504)	101,939	239,383	376,826	514,270
	95%	(92,536)	44,908	182,351	319,795	457,238
	100%	(149,568)	(12,124)	125,319	262,763	400,206
	105%	(206,599)	(69,156)	68,288	205,731	343,175
	110%	(263,631)	(126,188)	11,256	148,699	286,143

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN6.

ASSUMPTIONS

Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				

	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	0	700	0.0%
1 Bed Apartment	0	633	0.0%
2 Bed Apartment	0	760	0.0%

Residential density per ha 36 units per hectare

VALUES

	£	# units		
2 Bed houses	140,000	3	30.0%	420,000
3 Bed houses	167,000	4	40.0%	668,000
4+ Bed houses	225,000	3	30.0%	675,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,763,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40% discount from MV		-
(of which) Intermediate	40%	25% discount from MV		-
GROSS DEVELOPMENT VALUE				**1,763,000**

DEVELOPMENT COSTS

Site Acquisition -				
Net Site Area	0.28	ha	0.69 acres	
Site Purchase Price				(68,639)
SDLT	68,639	@	Rate	11,068
Acquisition Agent fees	68,639	@	1%	(686)
Acquisition Legal fees	68,639	@	0.5%	(343)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	110,000 per acre	(88,827)
Houses Build Costs	9,630	sqft @	92.00 psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%	(88,596)
Contingency	974,556	@	5%	(48,728)
Professional Fees	1,112,111	@	10%	(111,211)
Disposal Costs -				
Sale Agents Costs	1,763,000	GDV @	1.00%	(17,630)
Sale Legal Costs	1,763,000	GDV @	0.50%	(8,815)
Marketing and Promotion (1)	1,763,000	GDV @	2.50%	(44,075)
Finance Costs -				
Finance Fees	1,359,372	@	1.00%	(13,594)
Interest allowance (land) (2)	10	months @	6.50%	(3,174)
Interest allowance (build) (3)	6	months @	6.50%	(39,983)
Developers Profit	1,763,000	@	18.00%	(317,340)
TOTAL COSTS				(1,733,463)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4) 29,537

SENSITIVITY ANALYSIS

		Values				
	29,537	80%	90%	100%	110%	120%
Construction Costs	90%	(128,005)	9,438	146,882	284,325	421,769
	95%	(186,678)	(49,234)	88,209	225,653	363,096
	100%	(245,350)	(107,907)	29,537	166,980	304,424
	105%	(304,023)	(166,579)	(29,136)	108,308	245,751
	110%	(362,695)	(225,252)	(87,808)	49,635	187,079

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN7.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.17	hectares	0.43	acres	
Net Site Area	0.15	hectares	0.36	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	34	units per hectare			

VALUES	£	# units		
2 Bed houses	140,000	2	40.0%	280,000
3 Bed houses	167,000	2	40.0%	334,000
4+ Bed houses	225,000	1	20.0%	225,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	839,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40% discount from MV		-
(of which) Intermediate	40%	25% discount from MV		-
GROSS DEVELOPMENT VALUE				**839,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.15	ha	0.36	acres	
Site Purchase Price					(54,507)
SDLT	54,507	@	Rate		11,775
Acquisition Agent fees	54,507	@	1%		(545)
Acquisition Legal fees	54,507	@	0.5%		(273)
Initial Payments -					
Statutory Planning Fees					(2,310)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.43	acres (gross) @	0	per acre	-
Houses Build Costs	4,573	sqft @	100.00	psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%		(45,730)
Contingency	503,030	@	3%		(15,091)
Professional Fees	518,121	@	9%		(46,631)
Disposal Costs -					
Sale Agents Costs	839,000	GDV @	1.00%		(8,390)
Sale Legal Costs	839,000	GDV @	0.50%		(4,195)
Marketing and Promotion (1)	839,000	GDV @	2.50%		(20,975)
Finance Costs -					
Finance Fees	644,172	@	1.00%		(6,442)
Interest allowance (land) (2)	10	months @	6.50%		(2,359)
Interest allowance (build) (3)	6	months @	6.50%		(18,430)
Developers Profit	839,000	@	18.00%		(151,020)
TOTAL COSTS					(822,422)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	16,578

SENSITIVITY ANALYSIS

		Values				
	16,578	80%	90%	100%	110%	120%
Construction Costs	90%	(55,364)	10,045	75,453	140,861	206,270
	95%	(84,802)	(19,393)	46,015	111,424	176,832
	100%	(114,239)	(48,831)	16,578	81,986	147,395
	105%	(143,677)	(78,268)	(12,860)	52,548	117,957
	110%	(173,115)	(107,706)	(42,298)	23,111	88,519

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - MCN Corridor v1

MCN8.

ASSUMPTIONS					
Land Acquisition Value	100,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.17	hectares	0.43	acres	
Net Site Area	0.15	hectares	0.36	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	34	units per hectare			

VALUES				
	£	# units		
2 Bed houses	140,000	2	40.0%	280,000
3 Bed houses	167,000	2	40.0%	334,000
4+ Bed houses	225,000	1	20.0%	225,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	839,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**839,000**

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.15	ha	0.36 acres	
Site Purchase Price				(36,338)
SDLT	36,338	@	Rate	12,683
Acquisition Agent fees	36,338	@	1%	(363)
Acquisition Legal fees	36,338	@	0.5%	(182)
Initial Payments -				
Statutory Planning Fees				(2,310)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.43	acres (gross) @	115,000 per acre	(49,163)
Houses Build Costs	4,573	sqft @	100.00 psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%	(45,730)
Contingency	503,030	@	5%	(25,152)
Professional Fees	577,345	@	10%	(57,734)
Disposal Costs -				
Sale Agents Costs	839,000	GDV @	1.00%	(8,390)
Sale Legal Costs	839,000	GDV @	0.50%	(4,195)
Marketing and Promotion (1)	839,000	GDV @	2.50%	(20,975)
Finance Costs -				
Finance Fees	695,150	@	1.00%	(6,951)
Interest allowance (land) (2)	10	months @	6.50%	(1,311)
Interest allowance (build) (3)	6	months @	6.50%	(20,715)
Developers Profit	839,000	@	18.00%	(151,020)
TOTAL COSTS				(875,147)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(36,147)

SENSITIVITY ANALYSIS

		Values				
	(36,147)	80%	90%	100%	110%	120%
Construction Costs	90%	(106,395)	(40,986)	24,422	89,830	155,239
	95%	(136,679)	(71,271)	(5,863)	59,546	124,954
	100%	(166,964)	(101,556)	(36,147)	29,261	94,670
	105%	(197,249)	(131,840)	(66,432)	(1,023)	64,385
	110%	(227,533)	(162,125)	(96,716)	(31,308)	34,100

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT1.

ASSUMPTIONS					
Land Acquisition Value	200,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	25	25.0%	3,625,000
3 Bed houses	175,000	30	30.0%	5,250,000
4+ Bed houses	235,000	25	25.0%	5,875,000
2 Bed Bungalow	160,000	10	10.0%	1,600,000
1 Bed Apartment	100,000	5	5.0%	500,000
2 Bed Apartment	120,000	5	5.0%	600,000
		100	100%	17,450,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%	40%	discount from MV	(209,400)
(of which) Intermediate	40%	25%	discount from MV	(87,250)
GROSS DEVELOPMENT VALUE				**17,153,350**

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	2.63	ha	6.50 acres	
Site Purchase Price				(1,299,746)
SDLT	1,299,746	@	Rate	(50,487)
Acquisition Agent fees	1,299,746	@	1%	(12,997)
Acquisition Legal fees	1,299,746	@	0.5%	(6,499)
Initial Payments -				
Statutory Planning Fees				(29,759)
Construction Costs -				
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	0 per acre	-
Houses Build Costs	77,200	sqft @	78.00 psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62 psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81 psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%	(1,521,925)
Contingency	9,131,552	@	3%	(228,289)
Professional Fees	9,359,841	@	8%	(748,787)
Disposal Costs -				
Sale Agents Costs	17,153,350	GDV @	1.00%	(171,534)
Sale Legal Costs	17,153,350	GDV @	0.50%	(85,767)
Marketing and Promotion (1)	17,153,350	GDV @	2.50%	(428,834)
Finance Costs -				
Finance Fees	12,194,251	@	1.00%	(121,943)
Interest allowance (land) (2)	40	months @	6.00%	(273,946)
Interest allowance (build) (3)	12	months @	6.00%	(608,303)
Developers Profit	17,153,350	@	18.00%	(3,087,603)
TOTAL COSTS				(16,286,045)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	867,305

SENSITIVITY ANALYSIS

		Values				
	867,305	80%	90%	100%	110%	120%
Construction Costs	90%	(593,440)	621,220	1,835,879	3,050,539	4,265,199
	95%	(1,077,727)	136,932	1,351,592	2,566,252	3,780,911
	100%	(1,562,015)	(347,355)	867,305	2,081,965	3,296,624
	105%	(2,046,302)	(831,642)	383,018	1,597,677	2,812,337
	110%	(2,530,589)	(1,315,929)	(101,270)	1,113,390	2,328,050

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT2.

ASSUMPTIONS

Land Acquisition Value	150,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	4.39 hectares	10.84	acres	
Net Site Area	2.63 hectares	6.50	acres	
Gross to Net Ratio	0.60			

	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%

Residential density per ha 38 units per hectare

VALUES

	£	# units		
2 Bed houses	145,000	25	25.0%	3,625,000
3 Bed houses	175,000	30	30.0%	5,250,000
4+ Bed houses	235,000	25	25.0%	5,875,000
2 Bed Bungalow	160,000	10	10.0%	1,600,000
1 Bed Apartment	100,000	5	5.0%	500,000
2 Bed Apartment	120,000	5	5.0%	600,000
		100	100%	17,450,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%		40% discount from MV	(209,400)
(of which) Intermediate	40%		25% discount from MV	(87,250)
GROSS DEVELOPMENT VALUE				**17,153,350**

DEVELOPMENT COSTS

Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(974,810)
SDLT	974,810	@	Rate		(34,240)
Acquisition Agent fees	974,810	@	1%		(9,748)
Acquisition Legal fees	974,810	@	0.5%		(4,874)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	100,000	per acre	(649,873)
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	5%		(456,578)
Professional Fees	10,238,003	@	9%		(921,420)
Disposal Costs -					
Sale Agents Costs	17,153,350	GDV @	1.00%		(171,534)
Sale Legal Costs	17,153,350	GDV @	0.50%		(85,767)
Marketing and Promotion (1)	17,153,350	GDV @	2.50%		(428,834)
Finance Costs -					
Finance Fees	12,898,988	@	1.00%		(128,990)
Interest allowance (land) (2)	40	months @	6.00%		(204,734)
Interest allowance (build) (3)	12	months @	6.00%		(671,351)
Developers Profit	17,153,350	@	18.00%		(3,087,603)
TOTAL COSTS					(16,991,666)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4) 161,684

SENSITIVITY ANALYSIS

		Values				
	161,684	80%	90%	100%	110%	120%
Construction Costs	90%	(1,266,250)	(51,591)	1,163,069	2,377,729	3,592,389
	95%	(1,766,943)	(552,283)	662,377	1,877,036	3,091,696
	100%	(2,267,635)	(1,052,976)	161,684	1,376,344	2,591,003
	105%	(2,768,328)	(1,553,668)	(339,009)	875,651	2,090,311
	110%	(3,269,021)	(2,054,361)	(839,701)	374,958	1,589,618

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT3.

ASSUMPTIONS

Land Acquisition Value	200,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES

	£	# units		
2 Bed houses	145,000	15	25.0%	2,175,000
3 Bed houses	175,000	18	30.0%	3,150,000
4+ Bed houses	235,000	15	25.0%	3,525,000
2 Bed Bungalow	160,000	6	10.0%	960,000
1 Bed Apartment	100,000	3	5.0%	300,000
2 Bed Apartment	120,000	3	5.0%	360,000
		60	100%	10,470,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%	40%	discount from MV	(125,640)
(of which) Intermediate	40%	25%	discount from MV	(52,350)
GROSS DEVELOPMENT VALUE				**10,292,010**

DEVELOPMENT COSTS

Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(780,316)
SDLT	780,316	@	Rate		(24,516)
Acquisition Agent fees	780,316	@	1%		(7,803)
Acquisition Legal fees	780,316	@	0.5%		(3,902)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	0	per acre	-
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	3%		(163,911)
Professional Fees	5,627,626	@	8%		(450,210)
Disposal Costs -					
Sale Agents Costs	10,292,010	GDV @	1.00%		(102,920)
Sale Legal Costs	10,292,010	GDV @	0.50%		(51,460)
Marketing and Promotion (1)	10,292,010	GDV @	2.50%		(257,300)
Finance Costs -					
Finance Fees	7,330,292	@	1.00%		(73,303)
Interest allowance (land) (2)	33	months @	6.00%		(134,728)
Interest allowance (build) (3)	12	months @	6.00%		(366,124)
Developers Profit	10,292,010	@	18.00%		(1,852,562)
TOTAL COSTS					(9,757,009)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4)	535,001

SENSITIVITY ANALYSIS

		Values				
	535,001	80%	90%	100%	110%	120%
Construction Costs	90%	(337,583)	391,213	1,120,009	1,848,805	2,577,601
	95%	(630,087)	98,709	827,505	1,556,301	2,285,096
	100%	(922,591)	(193,795)	535,001	1,263,797	1,992,592
	105%	(1,215,095)	(486,299)	242,497	971,292	1,700,088
	110%	(1,507,599)	(778,803)	(50,008)	678,788	1,407,584

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT4.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	15	25.0%	2,175,000
3 Bed houses	175,000	18	30.0%	3,150,000
4+ Bed houses	235,000	15	25.0%	3,525,000
2 Bed Bungalow	160,000	6	10.0%	960,000
1 Bed Apartment	100,000	3	5.0%	300,000
2 Bed Apartment	120,000	3	5.0%	360,000
		60	100%	10,470,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%	40%	discount from MV	(125,640)
(of which) Intermediate	40%	25%	discount from MV	(52,350)
GROSS DEVELOPMENT VALUE				**10,292,010**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(585,237)
SDLT	585,237	@	Rate		(14,762)
Acquisition Agent fees	585,237	@	1%		(5,852)
Acquisition Legal fees	585,237	@	0.5%		(2,926)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	105,000	per acre	(546,221)
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	5%		(273,186)
Professional Fees	6,283,121	@	9%		(565,481)
Disposal Costs -					
Sale Agents Costs	10,292,010	GDV @	1.00%		(102,920)
Sale Legal Costs	10,292,010	GDV @	0.50%		(51,460)
Marketing and Promotion (1)	10,292,010	GDV @	2.50%		(257,300)
Finance Costs -					
Finance Fees	7,893,299	@	1.00%		(78,933)
Interest allowance (land) (2)	33	months @	6.00%		(100,448)
Interest allowance (build) (3)	12	months @	6.00%		(412,370)
Developers Profit	10,292,010	@	18.00%		(1,852,562)
TOTAL COSTS					(10,337,612)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(45,602)

SENSITIVITY ANALYSIS

		Values				
	(45,602)	80%	90%	100%	110%	120%
Construction Costs	90%	(901,304)	(172,508)	556,287	1,285,083	2,013,879
	95%	(1,202,249)	(473,453)	255,343	984,138	1,712,934
	100%	(1,503,194)	(774,398)	(45,602)	683,194	1,411,989
	105%	(1,804,139)	(1,075,343)	(346,547)	382,249	1,111,045
	110%	(2,105,083)	(1,376,288)	(647,492)	81,304	810,100

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT5.

ASSUMPTIONS

Land Acquisition Value	200,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.33 hectares	0.81	acres	
Net Site Area	0.28 hectares	0.69	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	700		0.0%
1 Bed Apartment	0	633		0.0%
2 Bed Apartment	0	760		0.0%
Residential density per ha	36 units per hectare			

VALUES

	£	# units		
2 Bed houses	145,000	3	30.0%	435,000
3 Bed houses	175,000	4	40.0%	700,000
4+ Bed houses	235,000	3	30.0%	705,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,840,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%		40% discount from MV	(22,080)
(of which) Intermediate	40%		25% discount from MV	(9,200)
GROSS DEVELOPMENT VALUE				**1,808,720**

DEVELOPMENT COSTS

Site Acquisition -				
Net Site Area	0.28	ha	0.69 acres	
Site Purchase Price				(137,278)
SDLT	137,278	@	Rate	7,636
Acquisition Agent fees	137,278	@	1%	(1,373)
Acquisition Legal fees	137,278	@	0.5%	(686)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	0 per acre	-
Houses Build Costs	9,630	sqft @	92.00 psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%	(88,596)
Contingency	974,556	@	3%	(29,237)
Professional Fees	1,003,793	@	9%	(90,341)
Disposal Costs -				
Sale Agents Costs	1,808,720	GDV @	1.00%	(18,087)
Sale Legal Costs	1,808,720	GDV @	0.50%	(9,044)
Marketing and Promotion (1)	1,808,720	GDV @	2.50%	(45,218)
Finance Costs -				
Finance Fees	1,305,114	@	1.00%	(13,051)
Interest allowance (land) (2)	10	months @	6.50%	(7,134)
Interest allowance (build) (3)	6	months @	6.50%	(35,785)
Developers Profit	1,808,720	@	18.00%	(325,570)
TOTAL COSTS				(1,686,653)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4)	122,067

SENSITIVITY ANALYSIS

		Values				
	122,067	80%	90%	100%	110%	120%
Construction Costs	90%	(45,885)	95,123	236,131	377,139	518,146
	95%	(102,917)	38,091	179,099	320,107	461,115
	100%	(159,948)	(18,941)	122,067	263,075	404,083
	105%	(216,980)	(75,972)	65,035	206,043	347,051
	110%	(274,012)	(133,004)	8,004	149,012	290,019

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT6.

ASSUMPTIONS					
Land Acquisition Value	150,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	3	30.0%	435,000
3 Bed houses	175,000	4	40.0%	700,000
4+ Bed houses	235,000	3	30.0%	705,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	1,840,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%	40%	discount from MV	(22,080)
(of which) Intermediate	40%	25%	discount from MV	(9,200)
GROSS DEVELOPMENT VALUE				**1,808,720**

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.28	ha	0.69 acres	
Site Purchase Price				(102,958)
SDLT	102,958	@	Rate	-
Acquisition Agent fees	102,958	@	1%	(1,030)
Acquisition Legal fees	102,958	@	0.5%	(515)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	110,000 per acre	(88,827)
Houses Build Costs	9,630	sqft @	92.00 psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%	(88,596)
Contingency	974,556	@	5%	(48,728)
Professional Fees	1,112,111	@	10%	(111,211)
Disposal Costs -				
Sale Agents Costs	1,808,720	GDV @	1.00%	(18,087)
Sale Legal Costs	1,808,720	GDV @	0.50%	(9,044)
Marketing and Promotion (1)	1,808,720	GDV @	2.50%	(45,218)
Finance Costs -				
Finance Fees	1,407,103	@	1.00%	(14,071)
Interest allowance (land) (2)	10	months @	6.50%	(5,661)
Interest allowance (build) (3)	6	months @	6.50%	(39,983)
Developers Profit	1,808,720	@	18.00%	(325,570)
TOTAL COSTS				(1,792,388)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	16,332

SENSITIVITY ANALYSIS

		Values				
	16,332	80%	90%	100%	110%	120%
Construction Costs	90%	(148,338)	(7,330)	133,678	274,685	415,693
	95%	(207,011)	(66,003)	75,005	216,013	357,021
	100%	(265,683)	(124,675)	16,332	157,340	298,348
	105%	(324,356)	(183,348)	(42,340)	98,668	239,676
	110%	(383,028)	(242,020)	(101,013)	39,995	181,003

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT7.

ASSUMPTIONS						
Land Acquisition Value	200,000	per acre				
Developers Profit	18.0%	on GDV				
Gross Site Area	0.17	hectares	0.43	acres		
Net Site Area	0.15	hectares	0.36	acres		
Gross to Net Ratio	0.85					
	Net sales (sqft)		GIA (sqft)			Net to Gross %
2 Bed houses	753		753			100.0%
3 Bed houses	915		915			100.0%
4+ Bed houses	1,237		1,237			100.0%
2 Bed Bungalow	0		700			0.0%
1 Bed Apartment	0		633			0.0%
2 Bed Apartment	0		760			0.0%
Residential density per ha	34	units per hectare				

VALUES	£	# units		
2 Bed houses	145,000	2	40.0%	290,000
3 Bed houses	175,000	2	40.0%	350,000
4+ Bed houses	235,000	1	20.0%	235,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	875,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**875,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.15	ha	0.36	acres	
Site Purchase Price					(72,676)
SDLT	72,676	@	Rate		-
Acquisition Agent fees	72,676	@	1%		(727)
Acquisition Legal fees	72,676	@	0.5%		(363)
Initial Payments -					
Statutory Planning Fees					(6,930)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.43	acres (gross) @	0	per acre	-
Houses Build Costs	4,573	sqft @	100.00	psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%		(45,730)
Contingency	503,030	@	3%		(15,091)
Professional Fees	518,121	@	9%		(46,631)
Disposal Costs -					
Sale Agents Costs	875,000	GDV @	1.00%		(8,750)
Sale Legal Costs	875,000	GDV @	0.50%		(4,375)
Marketing and Promotion (1)	875,000	GDV @	2.50%		(21,875)
Finance Costs -					
Finance Fees	680,448	@	1.00%		(6,804)
Interest allowance (land) (2)	10	months @	6.50%		(3,996)
Interest allowance (build) (3)	6	months @	6.50%		(18,580)
Developers Profit	875,000	@	18.00%		(157,500)
TOTAL COSTS					(867,328)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	7,672

SENSITIVITY ANALYSIS

		Values				
	7,672	80%	90%	100%	110%	120%
Construction Costs	90%	(69,883)	(1,668)	66,547	134,762	202,977
	95%	(99,321)	(31,106)	37,109	105,324	173,539
	100%	(128,758)	(60,543)	7,672	75,887	144,102
	105%	(158,196)	(89,981)	(21,766)	46,449	114,664
	110%	(187,634)	(119,419)	(51,204)	17,011	85,226

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1
WCT8.

ASSUMPTIONS						
Land Acquisition Value	150,000	per acre				
Developers Profit	18.0%	on GDV				
Gross Site Area	0.16	hectares	0.40	acres		
Net Site Area	0.14	hectares	0.34	acres		
Gross to Net Ratio	0.85					
	Net sales (sqft)		GIA (sqft)		Net to Gross %	
2 Bed houses	753		753		100.0%	
3 Bed houses	915		915		100.0%	
4+ Bed houses	1,237		1,237		100.0%	
2 Bed Bungalow	0		700		0.0%	
1 Bed Apartment	0		633		0.0%	
2 Bed Apartment	0		760		0.0%	
Residential density per ha	36	units per hectare				

VALUES	£	# units		
2 Bed houses	145,000	2	40.0%	290,000
3 Bed houses	175,000	2	40.0%	350,000
4+ Bed houses	235,000	1	20.0%	235,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	875,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**875,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.14	ha	0.34	acres	
Site Purchase Price					(51,479)
SDLT	51,479	@	Rate		-
Acquisition Agent fees	51,479	@	1%		(515)
Acquisition Legal fees	51,479	@	0.5%		(257)
Initial Payments -					
Statutory Planning Fees					(6,930)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.40	acres (gross) @	110,000	per acre	(44,413)
Houses Build Costs	4,573	sqft @	100.00	psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%		(45,730)
Contingency	503,030	@	5%		(25,152)
Professional Fees	572,595	@	10%		(57,259)
Disposal Costs -					
Sale Agents Costs	875,000	GDV @	1.00%		(8,750)
Sale Legal Costs	875,000	GDV @	0.50%		(4,375)
Marketing and Promotion (1)	875,000	GDV @	2.50%		(21,875)
Finance Costs -					
Finance Fees	724,036	@	1.00%		(7,240)
Interest allowance (land) (2)	10	months @	6.50%		(2,830)
Interest allowance (build) (3)	6	months @	6.50%		(20,695)
Developers Profit	875,000	@	18.00%		(157,500)
TOTAL COSTS					(912,302)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(37,302)

SENSITIVITY ANALYSIS

		Values				
	(37,302)	80%	90%	100%	110%	120%
Construction Costs	90%	(113,163)	(44,948)	23,267	91,482	159,697
	95%	(143,447)	(75,232)	(7,017)	61,198	129,413
	100%	(173,732)	(105,517)	(37,302)	30,913	99,128
	105%	(204,016)	(135,801)	(67,586)	629	68,844
	110%	(234,301)	(166,086)	(97,871)	(29,656)	38,559

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - WCT Corridor v1

WCT9.

ASSUMPTIONS						
Land Acquisition Value	75,000	per acre				
Developers Profit	18.0%	on GDV				
Gross Site Area	1.23	hectares	3.03	acres		
Net Site Area	0.92	hectares	2.28	acres		
Gross to Net Ratio	0.75					
	Net sales (sqft)		GIA (sqft)		Net to Gross %	
2 Bed houses	753		753		100.0%	
3 Bed houses	915		915		100.0%	
4+ Bed houses	1,237		1,237		100.0%	
2 Bed Bungalow	700		700		100.0%	
1 Bed Apartment	538		633		85.0%	
2 Bed Apartment	646		760		85.0%	
Residential density per ha	38	units per hectare				

VALUES	£	# units		
2 Bed houses	145,000	0	0.0%	-
3 Bed houses	175,000	0	0.0%	-
4+ Bed houses	235,000	0	0.0%	-
2 Bed Bungalow	160,000	0	0.0%	-
1 Bed Apartment	100,000	17	48.6%	1,700,000
2 Bed Apartment	120,000	18	51.4%	2,160,000
		35	100%	3,860,000
less				
Affordable Housing (total)	5%			
(of which) Affordable Rented	60%	40% discount from MV		(46,320)
(of which) Intermediate	40%	25% discount from MV		(19,300)
GROSS DEVELOPMENT VALUE				**3,794,380**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.92	ha	2.28	acres	
Site Purchase Price					(170,694)
SDLT	170,694	@	Rate		5,965
Acquisition Agent fees	170,694	@	1%		(1,707)
Acquisition Legal fees	170,694	@	0.5%		(853)
Initial Payments -					
Statutory Planning Fees					(16,170)
Construction Costs -					
Demolition and Site Clearance (allowance)	3.03	acres (gross) @	105,000	per acre	(318,629)
Houses Build Costs	-	sqft @	82.00	psf	-
Bungalow Build Costs	-	sqft @	113.62	psf	-
Apartment Build Costs	24,441	sqft @	113.81	psf	(2,781,630)
External works inc. utilities reinforcement (allowance)	2,781,630	@	15%		(417,245)
Contingency	3,198,875	@	5%		(159,944)
Professional Fees	3,677,447	@	9%		(330,970)
Disposal Costs -					
Sale Agents Costs	3,794,380	GDV @	1.00%		(37,944)
Sale Legal Costs	3,794,380	GDV @	0.50%		(18,972)
Marketing and Promotion (1)	3,794,380	GDV @	2.50%		(94,860)
Finance Costs -					
Finance Fees	4,343,652	@	1.00%		(43,437)
Interest allowance (land) (2)	33	months @	6.00%		(27,603)
Interest allowance (build) (3)	12	months @	6.00%		(241,475)
Developers Profit	3,794,380	@	18.00%		(682,988)
TOTAL COSTS					(5,339,155)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(1,544,775)

SENSITIVITY ANALYSIS

		Values				
	(1,544,775)	80%	90%	100%	110%	120%
Construction Costs	90%	(1,744,656)	(1,448,846)	(1,153,036)	(857,226)	(561,416)
	95%	(1,940,525)	(1,644,715)	(1,348,905)	(1,053,096)	(757,286)
	100%	(2,136,395)	(1,840,585)	(1,544,775)	(1,248,965)	(953,155)
	105%	(2,332,264)	(2,036,454)	(1,740,644)	(1,444,835)	(1,149,025)
	110%	(2,528,134)	(2,232,324)	(1,936,514)	(1,640,704)	(1,344,894)

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP1.

ASSUMPTIONS				
Land Acquisition Value	300,000	per acre		
Developers Profit	18.0%	on GDV		
Gross Site Area	4.39	hectares	10.84	acres
Net Site Area	2.63	hectares	6.50	acres
Gross to Net Ratio	0.60			
	Net sales (sqft)		GIA (sqft)	Net to Gross %
2 Bed houses	753		753	100.0%
3 Bed houses	915		915	100.0%
4+ Bed houses	1,237		1,237	100.0%
2 Bed Bungalow	700		700	100.0%
1 Bed Apartment	538		633	85.0%
2 Bed Apartment	646		760	85.0%
Residential density per ha	38	units per hectare		

VALUES	£	# units		
2 Bed houses	165,000	25	25.0%	4,125,000
3 Bed houses	200,000	30	30.0%	6,000,000
4+ Bed houses	270,000	25	25.0%	6,750,000
2 Bed Bungalow	180,000	10	10.0%	1,800,000
1 Bed Apartment	115,000	5	5.0%	575,000
2 Bed Apartment	135,000	5	5.0%	675,000
		100	100%	19,925,000
less				
Affordable Housing (total)	20%			
(of which) Affordable Rented	60%	40% discount from MV		(956,400)
(of which) Intermediate	40%	25% discount from MV		(398,500)
GROSS DEVELOPMENT VALUE				**18,570,100**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(1,949,619)
SDLT	1,949,619	@	Rate		(82,981)
Acquisition Agent fees	1,949,619	@	1%		(19,496)
Acquisition Legal fees	1,949,619	@	0.5%		(9,748)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	0	per acre	-
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	3%		(228,289)
Professional Fees	9,359,841	@	8%		(748,787)
Disposal Costs -					
Sale Agents Costs	18,570,100	GDV @	1.00%		(185,701)
Sale Legal Costs	18,570,100	GDV @	0.50%		(92,851)
Marketing and Promotion (1)	18,570,100	GDV @	2.50%		(464,253)
Finance Costs -					
Finance Fees	12,943,035	@	1.00%		(129,430)
Interest allowance (land) (2)	40	months @	6.00%		(412,369)
Interest allowance (build) (3)	12	months @	6.00%		(608,303)
Developers Profit	18,570,100	@	18.00%		(3,342,618)
TOTAL COSTS					(17,435,756)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	1,134,344

SENSITIVITY ANALYSIS

		Values				
	1,134,344	80%	90%	100%	110%	120%
Construction Costs	90%	(530,960)	785,980	2,102,919	3,419,858	4,736,797
	95%	(1,015,247)	301,692	1,618,632	2,935,571	4,252,510
	100%	(1,499,534)	(182,595)	1,134,344	2,451,284	3,768,223
	105%	(1,983,822)	(666,882)	650,057	1,966,996	3,283,936
	110%	(2,468,109)	(1,151,170)	165,770	1,482,709	2,799,648

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP2.

ASSUMPTIONS

Land Acquisition Value	250,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	4.39	hectares	10.84	acres	
Net Site Area	2.63	hectares	6.50	acres	
Gross to Net Ratio	0.60				

	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%

Residential density per ha 38 units per hectare

VALUES

	£	# units		
2 Bed houses	165,000	25	25.0%	4,125,000
3 Bed houses	200,000	30	30.0%	6,000,000
4+ Bed houses	270,000	25	25.0%	6,750,000
2 Bed Bungalow	180,000	10	10.0%	1,800,000
1 Bed Apartment	115,000	5	5.0%	575,000
2 Bed Apartment	135,000	5	5.0%	675,000
		100	100%	19,925,000

less

Affordable Housing (total)	20%		
(of which) Affordable Rented	60%	40% discount from MV	(956,400)
(of which) Intermediate	40%	25% discount from MV	(398,500)
GROSS DEVELOPMENT VALUE			**18,570,100**

DEVELOPMENT COSTS

Site Acquisition -					
Net Site Area	2.63	ha	6.50	acres	
Site Purchase Price					(1,624,683)
SDLT	1,624,683	@	Rate		(66,734)
Acquisition Agent fees	1,624,683	@	1%		(16,247)
Acquisition Legal fees	1,624,683	@	0.5%		(8,123)
Initial Payments -					
Statutory Planning Fees					(29,759)
Construction Costs -					
Demolition and Site Clearance (allowance)	6.50	acres (gross) @	100,000	per acre	(649,873)
Houses Build Costs	77,200	sqft @	78.00	psf	(6,021,600)
Bungalow Build Costs	7,000	sqft @	113.62	psf	(795,340)
Apartment Build Costs	6,965	sqft @	113.81	psf	(792,687)
External works inc. utilities reinforcement (allowance)	7,609,627	@	20%		(1,521,925)
Contingency	9,131,552	@	5%		(456,578)
Professional Fees	10,238,003	@	9%		(921,420)
Disposal Costs -					
Sale Agents Costs	18,570,100	GDV @	1.00%		(185,701)
Sale Legal Costs	18,570,100	GDV @	0.50%		(92,851)
Marketing and Promotion (1)	18,570,100	GDV @	2.50%		(464,253)
Finance Costs -					
Finance Fees	13,647,773	@	1.00%		(136,478)
Interest allowance (land) (2)	40	months @	6.00%		(343,157)
Interest allowance (build) (3)	12	months @	6.00%		(671,351)
Developers Profit	18,570,100	@	18.00%		(3,342,618)
TOTAL COSTS					(18,141,377)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4) 428,723

SENSITIVITY ANALYSIS

		Values				
	428,723	80%	90%	100%	110%	120%
Construction Costs	90%	(1,203,770)	113,169	1,430,109	2,747,048	4,063,987
	95%	(1,704,463)	(387,523)	929,416	2,246,355	3,563,295
	100%	(2,205,155)	(888,216)	428,723	1,745,663	3,062,602
	105%	(2,705,848)	(1,388,909)	(71,969)	1,244,970	2,561,909
	110%	(3,206,541)	(1,889,601)	(572,662)	744,277	2,061,217

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP3.

ASSUMPTIONS					
Land Acquisition Value	300,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	165,000	15	25.0%	2,475,000
3 Bed houses	200,000	18	30.0%	3,600,000
4+ Bed houses	270,000	15	25.0%	4,050,000
2 Bed Bungalow	180,000	6	10.0%	1,080,000
1 Bed Apartment	115,000	3	5.0%	345,000
2 Bed Apartment	135,000	3	5.0%	405,000
		60	100%	11,955,000
less				
Affordable Housing (total)	20%			
(of which) Affordable Rented	60%	40%	discount from MV	(573,840)
(of which) Intermediate	40%	25%	discount from MV	(239,100)
GROSS DEVELOPMENT VALUE				**11,142,060**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(1,170,474)
SDLT	1,170,474	@	Rate		(44,024)
Acquisition Agent fees	1,170,474	@	1%		(11,705)
Acquisition Legal fees	1,170,474	@	0.5%		(5,852)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	0	per acre	-
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	3%		(163,911)
Professional Fees	5,627,626	@	8%		(450,210)
Disposal Costs -					
Sale Agents Costs	11,142,060	GDV @	1.00%		(111,421)
Sale Legal Costs	11,142,060	GDV @	0.50%		(55,710)
Marketing and Promotion (1)	11,142,060	GDV @	2.50%		(278,552)
Finance Costs -					
Finance Fees	7,779,812	@	1.00%		(77,798)
Interest allowance (land) (2)	33	months @	6.00%		(203,289)
Interest allowance (build) (3)	12	months @	6.00%		(366,124)
Developers Profit	11,142,060	@	18.00%		(2,005,571)
TOTAL COSTS					(10,432,594)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	709,466

SENSITIVITY ANALYSIS

		Values				
	709,466	80%	90%	100%	110%	120%
Construction Costs	90%	(285,853)	504,311	1,294,474	2,084,638	2,874,801
	95%	(578,357)	211,806	1,001,970	1,792,134	2,582,297
	100%	(870,861)	(80,698)	709,466	1,499,629	2,289,793
	105%	(1,163,366)	(373,202)	416,962	1,207,125	1,997,289
	110%	(1,455,870)	(665,706)	124,457	914,621	1,704,785

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP4.

ASSUMPTIONS					
Land Acquisition Value	250,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	2.11	hectares	5.20	acres	
Net Site Area	1.58	hectares	3.90	acres	
Gross to Net Ratio	0.75				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	700		700		100.0%
1 Bed Apartment	538		633		85.0%
2 Bed Apartment	646		760		85.0%
Residential density per ha	38	units per hectare			

VALUES				
	£	# units		
2 Bed houses	165,000	15	25.0%	2,475,000
3 Bed houses	200,000	18	30.0%	3,600,000
4+ Bed houses	270,000	15	25.0%	4,050,000
2 Bed Bungalow	180,000	6	10.0%	1,080,000
1 Bed Apartment	115,000	3	5.0%	345,000
2 Bed Apartment	135,000	3	5.0%	405,000
		60	100%	11,955,000
less				
Affordable Housing (total)	20%			
(of which) Affordable Rented	60%		40% discount from MV	(573,840)
(of which) Intermediate	40%		25% discount from MV	(239,100)
GROSS DEVELOPMENT VALUE				**11,142,060**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	1.58	ha	3.90	acres	
Site Purchase Price					(975,395)
SDLT	975,395	@	Rate		(34,270)
Acquisition Agent fees	975,395	@	1%		(9,754)
Acquisition Legal fees	975,395	@	0.5%		(4,877)
Initial Payments -					
Statutory Planning Fees					(24,239)
Construction Costs -					
Demolition and Site Clearance (allowance)	5.20	acres (gross) @	105,000	per acre	(546,221)
Houses Build Costs	46,320	sqft @	82.00	psf	(3,798,240)
Bungalow Build Costs	4,200	sqft @	113.62	psf	(477,204)
Apartment Build Costs	4,179	sqft @	113.81	psf	(475,612)
External works inc. utilities reinforcement (allowance)	4,751,056	@	15%		(712,658)
Contingency	5,463,714	@	5%		(273,186)
Professional Fees	6,283,121	@	9%		(565,481)
Disposal Costs -					
Sale Agents Costs	11,142,060	GDV @	1.00%		(111,421)
Sale Legal Costs	11,142,060	GDV @	0.50%		(55,710)
Marketing and Promotion (1)	11,142,060	GDV @	2.50%		(278,552)
Finance Costs -					
Finance Fees	8,342,819	@	1.00%		(83,428)
Interest allowance (land) (2)	33	months @	6.00%		(169,009)
Interest allowance (build) (3)	12	months @	6.00%		(412,370)
Developers Profit	11,142,060	@	18.00%		(2,005,571)
TOTAL COSTS					(11,013,197)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	128,863

SENSITIVITY ANALYSIS

		Values				
	128,863	80%	90%	100%	110%	120%
Construction Costs	90%	(849,575)	(59,411)	730,753	1,520,916	2,311,080
	95%	(1,150,519)	(360,356)	429,808	1,219,971	2,010,135
	100%	(1,451,464)	(661,301)	128,863	919,027	1,709,190
	105%	(1,752,409)	(962,245)	(172,082)	618,082	1,408,245
	110%	(2,053,354)	(1,263,190)	(473,027)	317,137	1,107,300

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land assuming phased drawdown of site in 4 tranches
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP5.

ASSUMPTIONS					
Land Acquisition Value	300,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES	£	# units		
2 Bed houses	165,000	3	30.0%	495,000
3 Bed houses	200,000	4	40.0%	800,000
4+ Bed houses	270,000	3	30.0%	810,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	2,105,000
less				
Affordable Housing (total)	20%			
(of which) Affordable Rented	60%	40%	discount from MV	(101,040)
(of which) Intermediate	40%	25%	discount from MV	(42,100)
GROSS DEVELOPMENT VALUE				**1,961,860**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.28	ha	0.69	acres	
Site Purchase Price					(205,917)
SDLT	205,917	@	Rate		4,204
Acquisition Agent fees	205,917	@	1%		(2,059)
Acquisition Legal fees	205,917	@	0.5%		(1,030)
Initial Payments -					
Statutory Planning Fees					(6,930)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	0	per acre	-
Houses Build Costs	9,630	sqft @	92.00	psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%		(88,596)
Contingency	974,556	@	3%		(29,237)
Professional Fees	1,003,793	@	9%		(90,341)
Disposal Costs -					
Sale Agents Costs	1,961,860	GDV @	1.00%		(19,619)
Sale Legal Costs	1,961,860	GDV @	0.50%		(9,809)
Marketing and Promotion (1)	1,961,860	GDV @	2.50%		(49,047)
Finance Costs -					
Finance Fees	1,384,340	@	1.00%		(13,843)
Interest allowance (land) (2)	10	months @	6.50%		(11,093)
Interest allowance (build) (3)	6	months @	6.50%		(35,785)
Developers Profit	1,961,860	@	18.00%		(353,135)
TOTAL COSTS					(1,798,196)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	163,664

SENSITIVITY ANALYSIS

		Values				
	163,664	80%	90%	100%	110%	120%
Construction Costs	90%	(28,166)	124,781	277,728	430,674	583,621
	95%	(85,197)	67,749	220,696	373,642	526,589
	100%	(142,229)	10,718	163,664	316,611	469,557
	105%	(199,261)	(46,314)	106,632	259,579	412,526
	110%	(256,293)	(103,346)	49,601	202,547	355,494

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP6.

ASSUMPTIONS

Land Acquisition Value	250,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.33	hectares	0.81	acres	
Net Site Area	0.28	hectares	0.69	acres	
Gross to Net Ratio	0.85				

	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	0	700	0.0%
1 Bed Apartment	0	633	0.0%
2 Bed Apartment	0	760	0.0%

Residential density per ha 36 units per hectare

VALUES

	£	# units		
2 Bed houses	165,000	3	30.0%	495,000
3 Bed houses	200,000	4	40.0%	800,000
4+ Bed houses	270,000	3	30.0%	810,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		10	100%	2,105,000
less				
Affordable Housing (total)	20%			
(of which) Affordable Rented	60%	40%	discount from MV	(101,040)
(of which) Intermediate	40%	25%	discount from MV	(42,100)
GROSS DEVELOPMENT VALUE				**1,961,860**

DEVELOPMENT COSTS

Site Acquisition -				
Net Site Area	0.28	ha	0.69 acres	
Site Purchase Price				(171,597)
SDLT	171,597	@	Rate	5,920
Acquisition Agent fees	171,597	@	1%	(1,716)
Acquisition Legal fees	171,597	@	0.5%	(858)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.81	acres (gross) @	110,000 per acre	(88,827)
Houses Build Costs	9,630	sqft @	92.00 psf	(885,960)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	885,960	@	10%	(88,596)
Contingency	974,556	@	5%	(48,728)
Professional Fees	1,112,111	@	10%	(111,211)
Disposal Costs -				
Sale Agents Costs	1,961,860	GDV @	1.00%	(19,619)
Sale Legal Costs	1,961,860	GDV @	0.50%	(9,809)
Marketing and Promotion (1)	1,961,860	GDV @	2.50%	(49,047)
Finance Costs -				
Finance Fees	1,476,977	@	1.00%	(14,770)
Interest allowance (land) (2)	10	months @	6.50%	(9,114)
Interest allowance (build) (3)	6	months @	6.50%	(39,983)
Developers Profit	1,961,860	@	18.00%	(353,135)
TOTAL COSTS				(1,893,978)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (4) 67,882

SENSITIVITY ANALYSIS

		Values				
	67,882	80%	90%	100%	110%	120%
Construction Costs	90%	(120,667)	32,280	185,227	338,173	491,120
	95%	(179,339)	(26,393)	126,554	279,501	432,447
	100%	(238,012)	(85,065)	67,882	220,828	373,775
	105%	(296,684)	(143,738)	9,209	162,156	315,102
	110%	(355,357)	(202,410)	(49,464)	103,483	256,430

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP7.

ASSUMPTIONS					
Land Acquisition Value	300,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.17	hectares	0.43	acres	
Net Site Area	0.15	hectares	0.36	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	34	units per hectare			

VALUES				
	£	# units		
2 Bed houses	165,000	2	40.0%	330,000
3 Bed houses	200,000	2	40.0%	400,000
4+ Bed houses	270,000	1	20.0%	270,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	1,000,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**1,000,000**

DEVELOPMENT COSTS					
Site Acquisition -					
Net Site Area	0.15	ha	0.36	acres	
Site Purchase Price					(109,015)
SDLT	109,015	@	Rate		-
Acquisition Agent fees	109,015	@	1%		(1,090)
Acquisition Legal fees	109,015	@	0.5%		(545)
Initial Payments -					
Statutory Planning Fees					(2,310)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.43	acres (gross) @	0	per acre	-
Houses Build Costs	4,573	sqft @	100.00	psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00	psf	-
Apartment Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%		(45,730)
Contingency	503,030	@	3%		(15,091)
Professional Fees	518,121	@	9%		(46,631)
Disposal Costs -					
Sale Agents Costs	1,000,000	GDV @	1.00%		(10,000)
Sale Legal Costs	1,000,000	GDV @	0.50%		(5,000)
Marketing and Promotion (1)	1,000,000	GDV @	2.50%		(25,000)
Finance Costs -					
Finance Fees	717,712	@	1.00%		(7,177)
Interest allowance (land) (2)	10	months @	6.50%		(5,994)
Interest allowance (build) (3)	6	months @	6.50%		(18,430)
Developers Profit	1,000,000	@	18.00%		(180,000)
TOTAL COSTS					(929,312)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	70,688

SENSITIVITY ANALYSIS

		Values				
	70,688	80%	90%	100%	110%	120%
Construction Costs	90%	(26,356)	51,604	129,564	207,524	285,484
	95%	(55,794)	22,166	100,126	178,086	256,046
	100%	(85,232)	(7,272)	70,688	148,648	226,608
	105%	(114,670)	(36,710)	41,250	119,210	197,170
	110%	(144,107)	(66,147)	11,813	89,773	167,733

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Pendle Plan Wide Viability Model - RP Corridor v1

RP8.

ASSUMPTIONS					
Land Acquisition Value	250,000	per acre			
Developers Profit	18.0%	on GDV			
Gross Site Area	0.16	hectares	0.40	acres	
Net Site Area	0.14	hectares	0.34	acres	
Gross to Net Ratio	0.85				
	Net sales (sqft)		GIA (sqft)		Net to Gross %
2 Bed houses	753		753		100.0%
3 Bed houses	915		915		100.0%
4+ Bed houses	1,237		1,237		100.0%
2 Bed Bungalow	0		700		0.0%
1 Bed Apartment	0		633		0.0%
2 Bed Apartment	0		760		0.0%
Residential density per ha	36	units per hectare			

VALUES				
	£	# units		
2 Bed houses	165,000	2	40.0%	330,000
3 Bed houses	200,000	2	40.0%	400,000
4+ Bed houses	270,000	1	20.0%	270,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	1,000,000
less				
Affordable Housing (total)	0%			
(of which) Affordable Rented	60%	40%	discount from MV	-
(of which) Intermediate	40%	25%	discount from MV	-
GROSS DEVELOPMENT VALUE				**1,000,000**

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.14	ha	0.34 acres	
Site Purchase Price				(85,799)
SDLT	85,799	@	Rate	-
Acquisition Agent fees	85,799	@	1%	(858)
Acquisition Legal fees	85,799	@	0.5%	(429)
Initial Payments -				
Statutory Planning Fees				(2,310)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.40	acres (gross) @	110,000 per acre	(44,413)
Houses Build Costs	4,573	sqft @	100.00 psf	(457,300)
Bungalow Build Costs	-	sqft @	0.00 psf	-
Apartment Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	457,300	@	10%	(45,730)
Contingency	503,030	@	5%	(25,152)
Professional Fees	572,595	@	10%	(57,259)
Disposal Costs -				
Sale Agents Costs	1,000,000	GDV @	1.00%	(10,000)
Sale Legal Costs	1,000,000	GDV @	0.50%	(5,000)
Marketing and Promotion (1)	1,000,000	GDV @	2.50%	(25,000)
Finance Costs -				
Finance Fees	759,250	@	1.00%	(7,592)
Interest allowance (land) (2)	10	months @	6.50%	(4,717)
Interest allowance (build) (3)	6	months @	6.50%	(20,545)
Developers Profit	1,000,000	@	18.00%	(180,000)
TOTAL COSTS				(972,105)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	27,895

SENSITIVITY ANALYSIS

		Values				
	27,895	80%	90%	100%	110%	120%
Construction Costs	90%	(67,456)	10,504	88,464	166,424	244,384
	95%	(97,740)	(19,780)	58,180	136,140	214,100
	100%	(128,025)	(50,065)	27,895	105,855	183,815
	105%	(158,310)	(80,350)	(2,390)	75,570	153,530
	110%	(188,594)	(110,634)	(32,674)	45,286	123,246

NOTES

(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2) interest on land throughout the period
(3) interest on buildings based on build one - sell one unit per month
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C1.

ASSUMPTIONS

Land Acquisition Value	125,000 per acre			
Developers Profit	20.0% on costs			
	NIA (sqft)	GIA (sqft)	Net to Gross %
Offices	1,350	1,500	90.0%
			#DIV/0!
			#DIV/0!
total floor area	1,350	1,500	90.0%
Site density	43,055 sqft per hectare		

VALUES

Offices	1,350 @	14.00 psf	18,900	
	- @	0.00 psf	-	
	- @	0.00 psf	-	
less				
management and maintenance	- @	0.0%	-	
			-	
Estimated Gross Rental Value per annum			18,900	
Yield	@	9.0%		
capitalised rent			210,000	
less				
Rent Free / Void allowance	3 months rent		(4,725)	
Purchasers costs	@	5.76%	(11,180)	194,095
GROSS DEVELOPMENT VALUE				**194,095**

DEVELOPMENT COSTS

Site Acquisition -					
Site Area	0.04	ha	0.09	acres	
Site Purchase Price					(10,811)
SDLT	10,811	@	Rate		-
Acquisition Agent fees	10,811	@	1%		(108)
Acquisition Legal fees	10,811	@	0.5%		(54)
Initial Payments -					
Statutory Planning Fees					(924)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.09	acres @	100,000	per acre	(8,649)
Build Costs	1,500	sqft @	120.00	psf	(180,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	180,000	@	10%		(18,000)
Contingency	198,000	@	5%		(9,900)
Professional Fees	216,549	@	9%		(19,489)
Disposal Costs -					
Letting Agents Costs	18,900	ERV @	10.00%		(1,890)
Letting Legal Costs	18,900	ERV @	5.00%		(945)
Investment Sale Agents Costs	194,095	GDV @	1.00%		(1,941)
Investment Sale Legal Costs	194,095	GDV @	0.50%		(970)
Marketing and Promotion	194,095	GDV @	3.00%		(5,823)
Finance Costs -					
Finance Fees	259,504	@	1.00%		(2,595)
Interest allowance (build and land) (1)	12	months @	6.00%		(7,785)
Developers Profit	269,884	@	20.00%		(53,977)
TOTAL COSTS					(323,861)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (2)	(129,766)

SENSITIVITY ANALYSIS

		Values				
	(129,766)	80%	90%	100%	110%	120%
Construction Costs	90%	(138,124)	(119,804)	(101,485)	(83,165)	(64,846)
	95%	(152,264)	(133,945)	(115,625)	(97,306)	(78,986)
	100%	(166,405)	(148,085)	(129,766)	(111,446)	(93,127)
	105%	(180,545)	(162,226)	(143,906)	(125,587)	(107,267)
	110%	(194,686)	(176,366)	(158,047)	(139,727)	(121,408)

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve
(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap
(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C2.

ASSUMPTIONS			
Land Acquisition Value	125,000 per acre		
Developers Profit	20.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Offices	4,500	5,000	90.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	4,500	5,000	90.0%
Site density	43,055 sqm per hectare		

VALUES				
Offices	4,500 @	14.50 psf	65,250	
	- @	0.00 psf	-	
	- @	0.00 psf	-	
less				
management and maintenance	- @	0.0%	-	
			-	
Estimated Gross Rental Value per annum			65,250	
Yield	@	8.5%		
capitalised rent			767,647	
less				
Rent Free / Void allowance	3 months rent		(16,313)	
Purchasers costs	@	5.76%	(40,920)	710,415
GROSS DEVELOPMENT VALUE				**710,415**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.10	ha	0.25	acres	
Site Purchase Price					(30,888)
SDLT	30,888	@	Rate		-
Acquisition Agent fees	30,888	@	1%		(309)
Acquisition Legal fees	30,888	@	0.5%		(154)
Initial Payments -					
Statutory Planning Fees					(3,234)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.25	acres @	100,000	per acre	(24,710)
Build Costs	5,000	sqft @	98.00	psf	(490,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	490,000	@	10%		(49,000)
Contingency	539,000	@	5%		(26,950)
Professional Fees	590,660	@	9%		(53,159)
Disposal Costs -					
Letting Agents Costs	65,250	ERV @	10.00%		(6,525)
Letting Legal Costs	65,250	ERV @	5.00%		(3,263)
Investment Sale Agents Costs	710,415	GDV @	1.00%		(7,104)
Investment Sale Legal Costs	710,415	GDV @	0.50%		(3,552)
Marketing and Promotion	710,415	GDV @	3.00%		(21,312)
Finance Costs -					
Finance Fees	720,160	@	1.00%		(7,202)
Interest allowance (build and land) (1)	12	months @	6.00%		(21,605)
Developers Profit	748,967	@	20.00%		(149,793)
TOTAL COSTS					(898,760)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(188,345)

SENSITIVITY ANALYSIS

		Values				
	(188,345)	80%	90%	100%	110%	120%
Construction Costs	90%	(245,462)	(178,410)	(111,358)	(44,306)	22,745
	95%	(283,955)	(216,904)	(149,852)	(82,800)	(15,748)
	100%	(322,449)	(255,397)	(188,345)	(121,294)	(54,242)
	105%	(360,943)	(293,891)	(226,839)	(159,787)	(92,736)
	110%	(399,436)	(332,385)	(265,333)	(198,281)	(131,229)

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve

(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap

(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft
C3.

ASSUMPTIONS			
Land Acquisition Value	125,000 per acre		
Developers Profit	20.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Industrial	1,425	1,500	95.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	1,425	1,500	95.0%
Site density	53,820 sqft per hectare		

VALUES				
	1,425 @	7.00 psf	9,975	
Industrial	- @	0.00 psf	-	
	- @	0.00 psf	-	
less				
management and maintenance	- @	0.0%	-	
			-	
Estimated Gross Rental Value per annum			9,975	
Yield	@	8.0%		
capitalised rent			124,688	
less				
Rent Free / Void allowance	3 months rent		(2,494)	
Purchasers costs	@	5.76%	(6,655)	115,539
GROSS DEVELOPMENT VALUE				**115,539**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.03	ha	0.07	acres	
Site Purchase Price					(9,266)
SDLT	9,266	@	Rate		-
Acquisition Agent fees	9,266	@	1%		(93)
Acquisition Legal fees	9,266	@	0.5%		(46)
Initial Payments -					
Statutory Planning Fees					(924)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.07	acres @	0	per acre	-
Build Costs	1,500	sqft @	60.00	psf	(90,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	90,000	@	10%		(9,000)
Contingency	99,000	@	5%		(4,950)
Professional Fees	103,950	@	9%		(9,356)
Disposal Costs -					
Letting Agents Costs	9,975	ERV @	10.00%		(998)
Letting Legal Costs	9,975	ERV @	5.00%		(499)
Investment Sale Agents Costs	115,539	GDV @	1.00%		(1,155)
Investment Sale Legal Costs	115,539	GDV @	0.50%		(578)
Marketing and Promotion	115,539	GDV @	3.00%		(3,466)
Finance Costs -					
Finance Fees	130,330	@	1.00%		(1,303)
Interest allowance (build and land) (1)	12	months @	6.00%		(3,910)
Developers Profit	135,543	@	20.00%		(27,109)
TOTAL COSTS					(162,652)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(47,113)

SENSITIVITY ANALYSIS

		Values				
	(47,113)	80%	90%	100%	110%	120%
Construction Costs	90%	(54,783)	(43,878)	(32,973)	(22,068)	(11,163)
	95%	(61,853)	(50,948)	(40,043)	(29,138)	(18,233)
	100%	(68,923)	(58,018)	(47,113)	(36,208)	(25,303)
	105%	(75,994)	(65,089)	(54,184)	(43,279)	(32,374)
	110%	(83,064)	(72,159)	(61,254)	(50,349)	(39,444)

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve

(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap

(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft
C4.

ASSUMPTIONS			
Land Acquisition Value	125,000 per acre		
Developers Profit	20.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Hotel	4,750	5,000	95.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	4,750	5,000	95.0%
Site density	53,820 sqft per hectare		

VALUES						
Offices	4,750	@	7.00 psf		33,250	
Industrial	-	@	0.00 psf		-	
	-	@	0.00 psf		-	
less						
management and maintenance	-	@	0.0%		-	
					-	
Estimated Gross Rental Value per annum					33,250	
Yield		@	8.0%			
capitalised rent					415,625	
less						
Rent Free / Void allowance	3	months rent			(8,313)	
Purchasers costs		@	5.76%		(22,183)	385,129
GROSS DEVELOPMENT VALUE						**385,129**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.09	ha	0.22	acres	
Site Purchase Price					(27,799)
SDLT	27,799	@	Rate		13,110
Acquisition Agent fees	27,799	@	1%		(278)
Acquisition Legal fees	27,799	@	0.5%		(139)
Initial Payments -					
Statutory Planning Fees					(3,234)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.22	acres @	0	per acre	-
Build Costs	5,000	sqft @	60.00	psf	(300,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	300,000	@	10%		(30,000)
Contingency	330,000	@	5%		(16,500)
Professional Fees	346,500	@	8%		(27,720)
Disposal Costs -					
Letting Agents Costs	33,250	ERV @	10.00%		(3,325)
Letting Legal Costs	33,250	ERV @	5.00%		(1,663)
Investment Sale Agents Costs	385,129	GDV @	1.00%		(3,851)
Investment Sale Legal Costs	385,129	GDV @	0.50%		(1,926)
Marketing and Promotion	385,129	GDV @	3.00%		(11,554)
Finance Costs -					
Finance Fees	414,878	@	1.00%		(4,149)
Interest allowance (build and land) (1)	12	months @	6.00%		(12,446)
Developers Profit	431,473	@	20.00%		(86,295)
TOTAL COSTS					(517,768)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(132,639)

SENSITIVITY ANALYSIS

		Values				
	(132,639)	80%	90%	100%	110%	120%
Construction Costs	90%	(158,636)	(122,286)	(85,936)	(49,586)	(13,236)
	95%	(181,987)	(145,637)	(109,287)	(72,937)	(36,587)
	100%	(205,339)	(168,989)	(132,639)	(96,289)	(59,939)
	105%	(228,690)	(192,340)	(155,990)	(119,640)	(83,290)
	110%	(252,041)	(215,691)	(179,341)	(142,991)	(106,641)

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve
(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap
(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft
C5.

ASSUMPTIONS			
Land Acquisition Value	175,000 per acre		
Developers Profit	20.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Retail	9,500	10,000	95.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	9,500	10,000	95.0%
Site density	53,820 sqft per hectare		

VALUES				
Offices	9,500 @	6.50 psf	61,750	
Industrial	- @	0.00 psf	-	
	- @	0.00 psf	-	
less				
management and maintenance	- @	0.0%	-	
			-	
Estimated Gross Rental Value per annum			61,750	
Yield	@	7.5%		
capitalised rent			823,333	
less				
Rent Free / Void allowance	3 months rent		(15,438)	
Purchasers costs	@	5.76%	(44,000)	763,895
GROSS DEVELOPMENT VALUE				**763,895**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.01	ha	0.02	acres	
Site Purchase Price					(4,324)
SDLT	4,324	@	Rate		-
Acquisition Agent fees	4,324	@	1%		(43)
Acquisition Legal fees	4,324	@	0.5%		(22)
Initial Payments -					
Statutory Planning Fees					(6,006)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.02	acres @	0	per acre	-
Build Costs	10,000	sqft @	60.00	psf	(600,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	600,000	@	10%		(60,000)
Contingency	660,000	@	5%		(33,000)
Professional Fees	693,000	@	9%		(62,370)
Disposal Costs -					
Letting Agents Costs	61,750	ERV @	10.00%		(6,175)
Letting Legal Costs	61,750	ERV @	5.00%		(3,088)
Investment Sale Agents Costs	763,895	GDV @	1.00%		(7,639)
Investment Sale Legal Costs	763,895	GDV @	0.50%		(3,819)
Marketing and Promotion	763,895	GDV @	3.00%		(22,917)
Finance Costs -					
Finance Fees	809,403	@	1.00%		(8,094)
Interest allowance (build and land) (1)	12	months @	6.00%		(24,282)
Developers Profit	841,779	@	20.00%		(168,356)
TOTAL COSTS					(1,010,135)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(246,239)

SENSITIVITY ANALYSIS

		Values				
	(246,239)	80%	90%	100%	110%	120%
Construction Costs	90%	(296,168)	(224,069)	(151,969)	(79,870)	(7,770)
	95%	(343,303)	(271,204)	(199,104)	(127,005)	(54,905)
	100%	(390,438)	(318,339)	(246,239)	(174,140)	(102,040)
	105%	(437,573)	(365,474)	(293,374)	(221,275)	(149,175)
	110%	(484,709)	(412,609)	(340,510)	(268,410)	(196,311)

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve
(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap
(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C6.

ASSUMPTIONS			
Land Acquisition Value	250,000 per acre		
Developers Profit	20.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Retail	2,250	2,500	90.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	2,250	2,500	90.0%
Site density	102,257 sqft per hectare		

VALUES					
Offices	2,250 @	14.00 psf		31,500	
Industrial	- @	0.00 psf		-	
	- @	0.00 psf		-	
less					
management and maintenance	- @	0.0%		-	
				-	
Estimated Gross Rental Value per annum				31,500	
Yield	@	7.0%			
capitalised rent				450,000	
less					
Rent Free / Void allowance	3 months rent			(7,875)	
Purchasers costs	@	5.76%		(24,079)	418,046
GROSS DEVELOPMENT VALUE					**418,046**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.02	ha	0.05	acres	
Site Purchase Price					(12,355)
SDLT	12,355	@	Rate		-
Acquisition Agent fees	12,355	@	1%		(124)
Acquisition Legal fees	12,355	@	0.5%		(62)
Initial Payments -					
Statutory Planning Fees					(1,848)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.05	acres @	100,000	per acre	(4,942)
Build Costs	2,500	sqft @	100.00	psf	(250,000)
Build Costs	-	sqft @	0.00	psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	250,000	@	10%		(25,000)
Contingency	275,000	@	5%		(13,750)
Professional Fees	293,692	@	9%		(26,432)
Disposal Costs -					
Letting Agents Costs	31,500	ERV @	10.00%		(3,150)
Letting Legal Costs	31,500	ERV @	5.00%		(1,575)
Investment Sale Agents Costs	418,046	GDV @	1.00%		(4,180)
Investment Sale Legal Costs	418,046	GDV @	0.50%		(2,090)
Marketing and Promotion	418,046	GDV @	3.00%		(12,541)
Finance Costs -					
Finance Fees	358,050	@	1.00%		(3,580)
Interest allowance (build and land) (1)	12	months @	6.00%		(10,741)
Developers Profit	372,372	@	20.00%		(74,474)
TOTAL COSTS					(446,846)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(28,800)

SENSITIVITY ANALYSIS

		Values				
	(28,800)	80%	90%	100%	110%	120%
Construction Costs	90%	(68,435)	(28,978)	10,479	49,936	89,392
	95%	(88,074)	(48,618)	(9,161)	30,296	69,753
	100%	(107,714)	(68,257)	(28,800)	10,656	50,113
	105%	(127,354)	(87,897)	(48,440)	(8,983)	30,474
	110%	(146,993)	(107,536)	(68,080)	(28,623)	10,834

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve
(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap
(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C7.

ASSUMPTIONS			
Land Acquisition Value	650,000 per acre		
Developers Profit	18.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Retail	18,050	19,000	95.0%
	0	0	#DIV/0!
	0	0	#DIV/0!
total floor area	18,050	19,000	95.0%
Site density	43,055 sqft per hectare		

VALUES				
Retail	18,050 @	16.00 psf	288,800	
	- @	0.00 psf	-	
	- @	0.00 psf	-	
less				
management and maintenance	- @	0.0%	-	
			-	
Estimated Gross Rental Value per annum			288,800	
Yield	@	5.5%		
capitalised rent			5,250,909	
less				
Rent Free / Void allowance	3 months rent		(72,200)	
Purchasers costs	@	5.76%	(282,048)	4,896,661
GROSS DEVELOPMENT VALUE				**4,896,661**

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.03	ha	0.07	acres	
Site Purchase Price					(48,185)
SDLT	48,185	@	Rate		-
Acquisition Agent fees	48,185	@	1%		(482)
Acquisition Legal fees	48,185	@	0.5%		(241)
Initial Payments -					
Statutory Planning Fees					(54,599)
Construction Costs -					
Demolition and Site Clearance (allowance)	0.07	acres @	100,000	per acre	(7,413)
Build Costs	19,000	sqft @	85.00	psf	(1,615,000)
Build Costs	-	sqft @		psf	-
Build Costs	-	sqft @	0.00	psf	-
External works inc. utilities reinforcement (allowance)	1,615,000	@	10%		(161,500)
Contingency	1,776,500	@	3%		(53,295)
Professional Fees	1,837,208	@	8%		(146,977)
Disposal Costs -					
Letting Agents Costs	288,800	ERV @	10.00%		(28,880)
Letting Legal Costs	288,800	ERV @	5.00%		(14,440)
Investment Sale Agents Costs	4,896,661	GDV @	1.00%		(48,967)
Investment Sale Legal Costs	4,896,661	GDV @	0.50%		(24,483)
Marketing and Promotion	4,896,661	GDV @	3.00%		(146,900)
Finance Costs -					
Finance Fees	2,351,361	@	1.00%		(23,514)
Interest allowance (build and land) (1)	12	months @	6.00%		(70,541)
Developers Profit	2,445,415	@	18.00%		(440,175)
TOTAL COSTS					(2,885,590)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	2,011,072

SENSITIVITY ANALYSIS

		Values				
	2,011,072	80%	90%	100%	110%	120%
Construction Costs	90%	1,328,339	1,790,963	2,253,588	2,716,213	3,178,838
	95%	1,207,080	1,669,705	2,132,330	2,594,955	3,057,580
	100%	1,085,822	1,548,447	2,011,072	2,473,696	2,936,321
	105%	964,564	1,427,188	1,889,813	2,352,438	2,815,063
	110%	843,305	1,305,930	1,768,555	2,231,180	2,693,805

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve

(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap

(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C8.

ASSUMPTIONS

Land Acquisition Value	500,000	per acre		
Developers Profit	20.0%	on costs		
	NIA (sqft)		GIA (sqft)	Net to Gross %
Retail Store	19,000		20,000	95.0%
	0		0	#DIV/0!
	0		0	#DIV/0!
total floor area	19,000		20,000	95.0%
Site density	43,055	sqft per hectare		

VALUES

Retail Store	18,050 @		16.00 psf	288,800	
2 Bed Apartments	- @		0.00 psf	-	
1 Bed Apartments	- @		0.00 psf	-	
less					
management and maintenance	- @		0.0%	-	
				-	
Estimated Gross Rental Value per annum				288,800	
Yield		@	7.50%		
capitalised rent				3,850,667	
less					
Rent Free / Void allowance		6 months rent		(144,400)	
Purchasers costs		@	5.76%	(201,854)	3,504,413
GROSS DEVELOPMENT VALUE					**3,504,413**

DEVELOPMENT COSTS

Site Acquisition -				
Site Area	0.65	ha	1.61 acres	
Site Purchase Price				(803,075)
SDLT	803,075	@	Rate	(25,654)
Acquisition Agent fees	803,075	@	1%	(8,031)
Acquisition Legal fees	803,075	@	0.5%	(4,015)
Initial Payments -				
Statutory Planning Fees				(11,088)
Construction Costs -				
Demolition and Site Clearance (allowance)	1.61	acres @	100,000 per acre	(160,615)
Build Costs	20,000	sqft @	60.00 psf	(1,200,000)
Build Costs	-	sqft @	0.00 psf	-
Build Costs	-	sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	1,200,000	@	10%	(120,000)
Contingency	1,320,000	@	5%	(66,000)
Professional Fees	1,546,615	@	8%	(123,729)
Disposal Costs -				
Letting Agents Costs	288,800	ERV @	10.00%	(28,880)
Letting Legal Costs	288,800	ERV @	5.00%	(14,440)
Investment Sale Agents Costs	3,504,413	GDV @	1.00%	(35,044)
Investment Sale Legal Costs	3,504,413	GDV @	0.50%	(17,522)
Marketing and Promotion	3,504,413	GDV @	3.00%	(105,132)
Finance Costs -				
Finance Fees	2,723,226	@	1.00%	(27,232)
Interest allowance (build and land) (1)	6	months @	6.00%	(40,848)
Developers Profit	2,791,306	@	20.00%	(558,261)
TOTAL COSTS				(3,349,568)

S106 / CIL

Surplus / (Deficit) for S106 / CIL (2)	154,845

SENSITIVITY ANALYSIS

		Values				
	154,845	80%	90%	100%	110%	120%
Construction Costs	90%	(323,127)	7,917	338,961	670,006	1,001,050
	95%	(415,186)	(84,141)	246,903	577,947	908,992
	100%	(507,244)	(176,199)	154,845	485,889	816,934
	105%	(599,302)	(268,257)	62,787	393,831	724,876
	110%	(691,360)	(360,316)	(29,271)	301,773	632,817

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve

(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap

(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191130 Plan Wide Viability Model - Commercial Sites v1 Draft

C9.

ASSUMPTIONS			
Land Acquisition Value	250,000 per acre		
Developers Profit	18.0% on costs		
	NIA (sqft)	GIA (sqft)	Net to Gross %
Commercial	6,000	7,000	85.7%
2 Bed Apartments (15 no.)	9,690	11,400	85.0%
1 Bed Apartments (15 no.)	8,070	9,495	85.0%
total floor area	23,760	27,895	85.2%
Site density	69,965 sqft per hectare		

VALUES					
Commercial	6,000 @	14.00 psf	84,000		
2 Bed Apartments	9,690 @	20.00 psf	193,800		
1 Bed Apartments	8,070 @	20.00 psf	161,400		
less					
management and maintenance	- @	0.0%	-		
			-		
Estimated Gross Rental Value per annum			439,200		
Yield	@	8.0%			
capitalised rent			5,490,000		
less					
Rent Free / Void allowance	0 months rent		-		
Purchasers costs	@	5.76%	(299,002)	5,190,998	
GROSS DEVELOPMENT VALUE				**5,190,998**	

DEVELOPMENT COSTS					
Site Acquisition -					
Site Area	0.50	ha	1.24	acres	
Site Purchase Price					(308,875)
SDLT	308,875	@	Rate		(944)
Acquisition Agent fees	308,875	@	1%		(3,089)
Acquisition Legal fees	308,875	@	0.5%		(1,544)
Initial Payments -					
Statutory Planning Fees					(18,018)
Construction Costs -					
Demolition and Site Clearance (allowance)	1.24	acres @	110,000	per acre	(135,905)
Build Costs	7,000	sqft @	113.81	psf	(796,670)
Build Costs	11,400	sqft @	113.81	psf	(1,297,434)
Build Costs	9,495	sqft @	113.81	psf	(1,080,626)
External works inc. utilities reinforcement (allowance)	3,174,730	@	10%		(317,473)
Contingency	3,492,203	@	5%		(174,610)
Professional Fees	3,802,718	@	9%		(342,245)
Disposal Costs -					
Letting Agents Costs	439,200	ERV @	10.00%		(43,920)
Letting Legal Costs	439,200	ERV @	5.00%		(21,960)
Investment Sale Agents Costs	5,190,998	GDV @	1.00%		(51,910)
Investment Sale Legal Costs	5,190,998	GDV @	0.50%		(25,955)
Marketing and Promotion	5,190,998	GDV @	3.00%		(155,730)
Finance Costs -					
Finance Fees	4,776,908	@	1.00%		(47,769)
Interest allowance (build and land) (1)	12	months @	6.00%		(143,307)
Developers Profit	4,967,984	@	18.00%		(894,237)
TOTAL COSTS					(5,862,221)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (2)	(671,222)

SENSITIVITY ANALYSIS

		Values				
	(671,222)	80%	90%	100%	110%	120%
Construction Costs	90%	(1,113,596)	(493,494)	126,608	746,710	1,366,812
	95%	(1,358,842)	(738,740)	(118,638)	501,464	1,121,566
	100%	(1,604,087)	(983,985)	(363,883)	256,219	876,321
	105%	(1,849,332)	(1,229,230)	(609,128)	10,974	631,076
	110%	(2,094,577)	(1,474,475)	(854,373)	(234,271)	385,831

NOTES

(1) interest is based on 1/2 development costs over the period as an approximation for the S-curve

(2) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the ap

(2) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL