



UPDATE REPORT ON AFFORDABLE HOUSING & VIABILITY

SITE: LAND OFF STATION ROAD

GREAT SHELFORD

CB22 5LR

CHURCHILL RETIREMENT LIVING

CHURCHILL HOUSE

PARKSIDE

RINGWOOD

BH24 3SG

JUNE 2022

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APPLICATION BY:

CHURCHILL RETIREMENT LIVING LIMITED

SITE: Land off Station Road, Great Shelford
LOCAL PLANNING AUTHORITY REFERENCE: 21/05276/FUL
PINS Reference: APP/W0530/W/22/3296300
AUTHOR: Damien Lynch BSc (Hons) MSc MRICS
REVIEWER: Matt Shellum BA (Hons) DIPTP MRTPI

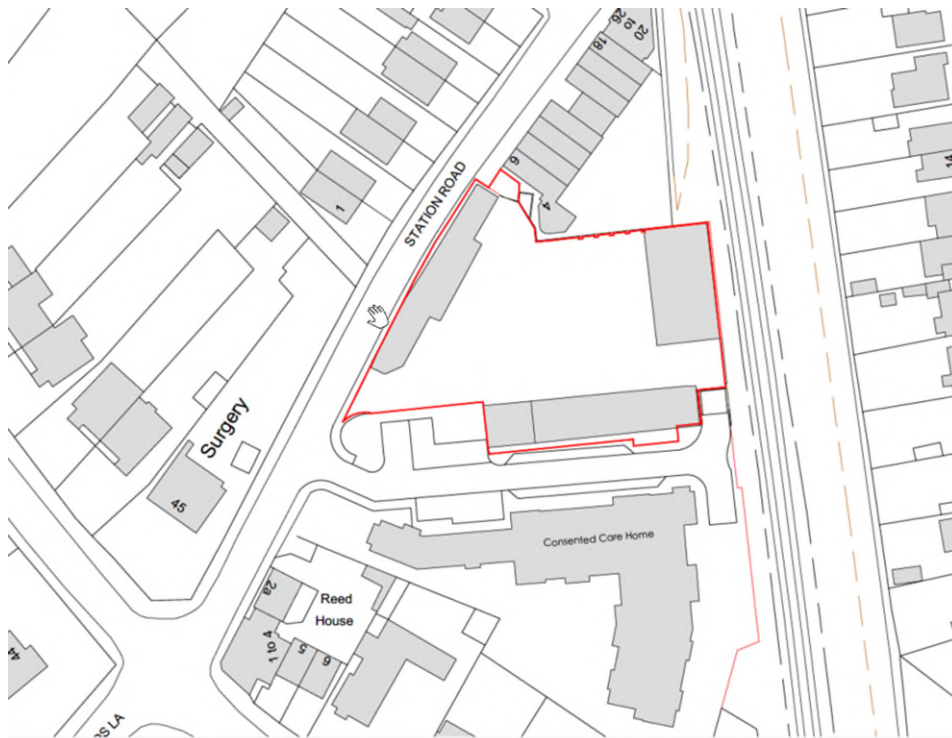
This report or its findings do not constitute a formal valuation under the RICS Valuation – Global Standards 2017. This report has been prepared for Churchill Retirement Living (“the client”) with advice provided expressly in preparation, or during the course of negotiations.

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1. NON TECHNICAL SUMMARY

- 1.1 This statement provides an updated assessment of the affordable housing position in respect of the proposal to build 39 retirement living apartments on the site at 2 Station Road, Great Shelford.
- 1.2 This statement updates the November 2021 submission statement following receipt on 13th June 2022 of the council's assessment undertaken by BNP Paribas. Since the original statement was prepared, the remaining occupied unit has now also been vacated. The entirety of the floorspace is now vacant.
- 1.3 Officers confirmed by email on 23rd June 2022 that they accept that vacant building credit can be applied to all buildings.
- 1.4 The appellant and the council's assessor have subsequently engaged and an agreed position has been reached in respect of a commuted sum which is summarised within this statement.



Site Location

- 1.5 The Local Plan affordable housing requirement is set out within Policy H10 and requires all developments of 11 dwellings or more to provide 40% affordable housing, in line with an agreed mix of affordable housing tenures to be determined at the time of the application.
- 1.6 With 1,100 m² of vacant floorspace on the site, the revised affordable housing policy position would be 27.2% or 11 affordable dwellings (rounded upwards).
- 1.7 Local Plan policy states that contributions provided in lieu of on site or off site provision should be of 'broadly equivalent value' to that which would have been provided on site.

- 1.8 It is an agreed position between the parties that affordable housing cannot be provided on site given the site is relatively small and incapable of accommodating sufficient scale to provide for separate management arrangements.
- 1.9 The Affordable Housing SPD (2010) sets out that commuted sums should be calculated on the basis of the difference between 100% open market land value and a separate appraisal assessing land value with the required level of affordable housing incorporated. A financial contribution of £672,579 represents the commuted sum payment applying this approach.
- 1.10 The following table summarises the appraisals examined relating to the 100% open market retirement proposal and a retirement scheme with 27.2% affordable housing included (applying the required 70% affordable rent and 30% shared ownership tenure split).

Table 1 – Summary of Viability

	100% Open Market Scheme	27.2% Affordable (11 units) 70/30 AH tenure
Open Market Sales	£15,263,766	£10,981,422
Affordable Housing Revenue	£0	£2,141,172
GDV	£15,263,766	£13,122,594
Base Construction Cost	£5,185,694	£5,185,694
CIL + S106	£0	£0
Other Costs	£3,850,630	£3,102,857
Profit	£3,052,753	£2,332,189
Residual Land Value	£3,174,688	£2,502,421
Agreed at	£3,175,000	
0% AH Land Value - 27.2% Land Value	£672,579	POLICY COMPLIANT

2. INTRODUCTION AND STATEMENT OF IMPARTIALITY

- 2.1 This Statement is prepared in relation to proposals to redevelop Land at Station Road in Great Shelford for retirement living accommodation.
- 2.2 This statement considers how the proposal addresses national and local policy relating to affordable housing and viability matters.
- 2.3 This statement has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) professional statement on *Financial Viability in Planning: conduct and reporting* (1st Edition, May 2019) as well as the *Assessing Viability in Planning under the NPPF 2019 for England*, RICS Guidance Note (1st Edition, March 2021). In line with the requirements, I can confirm the following is true.
1. The author of this report has acted with objectivity, without interference and references all appropriate sources of information.
 2. No performance-related or contingent fees have been agreed.
 3. The information used is market led and not client driven in line with the NPPG standardised approach.
 4. Planning Issues is the 'in house' planning consultancy for the applicant but in applying the standardised approach to viability has assessed the viability in a fully impartial manner.
 5. Inputs to the Financial Viability Appraisal (FVA) are reasonably justified and based upon industry benchmarks recently agreed with other local planning authorities for similar proposals and in a number of occasions at planning appeal.
 6. A non-technical summary of the outputs of the FVA is included to provide a high level summary of the outputs of this assessment.

3. DESCRIPTION OF APPLICATION SITE

- 3.1 The site extends to 0.29 hectares and is located off Station Road with several office units and a central car park. The existing buildings are 1.5 and 2 storey in height and are all now vacant. Vehicle access is via Station Road.
- 3.2 The character of the immediate surrounding area is mixed, comprising mainly of residential properties but with commercial units on site and in proximity to the railway station. To the north of the site is a contemporary development of townhouses and apartments, to the south, was until recently, a storage unit containing a fuel-depot, which has since been demolished for a new development of a 63 bed care home. The east of the site is the railway line and the west is a residential development of 1950s semi-detached houses.
- 3.3 Great Shelford is identified as a rural centre and has a significant group of local shops and services.
- 3.4 The site is outside but adjacent to the Great Shelford Conservation Area which is opposite the entrance to the south and to the east of the site.
- 3.5 A marketing report undertaken by Cheffins accompanied the planning application and confirmed that vacancy has arisen due to changing working practices, the appearance and location of the property as well as the inability to convert to a modern configuration. There has been a subsequent 'flight to quality' for the best office space.

4. NATIONAL PLANNING POLICY

Introduction

- 4.1 This section provides an overview of national policy and best practice as it relates to viability in planning.

National Planning Policy Framework (NPPF)

- 4.2 The Government published an amended version of the NPPF in July 2021. This statement will make reference to the current version of the NPPF.
- 4.3 Paragraphs 63 - 65 advise that where a need for affordable housing is identified, planning policies should specify the type required and expect it to be met onsite unless offsite provision or an appropriate financial contribution in lieu can be robustly justified and the agreed approach contributes to the creation of a mixed and balanced community. Where a major development involving housing is proposed, at least 10% of the total number of homes should be available for affordable home ownership. Specialist housing proposals such as housing for older people will be exempt from such a provision in recognition of its non-standard nature.

National Planning Policy Guidance (NPPG)

- 4.4 The National Planning Policy Guidance (NPPG) relating to viability matters was comprehensively updated in July 2018 with further updates in September 2019.
- 4.5 The NPPG reiterates the NPPF position that proposed developments should not be subject to a scale of obligations and policy burdens that threaten development viability. It emphasises that the guidance of the NPPF applies to decision taking on individual sites. It confirms that plans should set out required levels of contribution, including affordable housing, and advises that:

'These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106.'

'Different requirements may be set for different types or location of site or types of development'.

(Paragraph: 001 Reference ID: 10-001-20180724)

- 4.6 It is increasingly common for Local Plan viability testing to examine the viability of housing for older people. In the case of Fareham Borough Council, their plan wide testing confirms that

specialist housing for older people should be exempt from affordable housing requirements due to constrained viability associated with this typology¹. The NPPG states that viability assessments are primarily a role for plan making and should not compromise sustainable development and ensure that policies are realistic and will not undermine the delivery of the plan (Paragraph: 002 Reference ID: 10-002-20180724).

- 4.7 Paragraph 007 states that it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the decision making level. Such circumstances could include development on unallocated sites, where further information on site and infrastructure costs are required, **or where the proposed development significantly varies from standard models (for example build to rent or housing for older people – my emphasis)** (Paragraph: 007 Reference ID: 10-007-20190509).
- 4.8 Paragraph 008 states that where a viability assessment is submitted it should refer back to the information that informed the plan and it is a matter for the decision maker as to the weight to be attached to it. This should include matters such as the most up to date evidence, change in circumstances and the transparency of assumptions behind the viability assessment (Paragraph: 008 Reference ID: 10-008-20180724).
- 4.9 In terms of the review of viability during the lifetime of a project the NPPG states that plans should set out circumstances when review mechanism may be appropriate as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development (Paragraph: 009 Reference ID: 10-008-20190509).
- 4.10 The NPPG considers the inputs required for a viability assessment to determine if a site is financially viable by looking at whether the value generated by a development is greater than the costs of developing it. This includes reviews of gross development value, costs, land value, landowner premium and developer return supported by appropriate evidence following the Government’s recommended approach (Paragraph: 010 Reference ID: 10-010-20180724).
- 4.11 The required inputs are then defined in the following paragraphs as follows;

Gross development Value (Paragraph: 011)

The value of the development for which residential developments may be total sales or rental income, for which market evidence can be used.

¹ https://www.fareham.gov.uk/pdf/planning/local_plan/revisedpublicationlocalplan.pdf (Para 5.33)

Costs (Paragraph: 012)

Based on evidence reflective of local market conditions including build costs, abnormal costs, site specific infrastructure costs, policy compliant contributions and CIL, finance costs, professional fees and contingencies.

Land Value (Paragraphs 013, 014, 015, and 016)

Based on existing land value plus a premium for the landowner reflecting a minimum return at which the land owner would be willing to sell. This should reflect the implications of abnormal costs, infrastructure costs and professional site fees and be informed by market evidence.

Return to Developer (Paragraph 018)

Potential risk is accounted for in the assumed return for development assumed at between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types.

- 4.12 The NPPG expects viability appraisals to be prepared by suitably qualified practitioners in accordance with the NPPG. Findings should be presented clearly and set out in an executive summary, making clear what assessments have been used and supported by evidence. It should also be prepared on the basis that it will be made publically available, unless in exceptional circumstances (Paragraph: 020 Reference ID: 10-020-20180724 and 21 ID: 10-021-20180724).
- 4.13 The NPPG confirms that Information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data (Paragraph: 021 Reference ID: 10-021-20190509). This reaffirms the standardised approach.
- 4.14 On 26th June 2019, a further NPPG update was published relating to Housing for older and disabled people. This guidance stresses 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 and that plans can set out different policy requirements for different types of development.
- 4.15 This section of the NPPG identifies specialist housing for older people as a 'nonstandard' model of housing where different viability considerations will be relevant.
- 4.16 The NPPF states within this section that decision makers should consider the location and viability of a development when assessing planning applications for specialist housing for older people. Local planning authorities can encourage the development of more affordable models and make use of products like shared ownership. Where there is an identified unmet need for

specialist housing, local authorities should take a positive approach to schemes that propose to address this need (Ibid).

Vacant Building Credit

- 4.17 National policy provides an incentive for brownfield development on sites containing vacant buildings. Paragraph 64 of the Framework states

To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.

Footnote 30 of the Framework states that the proportion should be:

Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.

- 4.18 The NPPG states that where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace. Paragraph: 026 Reference ID: 23b-026-20190315

What is the process for determining the vacant building credit?

- 4.19 Where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing contributions required from the development as set out in their Local P plan. A 'credit' should then be applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided. Paragraph: 027 Reference ID: 23b-027-20190315.
- 4.20 The policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. In considering how the vacant building credit should apply to a particular development, local planning authorities should have regard to the intention of national policy. In doing so, it may be appropriate for authorities to consider:

- Whether the building has been made vacant for the sole purposes of re-development; or
- Whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development. Paragraph: 028 Reference ID: 23b-028-20190315

5. DEVELOPMENT PLAN POLICY

- 5.1 This section sets out local planning policy considerations as they relate to affordable housing and other planning obligations.

The South Cambridgeshire Local Plan (2018)

- 5.2 The Local Plan was adopted on 27th September 2018. Policy H/10 sets out requirements relating to affordable housing.
- 5.3 Policy H/10 sets out a starting position of 40% affordable housing on proposals including 11 dwellings or more or floorspace exceeding 1,000 m². An agreed mix of affordable housing tenures will be determined by local circumstances at the time of granting planning permission.
- 5.4 Exceptions set out within the policy to the above include where it can be demonstrated that the level of affordable housing sought would make a development unviable in light of changing market conditions, individual site circumstances and development costs. Any agreement to a payment in lieu will be calculated to be 'broadly equivalent value' to that which may have been provided on-site.
- 5.5 The supporting text of policy H/10 sets out that The Housing Strategy 2012-2016 aims to deliver a range of homes that are affordable to all and where people want to live that will support economic growth and economic activity.
- 5.6 Policy states that if there is an issue about whether such a development will stand the affordable housing target that is a matter that can most effectively be addressed through the planning application process where all the policy calls on a development, together with other development related requirements, can be looked at comprehensively and relative priorities determined.
- 5.7 Developers seeking to justify a lower proportion of affordable housing are required to demonstrate why it is not viable to provide 40% affordable housing on-site. The financial viability assessment should be prepared by the applicant.
- 5.8 For some developments, the provision of affordable housing on-site may not always be possible, and in these cases the Council will exceptionally accept a financial contribution towards future affordable housing provision rather than requiring on-site provision. Only where it can be robustly justified, will provision on a separate site or through a financial contribution (of broadly equivalent value) be potentially considered as acceptable.

5.9 The supporting text of policy H/10 recognises that vacant building credit may apply to developments bringing vacant buildings back in to lawful use or where such buildings are demolished as part of a development.

The South Cambridge Affordable Housing SPD (2010)

5.10 The council adopted supplementary guidance on the application of affordable housing policy in 2010. Of note within the SPD is the council's methodology on establishing appropriate levels of commuted sums (where the principle is agreed).

5.11 Paragraph 5.15 of the SPD sets out that the council recognises that it is recognised on smaller sites, on site delivery of affordable housing may not be achievable. Paragraph 5.17 sets out that the sort of circumstances on smaller sites that might justify accepting commuted sums rather than on-site provision, are where there may be difficulties over the delivery, design or ongoing management of small numbers of affordable units within a small development.

5.12 The officer report of 16th June 2022 confirms at paragraph 9.73 that the council accept the principle of a commuted sum in this instance.

5.13 The SPD states in relation to commuted sum methodology that the amount of commuted sum will reflect the differential land values that can be achieved between affordable housing plot(s) and open market plot(s) (Paragraph 5.24). The assessment will include an analysis of:

- 1) The land value of the whole site without an on-site affordable housing contribution, and
- 2) The land value of the site with an on-site affordable housing contribution, where the amount of free serviced land is based on the notional scheme for the site.

The commuted sum sought will be the difference between the two valuations.

The Greater Cambridge Housing Strategy 2019-2023

5.14 The current housing strategy for the area sets out that as a starting position, the council will seek 70% of any affordable housing provision as social rent and 30% intermediate.

5.15 Separately, the housing strategy recognises the important role of specialist housing for older people in addressing housing need within the market area. In particular, a range of downsizing options are promoted.

Housing Needs of Specific Groups – Cambridgeshire and West Suffolk (2021)

- 5.16 The above needs analysis was published in October 2021 and specifically examines the housing requirements for older people within the market area. It highlights that South Cambridgeshire currently has an above average population of those aged 65 or over with this age cohort predicted to grow by 52% by 2040 (compared with total population growth overall of 21%).
- 5.17 Older residents are more likely to own their own home (71%) and under occupy their existing property (90%). The study notes that if this stock could be used more efficiently, then the amount of land required for additional housing would be reduced. This is because smaller properties would be provided, into which older persons could downsize, thus releasing their larger homes for larger households. Efforts to achieve this could be made through the delivery of a range of house sizes and types and by encouraging downsizing.
- 5.18 In relation to viability, the study notes that it should be recognised that providing affordable housing on specialist schemes will be less viable than in general housing, and as a result, *a lower contribution than from general housing will likely be achievable*. High service charges may also impact on the provision of affordable housing within such schemes.
- 5.19 Table 101 sets out the type of specialist housing required within South Cambridgeshire from 2020-2040. It is notable that leasehold housing with support (retirement living) makes up 90% of the overall net requirement. Conversely, there is an oversupply of existing rented options.

Table 101: Specialist Housing Need using SHOP@ Assumptions, 2020-40 – South Cambridgeshire (Units)

Housing type	Housing demand per 1,000 75+	Current Supply	2020 Demand	Current Shortfall/ Surplus	Additional Demand to 2040	Shortfall/ Surplus by 2040
Rented Housing with Support	36	1,402	529	-873	371	-502
Leasehold Housing with Support	72	329	1,044	715	732	1,447
Rented Housing with Care	16	205	233	28	164	192
Leasehold Housing with Care	23	94	333	239	234	473
Total	147	2,030	2,139	109	1,501	1,610

Source: Derived from Demographic Projections and Housing LIN/HOPSR/EAC

Plan Wide Viability

- 5.20 The council commissioned DSP to prepare a plan wide viability study in 2015. A more recent Greater Cambridge plan wide study was published in November 2020. This most recent study does not seek to test this typology and advises that testing will be undertaken during the next stage of the Greater Cambridgeshire plan formation.

- 5.21 In the absence of any up to date plan wide study which specifically examines specialist housing for older people, the assumptions consistently agreed elsewhere for this typology will be assumed and explained within the next section.

Community Infrastructure Levy (CIL)

- 5.22 The council does not currently have an adopted charging schedule. Other S106 contributions have been sought through the consultation process but are not formally agreed at the time of writing. As the agreed contributions would need to be added to both the 0% affordable housing appraisal and the policy compliant affordable housing appraisal, it is agreed that there will be no material impact on the affordable housing amount calculated.

6. VACANT BUILDING CREDIT AND VIABILITY ASSESSMENT

Vacant Building Credit

- 6.1 There is no timeframe set out within the Framework or the NPPG in relation to vacancy. The policy and guidance simply state that credit should be applied. The guidance states that the decision maker may consider if the buildings have been made vacant for the sole purpose of redevelopment (the buildings clearly have not been purposely made vacant in this case) and/or if the building is covered by an extant or recently expired planning permission for a similar proposal (the buildings are not). Officers are not pursuing either argument in this case.
- 6.2 Attached to this statement is an appeal decision at Walshaw Road, Bury (Appendix 1). In a similar case to this, the Inspector concludes that:

Turning to the length of time the building has been vacant, again I am far from convinced that this has any material bearing in terms of demonstrating that the building has been vacated solely for redevelopment purposes. A building may have been vacated for a day or a year, but the reasons behind its vacancy may be very different. (Paragraph 15)

And

In addition, delaying the development of the site for up to three years, as suggested by the Council in aligning its view of vacancy with the test for determining whether a building is “in-use” within the Community Infrastructure Levy Regulations 2010 (CIL), means that the intention of national policy to incentivise development of brownfield land would be materially undermined. While there may be some potential for a developer to be in receipt of two incentives to development if the two regimes were not aligned, since the Borough does not have a CIL charging regime, the appellant would not be able to apply for the two incentives in this case. (Paragraph 17)

- 6.3 A vacant building credit should therefore be applied to all of the vacant buildings on the site. Officers confirmed their agreement to this position by email on 23rd June 2022.
- 6.4 National policy in respect of vacant building credit is set out at 4.17 onwards of this statement. This credit should be applied to this proposal due to the vacant status of the site. The following sets out the calculation of vacant building credit with all units now vacant.

Difference between proposed and existing: $3,436 - 1,100 = 2,732 \text{ m}^2$

Divided by proposed floorspace: $2,336 / 3,436 = 0.68$

Multiplied by affordable housing requirement: $0.68 * 40\% = 27.2\%$

$39 \text{ units} * 27.2\% = 10.6 \text{ units (say 11 units)}$

6.5 Applying vacant building credit to this proposal of 39 apartments therefore results in a requirement for 10.6 affordable dwellings. This has been rounded to 11 affordable units for testing purposes.

Financial Appraisal Inputs

Internal Floor Area

6.6 The proposed building is made up of the following:

39 units	24 × 1-beds & 15 × 2-beds
Saleable floor area	2,686 m ²
GIFA	3,436 m ²
Gross/Net saleable area	78.17%

6.7 Following receipt of the BNP Paribas review of viability on 13th June 2022 and subsequent discussions, it is possible to set out the areas of agreement within the following table.

Table 2– Summary of Viability Appraisal Inputs

Input	Planning Issues	BNP Paribas
Sales Values	1 bed units - £353,344	1 bed units - £353,344
<u>Agreed</u>	2 bed units - £452,234	2 bed units - £452,234
Transfer Values (Affordable Housing)	53.4% OMV as calculated on an average basis.	46-55% OMV depending on units selected.
This is now <u>agreed</u> following discussion between the	This position has been updated to 50% OMV in	

parties at a blended average rate of 50% OMV.	light of comments made within the BNP Paribas report and further information set out at paragraph 6.7 onwards.	
Ground Rent <u>Agreed</u>	Not included	Not included
Car Parking Revenue <u>Agreed</u>	Not included	Not included
Base Construction Costs <u>Agreed</u>	£1,509 m2	£1,509 m2
External works <u>Agreed</u>	8% of base construction costs	8% of base construction costs
Extra Over Build Costs <u>Agreed</u>	£334,120	£334,120
Contingency <u>Agreed</u>	5% of build cost	5% of build cost
Professional Fees <u>Agreed</u>	10% of build cost	10% of build cost
Developers Profit <u>Agreed</u>	20% of GDV for market 6% of GDV for affordable	20% of GDV for market 6% of GDV for affordable
Finance Costs Headline Assumptions <u>Agreed</u> Note marginal differences in total finance cost relating to sales profiles assumed.	Debit – 6.5% applied to 100% of base build cost Credit – 2.75%	Debit – 6.5% applied to 100% of base build cost Credit – 2.75%

This position is now agreed following discussion between the parties.		
Marketing <u>Agreed</u>	Agent - 1.5% GDV Marketing – 3.5% GDV Sales Legal Fees - £750 per unit	Agent - 1.5% GDV Marketing – 3.5% GDV Sales Legal Fees - £750 per unit
Empty Property Costs <u>Agreed</u>	£196,614 on 100% open market scheme reduced accordingly for affordable housing testing.	£196,614 on 100% open market scheme reduced accordingly for affordable housing testing.
100% Open Market Land Value Following discussions between the parties it is now agreed that the 100% open market appraisal land value is £3,175,000.	£3,175,000	£3,175,000

Affordable Housing Assumptions

- 6.8 In assessing a likely policy compliant payment, this analysis seeks to examine the impact of the inclusion of 11 affordable units on the residual land value in line with the council’s methodology.
- 6.9 In summary, it is assumed that 27.2% affordable housing is included within the proposed retirement scheme with 70% affordable rent and 30% intermediate.
- 6.10 A blended rate of 50% OMV is applied in respect of the affordable units which has been agreed with the council’s consultant as reasonable.
- 6.11 The FVA assuming 0% affordable housing is included at Appendix 2 and the FVA assuming 27.1% affordable housing is included at Appendix 3 of this report.

7. VIABILITY APPRAISAL OUTPUT AND CONCLUSIONS

- 7.1 The following table sets out the outputs of the FVAs with 0% affordable housing and a comparison appraisal including 11 affordable housing units. The difference in land value generated by the different appraisals equates to the 'equivalent' affordable housing contribution as set out within the Affordable Housing SPD.

Table 3 – Summary of Viability Appraisal Outputs

	100% Open Market Scheme	27.2% Affordable (11 units) 70/30 AH tenure
Open Market Sales	£15,263,766	£10,981,422
Affordable Housing Revenue	£0	£2,141,172
GDV	£15,263,766	£13,122,594
Base Construction Cost	£5,185,694	£5,185,694
External Build Costs	£414,856	£414,856
Contingency	£280,027	£280,027
Extra Over Build Costs	£334,120	£334,120
Professional Fees	£560,055	£560,055
CIL	£0	£0
Other S106	£0	£0
Marketing	£534,232	£384,350
Disposal Costs	£258,206	£193,971
Unsold Unit Fees	£191,362	£93,878
Finance	£1,073,981	£688,740
Profit	£3,052,753	£2,332,189
Acquisition Costs	£203,791	£152,860
Residual Land Value	£3,174,688	£2,502,421
Agreed at	£3,175,000	
0% AH Land Value - 27.2% Land Value	£672,579	POLICY COMPLIANT

- 7.2 This concludes that were the inclusion of affordable housing on site feasible, the subsidy required to provide the required level of affordable housing would be £672,579. Such a sum represents the level of contribution which should be made towards off site affordable housing provision as it is broadly equivalent to on site provision. This figure has been agreed between the parties.

APPENDICES

1. Appeal Decision, Walshaw Road Bury (Ref 3242597)
2. FVA 0% Affordable Housing
3. FVA 27.2% Affordable Housing (11 Affordable Units)

1. Appeal Decision, Walshaw Road Bury (Ref 3242597)

Appeal Decision

Hearing Held on 18 August 2020

by Zoe Raygen Dip URP MRTPI

an Inspector appointed by the Secretary of State

Decision date: 8th September 2020

Appeal Ref: APP/T4210/W/19/3242597

Andrew Textile Industries Ltd, Walshaw Road, Bury BL8 1NG

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission under section 73 of the Town and Country Planning Act 1990 for the development of land without complying with conditions subject to which a previous planning permission was granted.
 - The appeal is made by Andrew Textile Industries Ltd against the decision of Bury Metropolitan Borough Council.
 - The application Ref 64720, dated 26 September 2019, was refused by notice dated 22 November 2019.
 - The application sought planning permission for an outline application for the demolition of all existing buildings and erection of up to 108 no. dwellings with new vehicle and pedestrian access, landscaping and associated works and details of access (matters of layout, scale, appearance and landscaping are reserved) without complying with a condition attached to planning permission Ref 64128, dated 31 July 2019.
 - The condition in dispute is No 17 which states that: The development authorised by this permission shall not begin unless and until the Local Planning Authority has approved in writing a scheme to secure 25% Affordable Housing provision. The scheme for affordable housing shall include a mechanism for delivery, in accordance with policy H4/1 – Affordable Housing and its associated SPG5 – Affordable housing Provision in New Residential Developments. The scheme shall be submitted as part of the reserved matters application and the affordable housing provision shall be delivered in full accordance with the approved details.
 - The reason given for the condition is: To ensure that the development would contribute to satisfying the need for affordable housing provision pursuant to Bury Unitary Development Plan Policy H4/1 – Affordable Housing and the associated Development Control Policy Guidance Note 5 – Affordable Housing Provision in New Residential Developments.
-

Decision

1. The appeal is allowed and planning permission is granted for an outline application for the demolition of all existing buildings and erection of up to 108 no. dwellings with new vehicle and pedestrian access, landscaping and associated works and details of access (matters of layout, scale, appearance and landscaping are reserved) at Andrew Textile Industries Ltd, Walshaw Road, Bury BL8 1NG in accordance with the application Ref 64720, dated 26 September 2019, without compliance with condition number 17 previously imposed on planning permission Ref 64128, dated 31 July 2019 and subject to the conditions as set out on the attached schedule, including an amended condition 17.

Preliminary matter

2. In response to travel restrictions currently in place due to the COVID-19 pandemic, I consider that this appeal can be determined without the need for a physical site visit. This is because I have been able to reach a decision based on the information already available, supplemented by additional evidence at the hearing. The main parties have agreed to the appeal proceeding on this basis.

Background and Main Issue

3. Planning permission was granted for the erection of up to 108 no. dwellings with new vehicle and pedestrian access, landscaping and associated works and details of access (matters of layout, scale, appearance and landscaping are reserved) at the appeal site¹. Condition 17 of that planning permission required that the Council approve in writing a scheme to secure 25% Affordable Housing provision.
4. The appellant considers that Vacant Building Credit (VBC) should apply to the proposal, which would have the effect of reducing the amount of affordable housing provided below that required by the appealed condition. Therefore, a S73 application was submitted to "vary" the condition on the original permission to allow for VBC to be taken into account when determining the amount of affordable housing to be provided on the site.
5. The Council refused that planning application as it considered that the appellant had failed to demonstrate that the building had not been vacated for the sole purpose of redevelopment.
6. In that context, the main issue in this case is whether the appealed condition is necessary and reasonable having regard to VBC provisions and national planning policy and guidance.

Reasons

7. Policy H4/1 of the Bury Unitary Development Plan 1997 (UDP) states that the Council will encourage the provision of affordable housing through negotiation, partnership agreements and the identification of land suitable for such purposes. There will be a particular emphasis given towards encouraging the development of affordable housing as an integral part of large housing developments.
8. The Council's Development Control Policy Guidance Note 5: Affordable Housing Provision in New Residential Developments 2004 (DCPGN) requires that on housing developments of 25 or more houses, 25% should be provided as affordable homes. That is reflected in the wording of the appealed condition No 17. The proposal before me now, which would have the effect of reducing the level of affordable homes on the appeal site to less than 25%, would be contrary to Policy H4/1 and the DCPGN.
9. Planning law requires that applications be determined in accordance with the development plan, unless material considerations indicate otherwise. Both the National Planning Policy Framework (the Framework) and associated Planning Practice Guidance (PPG) which both post-date adoption of the development plan and the DCPGN, are material considerations in this case. Paragraph 63 of the Framework states that "*to support the re-use of brownfield land, where vacant*

¹ Ref 64720 (the original permission)

buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount". This is reiterated in the PPG which confirms that national policy provides an incentive for brownfield development on sites containing vacant buildings, cross referencing back to paragraph 63 of the Framework². This is a clear statement of national policy to be applied by Councils within the wider application of the S.38 (6) development plan balance.

10. The footnote to paragraph 63 of the Framework explains that VBC does not apply to buildings that have been abandoned. As such, the application of VBC is not a blanket policy to apply to all vacant buildings on brownfield land. However, there is no suggestion here that the building has been abandoned. Instead the Council maintains that the appellant has failed to demonstrate that the building has not been vacated for the sole purpose of redevelopment, a matter which the PPG suggests may be appropriate for authorities to consider when having regard to the intention of national policy. In essence, the Council considers that this is not a vacant building for the purposes of VBC.
11. There is no definition of vacant for the purposes of VBC, within legislation or the PPG. In the absence of such, the Council has used three criteria to assess whether or not the building is vacant for the purposes of VBC: the reason the previous occupier left the building; the length of time it has been vacant; and the period of marketing.
12. In two letters from Lydall (the previous occupiers of the building) it is confirmed that the company vacated the building on the appeal site as it was no longer suitable for their business needs. The Council does not dispute this and, having viewed the evidence, I see no reason to disagree. Indeed, this is not a case where the company ended its tenancy early. Rather, the tenancy came to an end and the company chose not to renew. On that basis, I am satisfied that the building has not been vacated solely for redevelopment purposes.
13. The Council requires details of marketing to demonstrate that no other potential employment uses, or any alternative users, would be interested in the building or the site. It suggests that if a site was offered to market and there were many interested parties in the site, there would not be a need to incentivise development of the site through the application of VBC and, on the other hand, if there was no interest, that might be an indication that the site would require incentivising. However, it couldn't be ruled out that persons interested in the site during any marketing process may expect to benefit from VBC. In any event, such considerations are of little relevance in this instance given that the site benefits from an existing planning permission for residential development. Additionally, the Council's Employment Land Review 2013 (ELR) concluded that the site was an inappropriate location for employment use, based on site access, amenity of adjacent occupiers, local facilities for the workforce and whether the site was suitable for alternative uses.
14. I appreciate that the ELR relates to the site as a whole, rather than the building itself. However, the officer's report regarding the original scheme for 108 dwellings confirms that the proposal meets the requirements of Policy EC2/2, which requires clear demonstration that an existing employment site or premises is no longer suited in land use terms to continued employment use. Moreover, the Council confirmed at the hearing that the requirement to demonstrate at

² Paragraph: 026 Reference ID: 23b-026-20190315

- least 12 months marketing applies to planning applications on employment sites that are considered suitable in land use terms for continued employment use, which this site is not.
15. Turning to the length of time the building has been vacant, again I am far from convinced that this has any material bearing in terms of demonstrating that the building has been vacated solely for redevelopment purposes. A building may have been vacated for a day or a year, but the reasons behind its vacancy may be very different. In this instance it is clear that the building, and wider site, were no longer fit for the previous occupier's purpose.
 16. I recognise that the appellant sought pre-application advice regarding VBC in July 2018 well before the building was vacated. However, this was in the knowledge that the current tenants would not be renewing the lease due to site inadequacies.
 17. In addition, delaying the development of the site for up to three years, as suggested by the Council in aligning its view of vacancy with the test for determining whether a building is "in-use" within the Community Infrastructure Levy Regulations 2010 (CIL), means that the intention of national policy to incentivise development of brownfield land would be materially undermined. While there may be some potential for a developer to be in receipt of two incentives to development if the two regimes were not aligned, since the Borough does not have a CIL charging regime, the appellant would not be able to apply for the two incentives in this case.
 18. The Council referred me to Bath & North East Somerset Council's Guidance notes on applying VBC to affordable housing contributions which uses the CIL definition of "in-use" to ascertain whether a building is vacant for the purposes of VBC. However, this is a document from a different Council, and I am not aware of the process undertaken in the preparation and adoption of the document, or whether the particular circumstances that might prevail in that authority are directly comparable to the situation in Bury.
 19. There is no dispute between the parties that VBC exists to incentivise brownfield development. Although the officer's report worded it as being to "incentivise brownfield land that might not otherwise come forward", it confirmed at the hearing that it was not pursuing a viability case. It did not therefore, require the appellant to demonstrate that the site would not otherwise come forward unless VBC were applied.
 20. However, the Council also suggests that as well as incentivising brownfield land, the intention of national policy as referred to in the PPG³ is the provision of affordable housing. This is because the reference to VBC within the Framework is contained within the section which deals with affordable housing.
 21. I heard considerable evidence regarding the need for affordable housing in Bury and this is not disputed by the appellant. I do not doubt therefore that there is a pressing need, particularly given extensive Green Belt constraints in the Borough. As a result, many of the sites in the Borough are brownfield, and if VBC were to be applied to all of them then there would be a serious shortfall of affordable housing. The Council suggest therefore that it should not be correct

³ Paragraph:028 Reference ID:23b-028-20190315

that the incentive to develop brownfield land granted by VBC would always outweigh affordable housing.

22. Yet, it states in the Framework that any affordable housing contribution **should** be reduced by a proportionate amount (my emphasis). This seems clear to me that there is an acceptance that the level of affordable housing would be reduced where development involves re-use or redevelopment of vacant buildings on brownfield sites. I accept that paragraph 28 of the PPG provides supporting guidance, which gives the decision maker some limited discretion as to whether VBC applies. The Council has chosen to interpret this through application of the three criteria referred to earlier. It confirmed at the hearing that the appellant would not need to meet all three of those criteria in order for the building to be considered vacant. It is clear that one of those criteria is fulfilled. In relation to the other two, I am firmly of the view, in this instance, given the specific characteristics of the site and the existing planning permission on site, that they do not serve any practical purpose.
23. While therefore the application of VBC is not a blanket policy and it may not be applicable to all vacant buildings on brownfield sites, in this instance, based on the evidence before me I am satisfied that the building has not been made vacant solely for the purpose of redevelopment. Consequently, VBC should be applied to the proposal in accordance with paragraph 63 of the Framework.

Other matters

24. Comments that have been raised by interested parties relate to the principle of housing on the land, and the loss of trees/effect on the environment, together with details relating to the implementation of the extant planning permission. As the site already has outline planning permission for housing it will be for the Council to consider the detailed issues in any submission for reserved matters. My consideration has been solely based on condition 17 and the principle of the application of VBC when considering the quantum of affordable housing required on the site.

Planning balance and conclusion

25. In not providing a policy compliant level of affordable housing, the proposal would be contrary to the development plan as a whole. However, in this instance the Framework and the PPG, which post-date the development plan and the Council's DCPGN and introduce the concept of VBC are a significant material consideration sufficient to outweigh the conflict with the development plan whether or not Policy H4/1 is up to date.
26. In this instance therefore, I conclude, that a condition securing affordable housing is necessary. However, the way the existing condition is worded is not reasonable as it takes no account of the application of VBC. Therefore on balance, the appeal should be allowed and condition 17 amended to take account of VBC.

Conditions

27. The guidance in the PPG makes clear that decision notices for the grant of planning permission under section 73 should also restate the conditions imposed on earlier permissions that continue to have effect. It was agreed at the hearing that all of the conditions that were imposed on the original planning permission should be imposed should be appeal be allowed as work has not started at the

- the site shall be submitted to, and approved in writing by, the Local Planning Authority;
- ii) Where actual/potential contamination and/or ground gas/landfill gas risks have been identified, detailed site investigation and suitable risk assessment shall be submitted to, and approved in writing by the Local Planning Authority;
 - iii) Where remediation/protection measures is/are required, a detailed Remediation Strategy shall be submitted to, and approved in writing by, the Local Planning Authority.
- 5) No development shall commence unless and until:-
- i) An intrusive site investigation report to assess the actual/potential coal mining risks shall be submitted to and approved in writing by the Local Planning Authority;
 - ii) Where actual/potential coal mining risks have been identified, detailed site investigation and suitable risk assessment shall be submitted to, and approved in writing by the Local Planning Authority;
 - iii) Where remediation/protection measures is/are required, a detailed Remediation Strategy shall be submitted to, and approved in writing by, the Local Planning Authority.
- 6) Following the provisions of Conditions 4 and 5 of this planning permission, where remediation is required, the approved Remediation Strategy must be carried out to the satisfaction of the Local Planning Authority within agreed timescales; and A Site Verification Report detailing the actions taken and conclusions at each stage of the remediation works, including substantiating evidence, shall be submitted to and approved in writing by the Local Planning Authority prior to the development being brought into use.
- 7) Prior to the commencement of the development hereby approved, a scheme for the provision of electric vehicle charging points shall be submitted to and approved in writing by the Local Planning Authority. The approved scheme shall be implemented prior to occupation of the building hereby approved.
- 8) No development shall commence unless and until surface water drainage proposals have been submitted to and approved in writing by the Local Planning Authority. The scheme should be in accordance with the submitted Surface Water Sustainable Drainage Assessment and must be based on the hierarchy of drainage options in the National Planning Practice Guidance and be designed in accordance with the Non-Statutory Technical Standards for Sustainable Drainage Systems (March 2015). This must include assessment of potential SuDS options for surface water drainage with appropriate calculations and test results to support the chosen solution. Details of proposed maintenance arrangements should also be provided. The approved scheme only shall be implemented prior to first occupation and thereafter maintained.
- 9) Foul and surface water shall be drained on separate systems.
- 10) As part of the reserved matters application, an updated bat assessment shall be submitted to and approved in writing by the Local Planning Authority. Any required mitigation measures shall be fully implemented

prior to the commencement of the demolition works and remain in situ on the site for an agreed period of time.

- 11) No works to trees or shrubs shall occur between the 1st March and 31st August in any year unless a detailed bird nest survey by a suitably experienced ecologist has been carried out immediately prior to clearance.
- 12) No development shall commence until full details of a scheme for the eradication and/or control of Japanese Knotweed (*Fallonia Japonica*, *Rouse Decraene*, *Polygonum Cuspidatum*) and Himalayan Balsam (*Impatiens Glandulifera*) is submitted to and approved in writing by the Local Planning Authority. The approved management plan shall include a timetable for implementation and be implemented in accordance with that timetable. Should a delay of more than one year occur between the date of approval of the management scheme and either the date of implementation of the management scheme or the date of development commencing, a further site survey must be undertaken and submitted to the Local Planning Authority.
- 13) As part of the first reserved matters application, a detailed proposal to compensate for the loss of on-site biodiversity will be submitted to and approved in writing by the Local Planning Authority. The off-set mitigation proposal shall include:
 - i) Full details of the off-set requirement resulting from the loss of habitats on the development site utilising the Defra off-set matrices version 2 or equivalent;
 - ii) Identification of a receptor site;
 - iii) Habitat enhancement and creation proposals on the receptor site;
 - iv) Full details of the off-set benefits from the habitat enhancement and creation proposals utilising the Defra off-set matrices version 2 or equivalent that demonstrate a minimum of 5% net gain;
 - v) A management and monitoring plan for a period of 25 years. The approved scheme shall be implemented in full in accordance with an agreed timetable.
- 14) As part of the first reserved matters application a bird box scheme, which shall include a timetable for implementation, will be provided to and agreed in writing by the Local Planning Authority targeting local and national priority species such as house sparrow, starling, swift and house martin as well as generalist next boxes to benefit a wider range of species. The scheme shall be implemented in accordance with the agreed timetable.
- 15) All trees to be retained on site shall be protected in accordance with BS 5837:2012 "Trees in relation to design, demolition and construction". The development shall not commence unless and until the measures required by the British Standard are implemented and all measures required shall remain in situ until the development has been completed.
- 16) In the event of the development comprising 10 units and a combined floorspace of more than 1000 square metres or 11 units or more (regardless of floorspace), the development authorised by this permission shall not begin unless and until the Local Planning Authority has approved in writing a scheme to secure recreation provision, which shall include a mechanism for delivery, in accordance with policy RT2/2 – Recreation Provision in New Housing Development and its associated SPD1 – Open

Space, Sport and Recreation Provision in New Housing development. The scheme shall be submitted as part of the first reserved matters application and the recreation provision shall be delivered in full accordance with the approved details.

- 17) No development shall take place until a scheme for the provision of affordable housing as part of the development shall have been submitted to and approved in writing by the Local Planning Authority. The affordable housing shall be provided in accordance with the approved scheme and shall meet the definition of affordable housing in Annex 2: Glossary of the National Planning Policy Framework or any future guidance that replaces it. The scheme shall be submitted as part of the first reserved matters application and shall include:
- i) the numbers, type, tenure and location on the site of the affordable housing provision to be made. The level of affordable housing provision shall be in accordance with policy H4/1 – Affordable Housing and its associated SPG5 – Affordable Housing Provision in New Residential Developments subject to the application of Vacant Building Credit in relation to the existing vacant building on site (as at the date of the grant of this permission);
 - ii) the timing of the construction of the affordable housing and its phasing in relation to the occupancy of the market housing;
 - iii) the arrangements for the transfer of the affordable housing to an affordable housing provider or the management of the affordable housing;
 - iv) the arrangements to ensure that such provision is affordable for both first and subsequent occupiers of the affordable housing; and
 - v) the occupancy criteria to be used for determining the identity of occupiers of the affordable housing and the means by which such occupancy criteria shall be enforced.
 - vi) A mechanism for delivery of the scheme

The affordable housing shall be retained in accordance with the approved scheme.

- 18) As part of the first reserved matters application, a scheme to improve Bridleway No. 143, Bury, shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall include:
- i) The removal of vegetation and debris build up at the edges to the path;
 - ii) The re-surfacing of the section of the Bridleway from Moreton Drive to the adopted highway at Leigh Lane (Currently, there is 60 metre bitmac surface and the remainder is crushed stone) The approved works shall be completed in accordance with a timetable to be agreed with the Local Planning Authority within the submission.
- 19) As part of the first reserved matters application, a Framework Residential Travel Plan shall be submitted to and approved in writing by the Local Planning Authority. The Plan shall include:
- i) A range of measures promoting a choice of transport mode and a clear monitoring regime with agreed targets;
 - ii) A travel plan budget and resources for the implementation and day to day management of travel plan measures;

- iii) Appropriate management structures;
- iv) Detailed time frames for the delivery;
- v) Handover arrangements for the travel plan or its components when the developer's responsibility ceases;
- vi) Targets and monitoring arrangements.

A full Travel Plan Strategy shall be submitted to the Local Planning Authority within 6 months of first occupation. The approved Full Plan shall be retained thereafter.

- 20) Notwithstanding the details indicated on approved plan reference 2313-F01 Revision A and Illustrative Masterplan reference 1932-VW-002-06-Masterplan Revision P01, full details of the following highway aspects shall be submitted on a topographical based survey of the site and adopted highways at first reserved matters application stage:
- i) Dilapidation survey, to a scope to be agreed, of the footways and carriageways abutting the site in the event that subsequent temporary and permanent remedial works are required following demolition/construction of the development;
 - ii) Formation of the proposed site access onto Walshaw Road to a specification to be agreed, incorporating the full reconstruction of the footway abutting the site, reinstatement of the redundant westerly industrial access, relocation/replacement of the affected street lighting column and road gully, provision of dropped crossing facilities for pedestrians and appropriate tactile paving in positions to be agreed, removal of the existing Armco barrier, demarcation of the limits of the adopted, measures to improve the ability to cross Walshaw Road to access the bus stop opposite the site and all associated highway and highway drainage remedial works;
 - iii) Review of existing /provision of new waiting restrictions in the vicinity of the junction of the site access with Walshaw Road;
 - iv) Proposed internal road layout to a specification to be agreed and, in the event that it is intended for the proposed residential estate roads to be adopted, to current adoption standards incorporating 5.5m minimum carriageway widths and 2.0m footway widths;
 - v) Adequate turning facilities within the curtilage of the site and associated swept path analysis;
 - vi) Swept path analysis of the proposed estate roads to ensure a refuse collection vehicle can pass a private car and manoeuvre at all junctions;
 - vii) A scheme of 20mph traffic calming measures on the proposed internal roads to a scope to be agreed, including details of proposed materials, road markings and signage at the interface with the adopted highway and within the development;
 - viii) Provision of visibility splays and forward visibility envelopes at all internal junctions and bends in accordance with the standards in Manual for Streets appropriate for a design speed of 20mph;
 - ix) Provision of long sections and cross sections at positions to be agreed through the proposed estate roads and turning heads to ensure that, in the event that it is intended for the proposed residential estate roads to be adopted, adoptable gradients and minimum 1 in 3 batters

- can be achieved along, and adjacent to, the proposed adopted highways;
- x) Provision of a street lighting assessment of the junction of the site access with Walshaw Road and proposed internal estate roads, and, if required as a result of the assessment, subsequent scheme of improvements on the existing adopted highway;
 - xi) Measures to provide sufficient links to the surrounding pedestrian and cycle network.
 - xii) A timetable for the implementation of the works

The highway works subsequently approved shall be implemented in accordance with the agreed programme.

- 21) No development shall commence unless and until a 'Construction Traffic Management Plan' (CTMP), has been submitted to and approved in writing by the Local Planning Authority and shall confirm/provide the following:
- i) Access point for demolition/construction traffic from Walshaw Road;
 - ii) Hours of operation and number of vehicle movements;
 - iii) A scheme of appropriate warning/construction traffic speed signage in the vicinity of the site and its access;
 - iv) Arrangements for the turning and manoeuvring of vehicles within the curtilage of the site, including any requisite phasing of the development to accommodate this;
 - v) Parking on site of operatives' and demolition/construction vehicles together with storage on site of demolition/construction materials, including any requisite phasing of the development to accommodate this;
 - vi) Proposed site hoarding/gate positions, including the provision, where necessary of temporary pedestrian facilities/protection measures on the adopted highway and the adjacent Public Right of Way;
 - vii) Measures to ensure that all mud and other loose materials are not carried on the wheels and chassis of any vehicles leaving the site and measures to minimise dust nuisance caused by the operations

The approved plan shall be adhered to throughout the demolition/construction period and the measures shall be retained and facilities used for the intended purpose for the duration of the demolition and construction periods. The areas identified shall not be used for any other purposes other than the turning/parking of vehicles and storage of demolition/construction materials.

- 22) No development shall be commenced unless and until details of the proposed arrangements for future management and maintenance of the proposed estate roads within the development have been submitted to and approved in writing by the Local Planning Authority. The estate roads shall thereafter be maintained in accordance with the approved management and maintenance details until such time as a private management and maintenance company has been established.
- 23) There shall be no direct means of vehicular access between the site and Bridleway No. 143 (Leigh Lane), Bury.

- 24) A minimum hardstanding of 5.5m measured between the highway/estate road boundary and any proposed garage doors shall be provided and thereafter maintained.
- 25) Where dwellings are constructed without a garage, a minimum hardstanding of 5.0m measured from the highway/estate road boundary shall be provided within the curtilage of each dwelling and thereafter maintained.

*****END OF CONDITIONS*****

2. FVA 0% Affordable Housing

Station Rd, Great Shelford (39 units) BNP

Development Appraisal
Prepared by Planning Issues Ltd
Licensed Copy
23 June 2022

Station Rd, Great Shelford (39 units) BNP

Appraisal Summary for Phase 1 Retirement Housing

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
1 Bed Flats	24	1,405.92	6,031.82	353,344	8,480,256
2 Bed Flats	<u>15</u>	<u>1,280.40</u>	5,297.96	452,234	<u>6,783,510</u>
Totals	39	2,686.32			15,263,766

NET REALISATION

15,263,766

OUTLAY

ACQUISITION COSTS

Residualised Price			3,174,688		3,174,688
Stamp Duty			148,234		
Effective Stamp Duty Rate		4.67%			
Agent Fee		1.00%	31,747		
Legal Fee		0.75%	23,810		
					203,791

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost	
1 Bed Flats	1,798.54	1,509.00	2,713,999	
2 Bed Flats	<u>1,637.97</u>	1,509.00	<u>2,471,695</u>	
Totals	3,436.51 m²		5,185,694	5,185,694

Developers Contingency		5.00%	280,027	
Demolition and Asbestos			50,000	
Piling/Foundations			137,980	
Substation			28,000	
S278			30,000	
Part L Costs	39.00 un	2,260.00 /un	88,140	
				614,147

Other Construction

Externals		8.00%	414,856	
				414,856

PROFESSIONAL FEES

Professional Fees		10.00%	560,055	
				560,055

MARKETING & LETTING

Marketing		3.50%	534,232	
				534,232

DISPOSAL FEES

Sales Agent Fee		1.50%	228,956	
Sales Legal Fee	39.00 un	750.00 /un	29,250	
				258,206

Unsold Unit Fees

1 Bed Flats			114,877	
2 Bed Flats			76,485	
				191,362

FINANCE

Timescale	Duration	Commences
Acquisition	1	Jun 2022
Pre-Construction	6	Jul 2022
Construction	14	Jan 2023
Letting	1	Mar 2027
Sale	39	Mar 2024
Total Duration	60	

Debit Rate 6.500%, Credit Rate 2.750% (Nominal)				
Total Finance Cost				1,073,981

TOTAL COSTS

12,211,013

PROFIT

3,052,753

Station Rd, Great Shelford (39 units) BNP**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR	17.99%

3. FVA 27.2% Affordable Housing (11 Affordable Units)

Station Rd, Great Shelford (27.2%) Agreed

Station Rd, Great Shelford (27.2%) Agreed

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
1 Bed Flats	17	995.86	6,031.82	353,344	6,006,848
2 Bed Flats	11	938.96	5,297.96	452,234	4,974,574
1 Bed Flats AH 50% OMV	7	410.06	3,015.91	176,672	1,236,704
2 Bed Flats AH 50% OMV	4	341.44	2,648.98	226,117	904,468
Totals	39	2,686.32			13,122,594

NET REALISATION

13,122,594

OUTLAY

ACQUISITION COSTS

Residualised Price			2,502,421		2,502,421
Stamp Duty			109,068		
Effective Stamp Duty Rate		4.36%			
Agent Fee		1.00%	25,024		
Legal Fee		0.75%	18,768		
					152,860

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost		
1 Bed Flats	1,273.97	1,509.00	1,922,416		
2 Bed Flats	1,201.18	1,509.00	1,812,576		
1 Bed Flats AH 50% OMV	524.57	1,509.00	791,583		
2 Bed Flats AH 50% OMV	436.79	1,509.00	659,119		
Totals	3,436.51 m²		5,185,694	5,185,694	

Developers Contingency		5.00%	280,027		
Demolition and Asbestos			50,000		
Piling/Foundations			137,980		
Substation			28,000		
S278			30,000		
Part L Costs	39.00 un	2,260.00 /un	88,140		
					614,147

Other Construction

Externals		8.00%	298,799		
Externals		8.00%	116,056		
					414,856

PROFESSIONAL FEES

Professional Fees		10.00%	560,055		
					560,055

MARKETING & LETTING

Marketing		3.50%	384,350		
					384,350

DISPOSAL FEES

Sales Agent Fee		1.50%	164,721		
Sales Legal Fee	39.00 un	750.00 /un	29,250		
					193,971

Unsold Unit Fees

1 Bed Flats			54,156		
2 Bed Flats			39,722		
					93,878

FINANCE

Debit Rate 6.500%, Credit Rate 2.750% (Nominal)					
Total Finance Cost					688,740

TOTAL COSTS

10,790,972

PROFIT

2,331,622

Performance Measures

Profit on Cost%	21.61%
Profit on GDV%	17.77%

Station Rd, Great Shelford (27.2%) Agreed

IRR

19.62%