

ADAMS
INTEGRA



Winchester City Council

Viability Report

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Appendices

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Introduction

Adams Integra has been instructed by Winchester City Council to report on the viability impact of different levels of both affordable housing and Community Infrastructure Levy on residential sites throughout the plan area.

The basis on which the study is to be carried out was agreed with the Council, following a proposal from Adams Integra and subsequent fine-tuning of the methodology. This can be seen in more detail in the Methodology section.

The need for the study arises from the continuing effects of economic difficulties on the viability of development sites and the views of house builders that the current levels of affordable housing cannot lead to a sufficient number of housing sites coming forward.

At this point we should mention some notes and limitations of a report of this nature.

We will be discussing viability in terms of notional sites and a series of scenarios that result in land values per hectare, applicable to that scenario. These land values give a broad indication of viability; they are not intended to suggest that land values will be at these levels in all specific circumstances.

We will relate land values per hectare, arising from the different scenarios, to viability thresholds. These thresholds are expressed as sums per hectare and are designed to offer a general overview of potential alternative uses, based upon available information. The thresholds will not be applicable to every specific site and it is accepted that some negotiation over viability might be required in individual circumstances.

Notional sites should be assumed to be speculative developments that exclude any unique design or specification items. It is assumed that these will be "serviced" sites with no significant off-site infrastructure requirements, such as abnormal highways or service reinforcement.

The study is not, therefore, concerned with major housing allocations, where such infrastructure might be a significant development cost, and is confined to sites of various sizes up to 100 dwellings.

The individual development scenarios are assessed using a residual land valuation process. This is explained more fully later, but it relies upon a series of inputs, from which a land value is calculated. It should be borne in mind that the land value outcomes are sensitive to changes in these inputs.

In connection with sales values, we will be discussing different geographical locations, including the area of South Hampshire that includes Whiteley and the

area to the west of Waterlooville. We should point out that we are not considering the major development proposed in this area; instead, we are looking at it in connection with sales values that might be applicable to the notional sites.

The Structure of the Report

The report begins with a confirmation of the main points from the proposal that was agreed between Adams Integra and Winchester City Council. This establishes the main parameters of the report that are then explored in greater detail as part of the Methodology section.

Following the main report is a series of appendices. Under the heading "What the Appendices show", we explain the purpose of each.

The policy section then puts the study into the context of the current policies of Winchester City Council.

The Methodology section explains our approach to addressing the requirements of the Council. We discuss the option of basing the study on notional sites, the contact with house builders to ensure the reliability of the valuation inputs, together with the inputs themselves. We go on to explain the basis of the valuations and the concept of the residual approach, which is used to establish land value in these types of study. We then discuss our approach to the concept of viability and the way in which we have established the viability thresholds, against which the appraisal results are measured.

We then run through the results of our work, by reference to the tables in the appendices, before drawing up our conclusions and recommendations.

The Adams Integra Proposal

In our proposal of August 2011, we put forward a methodology that highlighted certain specific points that would be pertinent to this study. These were:

- We would research new appraisal inputs that are particularly affected by the market, such as revenues, affordable housing and build costs.
- We would agree the basis upon which viability would be calculated. It was agreed that we would consult with house builders on this, to assess both an acceptable basis of calculation, and the premium that landowners might require as an incentive to bring land forward for development.
- We suggested that it was likely that different viability thresholds might be required in different locations.
- We would agree levels of s106/infrastructure payments per unit.
- The study would be based on notional sites, supported by factual information from developers that would reflect their experiences in today's market.
- It was agreed that we would produce a questionnaire for developers, seeking views on the items that would form the basis of the valuation inputs, such as build cost and profit levels.
- It was agreed that we would model sites of 3 units in connection with commuted sums, together with sites of 7, 20, 50 and 100 units.
- It was agreed that we would use a Value Points table to denote sales values that would be applicable to house types in different locations.

With regard to the study's outputs, the proposal stated that we would develop conclusions and recommendations that would:

- Include our own primary research.
- Demonstrate the point at which different scenarios are viable.
- Recommend viable affordable housing proportions and tenures.
- Recommend contribution levels for off-site affordable provision.
- Recommend CIL/s106 contributions that are compatible with the maximum provision of on-site affordable housing.

- Advise on whether viable affordable housing levels and CIL/s106 levels will vary geographically across the plan area.

What the Appendices Show

Appendix 1

Shows the outcome of the sales research, carried out both online and on the ground throughout the Winchester plan area. The result of this research is the Value Points table that shows the sales values per unit expressed for three geographical areas, being the area around Whiteley/Waterlooville, The Towns and Villages and Winchester itself. The Value Points table is at Figure 2.

Appendix 2

This takes the housing numbers at the different densities and tests for land value, assuming zero affordable housing contribution and zero infrastructure payment. If we look at the resultant land values per hectare against the viability thresholds, we can see the total "pot" that is then available for affordable housing and infrastructure payments. The different levels of affordable housing are then tested at Appendices 3 to 5, with a constant level of infrastructure per unit.

In instances where appendices are showing land value outcomes, these values are expressed in three different ways. The first value is the actual land value, assuming a specific number of units at a particular density. The second value is the percentage that the land value represents in relation to the total revenue, or Gross Development Value. This is often used by the housing industry as an approximate measure of a site's value. The third figure expresses the land value per hectare. This allows a direct comparison with the viability thresholds. The basis of these is discussed later in the report.

Appendix 3

This tests the various housing numbers and mixes at the agreed proportions of affordable housing, being 30%, 35% and 40%. The affordable housing is broken down between rented and intermediate tenures. The rented tenures are tested separately on the basis of social rent and affordable rent. In this appendix, affordable rent revenues are taken at 80% of market rents. Infrastructure costs are set at £5,000 per unit.

In Appendices 3, 4 and 5 we have allowed a sum of £5,000 per unit against potential site-specific items that might arise out of, say, a section 106 agreement. These are not intended, however, to be CIL payments, which are discussed later and illustrated in Appendix 9.

Appendix 4

As Appendix 3, but with affordable rent revenues taken at 70% of market rent.

Appendix 5

As Appendix 3, but with affordable rent revenues taken at 60% of market rent.

Appendix 6

This shows the impact of commuted sums, in lieu of on-site affordable housing, on sites of 3 and 7 units. The commuted sum payments are taken from the Council's Affordable Housing SPD, dated February 2008, updated for the current year 2011/2012. We also consider alternative levels of commuted sum that might improve viability alongside the Council's policy aspirations for affordable housing.

Appendix 7

This is the questionnaire issued to the house builders.

Appendix 8

A table of the housing mixes as used in the report.

Appendix 9

Calculating Community Infrastructure Levy for each scenario of unit numbers, mixes and proportions of affordable housing. This appendix illustrates residual CIL levels that development could sustain based on a range of scenarios that test different affordable housing proportions at various rent levels.

The Policy Context

The adopted Local Plan is the Winchester District Local Plan Review 2006. This contains the Council's policies and proposals, pending the adoption of the Local Development Framework Core Strategy. Policy in relation to affordable housing is contained in Policy H5, which seeks a proportion of between 30% and 40%, depending upon the location. Policy H7 looks for a density of between 30 and 50 dwellings per hectare with at least 50% of the properties being 1 and 2 bedroom units, suitable for smaller households.

Planning policy contained in the Local Plan is supplemented by a series of Supplementary Planning Documents (SPDs), the most relevant of which, to this study, is the Affordable Housing SPD, adopted in February 2008. The two most relevant policies from this document are:

- The need for a variety of affordable dwelling types.
- A priority in favour of social rented accommodation. Where there are 5 units or less of affordable housing, they should all be for social rent. Above this figure, tenures should be divided evenly between rented and intermediate tenures.

In advance of the adoption of the Council's Core Strategy, a number of Interim Policy Aspirations have been put in place for certain key areas, such as affordable housing. These were adopted in January 2011. These aspirations will be considered as "material considerations" in connection with planning applications.

The policy aspirations focus on three main areas that are relevant to this study. First, they distinguish between three different geographical areas, being Winchester town, the South Hampshire urban areas, and the Market Towns and Rural Areas. For this study, we have concluded that similar geographical areas are distinguishable locations of similar values.

The second area for the policy aspirations is climate change and sustainability. The first of these looks for new developments to achieve Level 5 of the Code for Sustainable Homes in respect of energy and water efficiency. The emerging Core Strategy has amended this so that new homes should achieve the water requirements of Code Level 4.

The third aspiration is in relation to affordable housing and dwelling mixes. Under this heading there are three main areas of focus. The first looks for a range of dwelling types and sizes, particularly 2 and 3 bedroom. Under the second aspiration, all developments should provide 40% of dwellings as affordable housing, with the majority of these being for social rent. The third aspiration states that affordable housing should be made on site, except for sites under 5 dwellings, where a financial contribution towards off-site provision would be acceptable.

This study tests a number of affordable housing scenarios, which also consider the extent to which Community Infrastructure Levy, or Infrastructure costs can be imposed whilst maintaining viability.

Methodology

In this section we discuss the means by which we have sought to respond to the Council's brief in testing viability across a range of residential scenarios.

The first fundamental point to make is that we are testing notional housing scenarios, not actual sites. The implication of this is that we are creating a series of site numbers and densities that reflect those that might be experienced within the Winchester area.

The advantage of notional sites is that they can be created to represent a full spread of scenarios, in such a way that maximises the chances of the outcomes reflecting most situations. To rely on actual sites would risk the study being based upon a narrow range of scenarios, particularly at a time of reduced developments being undertaken.

One of the considerations in assuming notional sites is to ensure that the valuation inputs reflect the experience of developers on the ground in the area. We have addressed this situation by involving local developers in the inputs for the study, as discussed further below.

Housing Numbers

Whilst many of the valuation parameters were established through the developer contact, the housing numbers were agreed with the Council, in order to test the widest range of housing numbers that would be relevant to both actual experience and Council policy. We have, therefore, tested sites of 3, 7, 20, 50 and 100 units.

Appraisal Modelling

In order to assess the viability of the different sites, we use a valuation toolkit that carries out a residual land valuation, the result of which is then compared to either existing or alternative land values. The residual appraisal is, essentially, a calculation of land value that deducts all anticipated costs of a project from the expected revenues to leave a "residue" that will be available for the land purchase. It needs to be remembered that this residue will include the costs of acquiring and financing the land, so it is the net land figure that is of interest, when comparing to other potential uses for viability purposes. This is discussed further below.

The residual land valuation relies upon a series of inputs. These inputs would set out:

- The number, mix and floor area of the units to be built.
- The values attributable to these units, leading to a total sales revenue.
- The build costs of the units, leading to a total build cost.

- The professional fees and pre-start site investigations that would be required.
- The finance costs.
- The required profit.

These inputs should relate to the same moment in time, since many of the values will vary with market conditions.

With regard to methodology around the appraisal inputs, we would make the following comments:

In order to ascertain the current appropriate levels of the various valuation inputs, we issued a questionnaire to a number of house builders that had previously expressed concerns over development viability. A copy of this questionnaire is attached at Appendix 7. In some instances we agreed the parameters to be used, directly with the Council. Otherwise, the responses were distilled into the following assumptions that have been made for the study:

The following headings correspond to the questions in the questionnaire.

Sales Market Locations

A study such as this can either recommend a single level of affordable housing across the plan area, or adopt a more scientific approach and make recommendations that apply to more specific locations. The latter would apply where there is a broad range of property values, such that a single recommendation would risk viability in some locations. This study adopts, therefore, different geographical locations.

These were agreed with the Council, in order to correspond with those locations identified in the Council's document, titled "Plans for Places" (also subsequently included in the Winchester District Local Plan Part 1 – Joint Core Strategy). The locations are:

- Winchester Town and the immediate environs.
- The Market Towns and Rural Area.
- The South Hampshire Urban Areas (Whiteley and West of Waterlooville).

Having carried out our own sales research, we concluded that these locations could be applied for this study, based upon the new build housing values that we found in each area.

We should clarify that, in respect of the South Hampshire Urban Areas, we are not considering the viability of the new major development areas to the west of Waterlooville and north of Whiteley. We are, however, considering the viability of infill sites that might arise in these locations. The three locations are, therefore, intended to reflect different levels of sales value.

Under the heading Sales Values, below, we expand upon the methodology that has been adopted for the study

Basis of Assessing Viability

Viability is at the heart of a study such as this and it is, therefore, important that we define what we mean by the term.

In essence, viability is the measure by which a project will be judged to be worth pursuing. The way in which viability is measured will depend upon individual circumstances, which will vary between, for example, a landowner and a developer that might be interested in purchasing the land.

From the developer's point of view, the main measure of viability will be the profit generated by the project. Sufficient profit is required in order to provide an incentive to proceed with a project, while also being necessary to attract funding. The attitude of lenders will relate to risk and the required profit level will rise and fall with the assessment of that risk. In times of economic difficulties, such as we are currently experiencing, there will be a perception that sales will be slower and at, possibly, falling levels, with the result that more profit is required.

The landowner, on the other hand, has other considerations when deciding to bring his land forward for housing, the main ones being an existing use value or the value of an alternative use that might receive planning permission. The levels of any alternative value will vary, depending upon both locational factors and the specific alternative use that might be feasible.

It is usually the case, however, that viability implies not only matching an existing or alternative use, but also exceeding it to allow, for example, for such matters as moving costs, interruptions to business, etc to be taken into account.

The responses from the questionnaires indicated that this "premium" should be set at about 20% over the alternative value, when establishing the viability threshold. We believe that this provides a reasonable incentive for the landowner and have, therefore, adopted it as the premium.

Alternative Value and Viability Thresholds

In connection with viability thresholds, it is worth noting the types of site that could potentially come forward, as indicated in the Council's Strategic Housing Land Availability Assessment of November 2011 (SHLAA). A high proportion of these sites are outside the settlement boundaries, in the countryside, and have current agricultural use. Others are located within settlement boundaries and will have a variety of existing uses, ranging from open space to community uses and residential. It would appear that a high proportion of the proposed sites, in existing residential use, are located in Winchester. We need to consider, therefore, the implications of this in assessing our viability thresholds.

It is outside the scope of this report to consider sites that are in the countryside and where the prospects of a planning permission are less certain. We will look at viability thresholds, therefore, in relation to existing uses within settlement boundaries.

In order to establish the thresholds between viability and non-viability, we have consulted with local property agents as to the land values that would apply to different uses in the Winchester plan area. Since we were not able to be site-specific, the agents' comments are framed in general terms, but they do lead us to land values for alternative uses.

Specifically, we discussed land values that might relate to industrial/warehousing and to offices. This was to reflect the potential uses that might secure planning permission as an alternative to residential, while also bearing in mind the three geographical areas that form the basis of the study. This does not assume that sites would necessarily be developed for industrial/warehousing rather than housing, but reflects the fact that landowners will be likely to consider what alternative value their land may have in deciding whether to bring it forward for housing development.

We spoke with local commercial agents, specifically asking for their views on land values that would relate to both industrial/warehousing land and offices. The views on industrial/warehousing land were all in the region of £900,000 per hectare. Views on office land values were more widespread, ranging from around £1.2million per hectare to £1.5million per hectare.

The Valuation Office Agency produces an annual property report, which includes estimates of land values for different uses in different parts of the country. Whilst they do not produce figures for office uses, we can see figures for industrial and warehousing use. The nearest location to Winchester in the report is Southampton, for which they show an industrial land value of £1,145,000 per hectare as at 1 January 2011.

It was noted by one agent, however, that the office market in Winchester itself is relatively strong at the moment, with rents for new buildings at around £20 per square foot and investment yields at 7-7.5%. As a check on the above figures, we have, therefore, carried out our own appraisal, based on an office use, and assuming rents of £19 per sq ft and returns of 7.25%. This results in an office land value of around £1.5million per hectare. Office values are likely to be less in the outlying towns, although we did hear comment that the potential for additional parking, together with reduced congestion, can maintain values.

It will also be seen from the SHLAA that a small number of new development sites will arise on land that is currently in residential use, in which case a landowner will measure viability against either the value of the existing property, if the whole site is to be developed, or against any fall in value of the main house, if only part of the site is to be developed.

An analysis of the impact of a residential viability threshold is limited by the fact that site-specific issues will have a significant bearing upon the viability outcome. For example, if only part of a residential property is being developed, then the extent of any fall in the value of the remainder will depend upon a number of factors. These will include the value and condition of the existing property, whether the new development enjoys a separate access and the physical impact of the new development upon the existing.

On the other hand, if the entire property is being redeveloped, then the viability of the proposal will be dictated by the value of the existing in relation to the value of the completed development. If the existing house is in a good condition in a high value location, then viability is likely to be difficult. If the existing property is either in a poor condition in a good location, occupies only a small part of the site, or both, then the value of the new development in relation to the existing will be higher and viability will be improved. In most instances, we believe that viability will be better where only a part of a residential property is taken for development.

For the alternative uses, other than residential, we are proposing the following viability thresholds, per hectare:

Market Towns and Rural Areas and South Hampshire Urban Areas (based on industrial land values) £900,000 plus 20% premium	£1,100,000
Winchester fringe (based on out-of-town office values) £1,150,000 plus 20% premium	£1,380,000

Winchester town (based on town centre office values)	
£1,500,000 plus 20% premium	£1,800,000

These figures will be compared to the land value outcomes in the appraisals when assessing viability.

Later in the report, in the Findings section, we discuss the valuation outcomes against these viability thresholds. In this connection, it is worth noting that viability thresholds will not always relate to a single value point. The above viability thresholds reflect employment land uses, where value is generated by such issues as proximity to a motorway network. Thus we can relate the same threshold to the different value points of Market Towns/Rural areas and the South Hampshire Urban Areas.

Profit

As discussed above, profit is vitally important to a project, as a means of assessing its viability. We have seen that profit requirements will vary according to market conditions and that current conditions are leading to higher profit expectations, particularly from lenders. Since profit is, perhaps, most associated with anticipated sales risks, it is common to express it as a percentage of the anticipated sales revenue.

On the other hand, sales risk is greater from the market housing than from the affordable housing. We adopt, therefore, different profit levels for each sector.

The appraisal model produced by the Homes and Communities Agency is commonly used as a tool for carrying out residual land valuations. This assumes profit levels of 17.5% for market housing and 6% for affordable housing. With the uncertainties in the current market, however, the responses to the questionnaire indicate that we should be assuming profit levels of 20% for market housing and 10% for the affordable housing.

Densities and Housing Mixes

A range of housing densities has been agreed with the Council. These range from 25 units per hectare to 60 units per hectare, reflecting rural, suburban and urban scenarios. For each density level we have sought to reflect the Council's desire to encourage smaller family units (2-3 bed), where possible.

In formulating the mixes, our methodology has been to set targets for floor area per developable hectare and then apply an appropriate mix that sits within this floor area, while also meeting Council policy requirements.

At Appendix 8 we are attaching tables that show the adopted mixes for the study. The first table shows the mixes with no affordable housing, while the following

tables include affordable housing at proportions agreed with the Council at the outset.

With regard to the floor areas per developable hectare, this was the subject of one of the questions in the questionnaire, in which we asked developers to state the level of coverage that they would expect on a typical residential development, between brownfield and greenfield sites.

The responses were, typically, that they would expect to see some 3,440 square metres per hectare (15,000 square feet per acre) on a Greenfield site, with at least 4,130 square metres per hectare (18,000 square feet per acre) on brownfield sites.

When applying these criteria to the Winchester plan area, however, we needed to be mindful of the policy requirements for smaller units, which have the effect of reducing the coverage on a particular site area at a set density. This impacts particularly in lower density locations and smaller sites.

It will be seen on the valuation tables in the appendices, therefore, that the coverage per hectare is lower on the rural and suburban densities, while it is higher on the urban densities, where a higher proportion of smaller units would be expected, irrespective of the small unit policy.

Build Costs

We asked developers for their views on build costs for both houses and flats, excluding abnormals, but including prelims costs and assuming code 3 of the Code for Sustainable Homes. As a result of the responses, we adopted base figures of £1,205 per square metre for houses and £1,292 per square metre for flats.

For studies such as this, it is also common to have regard to the build costs produced by BCIS, being a building cost index for a range of property types and locations. Whilst this is useful as a guide, we believe that greater reliance can be put upon the first hand experience of developers building in the Winchester area. We set out below, however, the latest build cost figures from BCIS for the different house types, being the maximum levels that they have recorded:

➤ General estate housing	£1,718 per sq m
➤ Two storey houses	£1,391 per sq m
➤ Three storey houses	£1,718 per sq m
➤ Apartments, 3-5 storey	£1,677 per sq m

Extra Build Cost for Code for Sustainable Homes

The brief from the Council was to evaluate the scenarios on the basis of the water element of Code Level 4 plus the energy element of Code Level 5. For the extra costs above Code 3, we referred to the CLG document "Cost of Building to the Code for Sustainable Homes Updated Cost Review" dated August 2011. From this we applied the additional cost for houses and flats to achieve the water requirements of Code Level 4, together with the Code Level 5 energy element that is itemised separately.

This resulted in overall build costs of £1,342 per square metre for the houses and £1,385 per square metre for the flats. These are the build cost figures that we adopted for our appraisals.

Other valuation inputs that were derived from the questionnaires were:

- Percentage build cost for professional fees: 5%
- Percentage of sales revenue for sales and marketing costs: 3%
- Finance rate: 7.5%
- Build periods:
 - 3 units - 8 months
 - 5 units - 9 months
 - 7 units - 10 months
 - 20 units - 15 months
 - 50 units - 20 months
 - 100 units - 30 months

Affordable Housing

We agreed with the Council that we would test the various scenarios at affordable housing proportions of 30%, 35% and 40% of the total units. The affordable element includes social rent, affordable rent and shared ownership units, although we have not mixed social rent and affordable rent on the same site. The appraisals assumed, therefore, mixes of social rent and shared ownership as one scenario, with affordable rent and shared ownership as a separate scenario.

For the purpose of the appraisals, we need to input the revenues that would be payable by a registered provider in respect of each affordable housing tenure. We consulted, therefore, with local housing associations on this matter. In addition, the Council pointed us towards work that was being done separately by DTZ chartered surveyors, particularly in the area of affordable rent. In order for the two studies to be consistent, we have also liaised with DTZ in respect of the affordable housing revenues.

The resulting affordable housing revenues are set out in the table below.

Figure 1: Affordable Revenues per Housetype

Housetype	sq m	Social Rent	per sqm	Affordable Rent	per sqm	Affordable Rent	per sqm	Affordable Rent	per sqm	Intermediate	per sqm
				80%		70%		60%			
1 bed flat	45	£46,530	£1,034	£58,500	£1,300	£51,525	£1,145	£45,810	£1,018	£67,410	£1,498
2 bed flat	57	£60,534	£1,062	£76,950	£1,350	£71,820	£1,260	£63,840	£1,120	£83,619	£1,467
2 bed house	67	£70,618	£1,054	£90,450	£1,350	£84,420	£1,260	£75,040	£1,120	£98,021	£1,463
3 bed house	82	£92,168	£1,124	£125,050	£1,525	£104,222	£1,271	£92,660	£1,130	£132,266	£1,613
4 bed house	95	£105,000	£1,105	£132,620	£1,396	£125,400	£1,320	£122,360	£1,288	£140,000	£1,474

The affordable rent revenues are based upon market rents, taken at the various percentages stated above. We then deducted 10% for management costs, before applying a capitalisation rate of 7% to arrive at a capital sum that could be used as the revenue. The assumed market rents were based upon figures provided by DTZ.

Sales Values

We have seen above that we have split the plan area into three market areas for the purpose of this study. Whilst the areas were originally proposed in the Council's document "Plans for Places" we believe that, as a result of our own research, the same three locations can be applied to this study.

Since a large proportion of the Council's affordable housing supply will come from new developments, we apply new homes values to our appraisals. These values derive from our own on-the-ground research, supplemented by online research through websites such as Rightmove. From information gained, we make an assessment of the prices at which new homes are being sold. Furthermore, since some locations will have a larger supply of new homes evidence than others, we look also at modern houses and flats from the second hand market in arriving at our pricing conclusions.

The resultant sales values are then set out in a values table (see below), which shows the values for each house type, in each of the three geographical areas, in columns 2 to 4, where 2 is the South Hampshire Urban Areas (specifically Whiteley and Waterlooville) and 4 is Winchester itself. Columns 1 and 5 show the impact of either a 10% fall in prices (column 1) or a 10% rise in prices (column 5).

Figure 2: Values Table

Value Point	1	2	3	4	5
	less 10%	South Hants	Towns and villages	Winchester Town	Plus 10%
Housetype					
I bed flat	£117,000	£130,000	£145,000	£175,000	£192,500
2 bed flat	£144,000	£160,000	£210,000	£245,000	£269,500
1 bed house	£130,500	£145,000	£160,000	£195,000	£214,500
2 bed house	£162,000	£180,000	£250,000	£280,000	£308,000
3 bed house	£216,000	£240,000	£325,000	£370,000	£407,000
4 bed house	£243,000	£270,000	£400,000	£490,000	£539,000
5 bed house	£351,000	£390,000	£560,000	£700,000	£770,000

Source: Independent research and the Rightmove website September 2011

The values in the Value Points table are used in the appraisals of the various development scenarios. We arrive at these values through an analysis of the information gained from our research, which is formed from both on-line and on-the-ground work. At Appendix 1, we are attaching a House Price Summary Table, which is a distillation of the sales information for settlements across the plan area. The settlements have been chosen for two reasons. First, they represent a spread, which helps to inform the decision to adopt the three sales locations. Second, they are locations within which there was some evidence of property being for sale. From this summary table, we then develop the range of values, for each housetype, that are seen in the Value Points table.

To this extent the table represents geographical locations through sales values. In this way, we can address the situation in which, for example, a particular village in the Towns and Villages value category might be of generally higher or lower value than the surrounding area. If values are generally lower within a particular location, then it is possible that there would be some negotiation over site-specific circumstances, such as affordable housing.

Infrastructure Costs or Community Infrastructure Levy (CIL)

As part of the brief from the Council, we were asked to consider different rates of CIL alongside the different affordable housing proportions and tenures. The outcome of this is shown in Appendix 9, where we are considering the maximum amount of CIL a development can support before critical viability thresholds are reached.

The appraisals are based on sites of 7, 20, 50 and 100 units at the three density levels that have been adopted for the report and at values for the towns and villages, Winchester and a possible future level of Winchester values plus 10%. For each, we have adopted the following methodology:

We have modelled the different unit numbers, mixes and affordable tenures at zero infrastructure levels.

This is a different scenario to the appraisals carried out for Appendices 3, 4 and 5, which do not assume that a Community Infrastructure Levy is in place, but do assume that, in the absence of CIL, there will be some level of infrastructure cost. In Appendices 3 to 5, this is reflected through the cost of £5,000 per unit.

For each scenario the modelling produces both a land value and a land value per hectare.

We then compare the land value per hectare with value per hectare of the viability threshold for the particular location. This allows us to understand how much of the land value can be used towards CIL, before the viability threshold is reached. The outcome of this is shown on the tables at Appendix 9.

These tables show resultant CIL levels per square metre of built area, assuming 7, 20, 50 and 100 units at the three different density levels, with different affordable thresholds and tenures.

We need to be aware of the fact that this methodology is based upon a land value difference between a scenario with zero infrastructure and the viability threshold. The CIL levels per square metre will not, therefore, take into account the finance costs that a developer might incur on the CIL cost. This finance cost will vary, depending on when the CIL charge is paid.

The CIL charge will be a development cost that will accrue interest at the rate applicable to that development. We understand that CIL is payable once a chargeable planning permission begins to be implemented, with provisions for the payment to be made in instalments. If we consider, as an example, a 7 unit development with a floor area of 700 sq m, subject to a charge of £100 per sq m, then the total charge will be £70,000. If the charge is payable upon commencement of the development as a single sum and is funded at, say, 7.5% for a build period of 10 months, then the finance impact will be about 6%. This would suggest a reduction in the charge to £94 per sq m. A larger site of 100 units totalling, say, 10,000 sq m would incur a charge of £1million at the same charge level. If this was paid in four instalments over a build period of 30 months, subject to the same finance rate of 7.5%, then we estimate that the finance impact would be closer to 10%. We would suggest, therefore, that the impact of finance upon a charge of £100 per sq m would be between 5 and 10%. In the event that the Council was to impose a higher charge per sq m, then we would anticipate the need to agree a payment schedule that would minimise the finance impact upon a development.

The outcome of this exercise is set out in the Findings section, below.

The Findings

The Residential Sales Market

From our discussions with the developers on site, it would appear that new homes sales are taking place, but that incentives are needed in order to achieve them. With regard to wider indices, the Nationwide index for the Outer South-East, including Hampshire, has shown a rise of 3% in prices through 2011. The Housing Market Survey of the Royal Institution of Chartered Surveyors, January 2012, indicates that market sentiment is improving, although this might be due to temporary factors, such as first time buyers trying to take advantage of the stamp duty exemption before the March deadline. Although the survey paints a very restrained picture, price expectations are now "only slightly negative", even though they are at their best level since May 2010. As part of the survey, agents in the South East talk of fragile confidence, hoping that this will build into a higher level of property transactions.

Having carried out the appraisals as set out above, we have expressed the results in a series of tables that form appendices to the report.

Appendix 1 Sales Research

The sales research was carried out across the main settlements of the Winchester City Council area, in order to achieve as broad a cross-section as possible of prevailing values. We were wanting, in particular, to identify potential market areas, where similar values would apply, so that we could either adopt the same areas as the Council had already identified, or propose different areas. In the event, we felt that there was a sufficient spread of new developments, ranging from Winchester itself to South Hampshire, such that we were able to adopt the same market areas, these being Winchester and the immediate hinterland, the Market Towns and Rural Area, and South Hampshire Urban Areas, namely Whiteley and Waterlooville.

As might be expected, the broadest range of new build house types was seen in Winchester and in the development areas of South Hampshire. The new build supply in the smaller towns and villages consisted mainly of houses.

A common means of expressing value is as a sum per square metre of the built area, excluding garages. Whilst all developments have their own characteristics in terms of location, house types and specification, it is possible to identify approximate value levels that would apply within each market area. We would summarise these as:

- Winchester Town and immediate locality £3,700 to £4,200 per sq m
- Markets Towns and Rural Area £3,200 to £3,500 per sq m
- South Hampshire Urban Areas £2,300 to £2,500 per sq m

It will be noted that, whilst the values for the towns and villages are lower than those for Winchester, there is then a significant gap to the values for South Hampshire. This gap becomes significant when we are considering the land value outcomes in the remaining appendices.

As a general point we would say that, in connection with the locations of Whiteley and Waterlooville, the viability is not looking good for many of the scenarios illustrated in the study. We should point out, however, that the study is carried out using specific parameters and at a specific point in time, such that it would be wrong to assume that different parameters would not produce different results.

In the event that the sales market improves, then we would expect the sales values at Value Point 2 to rise to those in Value Point 3, in which case similar levels of viability would be seen, as are currently experienced in the market towns and villages.

Appendix 2

This illustrates the total “pot” that would be available for both affordable housing and infrastructure contributions. If we run the appraisals with these costs set to zero, we can compare the resultant land values with the relevant viability thresholds and say that the difference would correspond to the total contributions that the site would bear.

At this point, it would be worth repeating the proposed viability thresholds, as set out above, which will apply to all the subsequent appendices. We have not included any residential viability thresholds here:

- Towns and villages,
including South Hampshire urban areas
£900,000 plus 20% premium £1,100,000
- Winchester fringe
£1,150,000 plus 20% premium £1,380,000
- Winchester
£1,500,000 plus 20% premium £1,800,000

In addition, it is worth confirming the locations that correspond to the value points on the tables, as follows:

- Value Point 2 - South Hampshire Urban Areas, specifically Whiteley and Waterlooville
- Value Point 3 - Market Towns and Rural Areas
- Value Point 4 - Winchester Town and immediate locality

As before, Value Point 1 represents a fall in values, while Value Point 2 represents a rise in values.

We are comparing, therefore, land value outcomes for value points 2 and 3 with a viability threshold of £1,100,000 per hectare. We are comparing outcomes for value point 4 primarily against a viability threshold of £1,380,000 per hectare, although we are also commenting upon the extent to which the threshold for central Winchester is achieved, being £1,800,000 per hectare.

The table at Appendix 2 demonstrates that, even with affordable housing and infrastructure contributions set to zero, sites in the area of Whiteley and Waterlooville will struggle to achieve the viability threshold at the lowest densities, with marginal viability in some higher density scenarios.

In the Market Towns and Rural Area (Value Point 3), we see land values typically at between £2,500,000 and £3,000,000 per hectare. When measured against a viability threshold of £1,100,000 per hectare, there is a "pot" of £1,400,000 to £1,900,000 available for affordable housing and infrastructure contributions in these locations.

With regard to Winchester Town (Value Point 4), we see land values per hectare of between £3,300,000 and £4,000,000, creating a "pot" of £1,500,000 to £2,200,000 per hectare.

Appendix 3

These tables introduce affordable housing at proportions of 30%, 35% and 40% of the total number of units on the site. For each proportion, we are testing social rent and shared ownership, separately from affordable rent and shared ownership. In this appendix, affordable rent is taken at 80% of market rent. Appendices 4 and 5 look at different percentages to market rent.

In Appendices 3, 4 and 5 we have applied what we have called an infrastructure charge of £5,000 per unit to each appraisal. The rationale for this is that we consider it likely that a form of charge would be imposed, even if the Council did not proceed with Community Infrastructure Levy (CIL). This should not be confused with CIL, which is discussed separately under Appendix 9.

The first point to make is that we are not seeing any viability for the Whiteley and Waterlooville areas in any of these particular scenarios.

The second point is that the outcomes for the 7 unit sites at 30% and 35% will be similar, since the on-site affordable requirement will vary between 2.1 units and 2.45 units; in both instances it has been rounded to 2 units.

We would make the following additional comments against each of the tables in Appendix 3:

30% affordable with affordable rent

At Value Point 3 we see most values at between £1,400,000 and £1,600,000 per hectare, such that they would be viable against an out of town office use.

At Value Point 4 all values are above the viability threshold for offices in Winchester.

30% affordable with social rent

In Value Point 3 we see that the towns and villages should see viability on this basis, assuming a more industrial alternative use. In a few instances we see a land value per hectare of more than £1,500,000, such that there would be viability against a more commercial/office use.

At Value Point 4 (Winchester), we are seeing land values, typically, at between £2,000,000 and £2,600,000 per hectare, demonstrating that there should be viability on this basis.

35% affordable with affordable rent

At Value Point 3 all scenarios would compete with an industrial use, but few would compete with an out of town office use.

At Value Point 4 we are still seeing that Winchester scenarios are showing viability against an office use.

35% affordable with social rent

At Value Point 3 we typically see land values per hectare from £1,000,000 to £1,300,000. This implies that there could be instances where viability will be difficult, but most scenarios will compete with an industrial alternative use.

At Value Point 4, most scenarios still show viability against central Winchester uses.

40% affordable with affordable rent

The higher revenues deriving from affordable rent at 80% market rent mean that this tenure is likely to show viability in most instances at Value Point 3. At the same time the Winchester values at Value Point 4 are more likely to compete with alternative office uses at this level of affordable rent.

40% affordable with social rent

At Value Point 3 we see that most land values are between £850,000 and £1,300,000 per hectare. Here we are beginning to see difficulties with viability. At VP4 we see Winchester land values at £1,800,000 to £2,200,000, demonstrating that we are starting to see viability at the margins for town centre locations, when compared to an office use.

Appendix 4

In Appendix 3 we saw that an affordable level of 40%, based on social rent, was starting to create viability difficulties in both the towns and villages and in Winchester itself, with an infrastructure level of £5,000 per unit. On the other hand, affordable rent at 80% market rent, in lieu of social rent, sees viability restored at Value Point 3, as compared to competing industrial uses, if not commercial uses. In Appendix 4 we consider the impact of affordable rent at 70% market rent.

On the basis of a 30% affordable contribution, we are seeing land values at Value Point 3 of between £1,300,000 and £1,600,000. At Value Point 4 the range is £2,100,000 to £2,700,000. We would, therefore, expect to see viability in most scenarios.

With an affordable contribution of 35% the Value Point 3 land value range is approximately £1,100,000 to £1,400,000. This would meet the viability threshold for industrial alternative uses, but would fall short of more commercial alternatives.

For Winchester at Value Point 4 the land values are around £2,000,000 per hectare, so we would still expect to see viability against competing employment uses.

With an affordable contribution of 40% the towns and villages at Value Point 3 are showing land values in the range of £1,100,000 to £1,400,000, with some scenarios reaching £1,500,000. At this level, we are still seeing that land values can compete with some alternative uses, whilst falling short of commercial values. For Winchester the values are generally between £1,800,000 and £2,200,000, so we would still expect to see viability at this level.

Appendix 5

We are looking at a similar scenario to Appendix 4, but the affordable rent tenure is based on 60% market rent.

It is interesting to note that, with affordable rent at 60% of market rent, the land values are similar to those based on social rent, as seen in Appendix 3.

Looking at the figures for an affordable contribution of 30%, for the towns and villages at Value Point 3, the land values are between £1,300,000 and £1,600,000. For Winchester at Value Point 4 the values are approximately £2,100,000 to £2,500,000. We would expect, therefore, to see viability in most instances.

At 35% affordable housing, both the towns/villages and Winchester are showing viability, although this is becoming marginal in certain instances.

At 40% affordable housing there are a number of scenarios showing land values at around £1,000,000 at Value Point 3, suggesting that viability issues are likely, while the Winchester values at Value Point 4 are still showing viability against commercial uses.

Appendix 6

We were asked to consider scenarios in which a commuted sum was paid in lieu of on-site affordable housing. Since, in our experience, this is most likely to occur on smaller sites, we have tested sites of 3 units.

The commuted sums are taken from the Council's Affordable Housing SPD, dated 2008, updated for the current year 2011/2012.

Since we are considering a number of different densities, we have assumed different house types for each density type, to represent the affordable housing housetype that is not being provided on site. For the rural densities we have, therefore, assumed a commuted sum for a 4 bedroom house, whilst for suburban scenarios we have assumed a 3 bedroom house and for urban situations we have assumed a 2 bedroom house.

By way of confirmation, the relevant commuted payments, from the SPD, are:

➤ 2 bedroom house	£149,985
➤ 3 bedroom house	£192,001
➤ 4 bedroom house	£215,635

For each number of units we have tested against assumed policy proportions of 30% and 40% affordable housing. For the 3 units we have, therefore, calculated the commuted payments on 0.9 units and 1.2 units respectively. These resultant figures have been multiplied by the relevant commuted sum from the SPD to arrive at a total sum to be paid. This is then the basis on which the appraisals have been carried out.

At an assumed affordable housing proportion of 40%, we see significant viability problems at Value Point 3. When values rise to the equivalent of Value Point 4, however, the viability improves significantly.

When tested at an assumed affordable housing provision of 30%, the 3 units show a consistent value level at just above the viability threshold for the market towns and villages. The Value Point 4 valuations show a consistently good level of viability.

We have considered the commuted sum levels that would show improved viability at Value Point 3, with an assumption of 40% affordable housing. We set these out below:

- 2 bed house £118,000
- 3 bed house £137,000
- 4 bed house £165,000

We should point out, however, that revised sums are based upon analyses of the three unit scenarios only. We will, however, be carrying out further work on this specific topic, to test the wider commuted sum scenarios.

None of the commuted sum scenarios show viability at Value Point 2.

Appendix 7

This is the questionnaire that was submitted to the developers. This does not, therefore, relate to the appraisal outputs, but is simply included here for the sake of completeness.

Appendix 8

This is the table of housing mixes that have been used in the study. Again this does not relate to the appraisal outputs, but is simply included here for the sake of completeness.

Appendix 9

The tables at Appendix 9 show the potential CIL levels that could be considered, expressed as sums per square metre of the floor area of the development. We have tested sites of 7, 20, 50 and 100 units, at various densities and assuming different affordable housing proportions and tenures. We have also focussed upon Value Points 3 and 4, relating to the market towns and villages, and Winchester respectively. We have also, however, shown the position at Value Point 5, i.e. an improved market position over and above the Winchester values.

The figures give a wide range of values, but we would suggest the following CIL levels could realistically be achieved, according to these tables:

30% affordable, assuming social rent and intermediate tenures

VP3	£110 to £120 per sq m
VP4	£140 to £150 per sq m

35% affordable, assuming social rent and intermediate tenures

VP3	£90 to £100 per sq m
VP4	£110 to £120 per sq m

40% affordable, assuming social rent and intermediate tenures

VP3	£60 to £70 per sq m
VP4	£80 to £90 per sq m

30% affordable, assuming affordable rent at 60% market rent and intermediate tenures

VP3 £125 to £135 per sq m
VP4 £160 to £170 per sq m

35% affordable, assuming affordable rent at 60% market rent and intermediate tenures

VP3 £100 to £110 per sq m
VP4 £120 to £130 per sq m

40% affordable, assuming affordable rent at 60% market rent and intermediate tenures

VP3 £70 to £80 per sq m
VP4 £100 to £110 per sq m

30% affordable, assuming affordable rent at 70% market rent and intermediate tenures

VP3 £135 to £145 per sq m
VP4 £170 to £180 per sq m

35% affordable, assuming affordable rent at 70% market rent and intermediate tenures

VP3 £110 to £120 per sq m
VP4 £130 to £140 per sq m

40% affordable, assuming affordable rent at 70% market rent and intermediate tenures

VP3 £75 to £85 per sq m
VP4 £110 to £120 per sq m

30% affordable, assuming affordable rent at 80% market rent and intermediate tenures

VP3 £160 to £170 per sq m
VP4 £180 to £190 per sq m

35% affordable, assuming affordable rent at 80% market rent and intermediate tenures

VP3 £120 to £130 per sq m

VP4 £140 to £150 per sq m

40% affordable, assuming affordable rent at 80% market rent and intermediate tenures

VP3 £90 to £100 per sq m

VP4 £115 to £125 per sq m

Residential viability thresholds

At this point, we also need to consider the viability impact, where a development is taking place on land that is already in residential use. Typically, this can arise in a number of ways. In some instances, one or more existing houses will be demolished to make way for a new redevelopment. Alternatively, the existing houses might remain and part of their gardens is taken for a new development.

In the first scenario, the individual house owners will be looking to receive the value of their homes, together with a premium that serves as an incentive to proceed with the sale for development.

In the second scenario, the home owner will be considering the extent to which the reduced land area, together with the new development, will reduce the value of the existing property.

Whilst we acknowledge the need to consider a residential viability threshold in certain circumstances, we also need to put these circumstances into the context of sites that are likely to come forward for development. We have looked, therefore, at the sites that were put forward in the Council's Strategic Housing Land Availability Assessment 2011 (SHLAA). From this we note that potential housing numbers from existing residential sites make up a small proportion of the total. We believe, therefore, that due consideration should be given to non-residential existing uses, whilst accepting that there could be negotiation over viability in connection with some existing residential uses.

Conclusions

1. We have found it appropriate to adopt the three different geographical areas that the Council has previously identified in its document "Plans for Places".
2. We believe that the Council can afford to remove affordable housing thresholds and seek a contribution towards affordable housing from all sites. We would support a policy position whereby the contribution from sites of less than 5 units was through a commuted payment, rather than on-site provision.
3. Having modelled three unit sites against the commuted sums currently being used in the Council's affordable housing SPD, we have noted significant viability issues, particularly in lower value locations. It should be remembered, however, that the valuations are assuming higher build costs, with the addition of elements of code levels 4 and 5, at a time of reduced house price levels.
4. We have, however, considered the extent to which the SPD figures would need to be reduced to provide greater viability at value point 3, on the assumption of a requirement for 40% affordable provision. These figures are shown above under the discussion in connection with Appendix 6. As the sales market improves, we would expect to see greater commuted sum viability across the board, as the current values of Value Point 2 rise to those of Value Point 3.
5. The nature of viability is such that alternative uses are only applicable where they would receive a planning permission. It is necessary, therefore, to apply appropriate levels of alternative use value to different locations, based upon both an assessment of the likelihood of achieving an alternative planning permission and its value.
6. Potential housing numbers from existing residential sites make up a small proportion of total supply. We believe, therefore, that due consideration should be given to non-residential existing uses, whilst accepting that there may need to be negotiation over viability in connection with some existing residential uses.
7. The policy to encourage smaller family units has a bearing on the assumptions that can be made in respect of housing mixes and total floor area achieved on a site.
8. It should be noted that this exercise is taking place at a time of considerable market uncertainty, with international issues generating weak levels of housing transactions and very small movements in house prices.

Whilst Winchester would normally be considered a more buoyant location, it has not escaped the impact of the reduction in housing market activity.

9. Lower levels of value in locations such as Whiteley and Waterlooville are resulting in reduced levels of viability, which is exacerbated by the higher build costs involved to achieve the water requirements of Code Level 4 and Code Level 5 for energy. As stated above, however, these lower levels of viability should be seen as the product of specific cost parameters, at a particularly low point in the sales market, rather than representing longer-term past or future trends. A rise in sales values would lift prices in Value Point 2 to those in Value Point 3, with a corresponding rise in viability.
10. We do see viability for these locations, however, with no affordable housing or infrastructure requirement, particularly in higher density locations. We are aware, however, of affordable housing having been negotiated on particular sites in these locations. It is important that Core Strategy policies are framed having regard to the plan period, rather than being overly sensitive to particular points in market cycles. However, there is a need to apply caution to the imposition of costs in these locations at this moment in time and site specific viability testing may be desirable in particular circumstances. However, notably, it is not envisaged that new development in this part of the District (outside the strategic allocations) is needed to meet the housing target for the South Hampshire Urban Area.
11. The outcomes in Appendix 3, where we are testing differing proportions of affordable housing, including affordable rent at 80% market rent, indicate that there will be viability in most scenarios. We need to be aware, however, that there could be viability issues in some market town locations, where an office use could be a realistic alternative to residential. When we test 40% affordable with social rent, instead of affordable rent, we are seeing greater viability problems building up, even in Winchester.
12. At the other end of the spectrum, Appendix 5 takes affordable rent at 60% of market rent. Whilst a 30% affordable proportion appears viable on this basis, we do see viability problems emerging at 35% and 40% affordable requirements.
13. The degree to which Community Infrastructure Levy can be charged on a site will vary according to the level of other costs that are imposed. In the context of Appendix 9, we have shown a range of options that might be available to the council, based upon those affordable housing assumptions that have been seen to produce viability elsewhere in the report. This illustrates that in Value Point Areas 3, 4 & 5, at 40% affordable housing proportions, there is viability in most circumstances at rent levels below 80% of market rent. In order to improve affordability the Council may wish to see rent levels below the Affordable Rent "cap". The DTZ

Affordable Rent Report identifies affordability difficulties and in particular that this impacts on larger units more than smaller flats and houses. Consequently, it should be possible to consider reducing the % of market rent on larger units before looking at smaller units, this should aid the affordability of larger units to their occupiers.

14. The Council should bear in mind, however, the fact that CIL is a long term charge that is fixed at a level for its duration. In the context of viability negotiations, therefore, the main area in which the Council might come under pressure to relax its requirements for affordable housing. Consideration needs to be given to the prospect of this and to the relative priority given by the Council to affordable housing when setting its CIL.
15. As a general comment, the Council should anticipate specific instances, where viability is claimed to be poor. In these circumstances, there will be a need to consider viability evidence on a site-specific basis.

Recommendations

Given the priority the Council gives to affordable housing and taking account of Appendix 9 we believe that the Council can look to a 40% proportion on development sites, on the basis of affordable rents set at 70% market rent. This should allow, under normal circumstances, viable schemes to be developed on the type of sites envisaged in the SHLAA documents.

This assumes a 70% rented and 30% intermediate split of affordable housing.

In circumstances where affordability or viability is particularly challenging we recommend consideration of the following potential solutions:

- Adjust rent levels, particularly on larger units;
- Amend the split between rented and intermediate affordable housing, or;
- Change the overall proportion of affordable housing.

The preferred approach will be dependent on site specifics and local circumstances. It will be important to explore alternative scenarios to allow the optimum affordable housing outcomes to be achieved while ensuring scheme viability.

We would recommend that the Council can afford to remove affordable housing thresholds from all sites, with a view to achieving an on-site affordable provision from sites of 5 units and above, with a commuted sum payable on sites of less than 5 units.

We would recommend that the Council reviews regularly the level of commuted sums in order to improve the viability of sites in lower value locations. This should take the form of further viability modelling alongside prevailing policy positions in connection with, for example, affordable housing and Code for Sustainable Homes.

As an example, we have considered, above, the extent to which the SPD figures would need to be reduced to provide greater viability at Value Point 3, on the assumption of a requirement for 40% affordable provision. These figures are shown above under the discussion in connection with Appendix 6.

Whilst we make recommendations about CIL levels below these should not be finally determined until the Core Strategy has determined the policy requirements for affordable housing. Appendix 9 of the report describes the impact of CIL and affordable housing on viability. This appendix is important in that it will allow judgements to be made as to the impact of adhering to a particular affordable housing target with a set CIL and will assist the Council in setting not only a robust CIL but one that will allow the important affordable housing targets to be met.

We would recommend that the Council should consider a zero CIL charge for small-scale development in the South Hampshire Urban Areas (West of Waterlooville and Whiteley) and separate residential CIL charges for the Market Towns and Rural Area, and Winchester.

We would recommend that the Council carries out regular reviews of local house prices, in order to assess likely ongoing viability trends. In the event that a broader assessment of prices is considered appropriate, then we would suggest that this be done by reference to a widely published index, such as the Nationwide House Price Index (Outer South East).

Should the Council decide that a more finely tuned review is required, then we would recommend a value update exercise, concentrating on the Winchester plan area.

Appendices Follow



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