



Whole Plan Viability Assessment

Swale Borough Council Note:- This Whole Plan Viability Assessment includes the testing of several potential strategic sites. As per the PPG, this testing is based on high level and early information that was provided by the Council to HDH Planning. The strategic sites are assessed to test their potential delivery, to inform site selection and the drafting of policies. Pending the adoption of a new Local Plan, when considering a planning applications, (as per the PPG) it will be necessary to take a more detailed, site-specific approach, than the high-level plan-wide approach set out in this WPVA.

May 2024

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Tables of Contents

Important Notice.....	2
1. Introduction.....	9
Scope	9
Report Structure.....	10
HDH Planning & Development Ltd (HDH)	11
Caveat and Material Uncertainty	11
Compliance.....	12
Metric or Imperial	13
2. Viability Testing	15
National Planning Policy Framework.....	15
Planning Practice Guidance	17
Section 1 - Viability and plan making.....	18
Section 2 - Viability and decision taking	20
Section 3 - Standardised inputs to viability assessment	20
Section 4 - Accountability	23
Community Infrastructure Levy Regulations and Guidance	23
Wider Changes Impacting on Viability	24
Affordable Housing Thresholds	25
Accessible and Adaptable Standards.....	26
Biodiversity Net Gain	26
Environmental Standards.....	27
White Paper: Planning for the Future (MHCLG, August 2020)	28
Fire Safety Standards	28
National Model Design Code	29
February 2024 Ministerial Statement.....	29
Queen’s Speech 2021 and 2022.....	30
Levelling-up and Regeneration Act	31
Technical consultation on the Infrastructure Levy	31
Viability Guidance	31
3. Methodology	35
Viability Testing – Outline Methodology.....	35
Limitations of viability testing in the context of the NPPF.....	36
The meaning of Landowner Premium	36
Existing Available Evidence	38
Stakeholder Engagement.....	38
Viability Process.....	39
4. Residential Market	43
The Residential Market	43
National Trends and the relationship with the wider area	44
The Local Market	51
Newbuild Asking Prices.....	62

Price Assumptions for Financial Appraisals.....	66
Ground Rents	70
Build to Rent	70
Affordable Housing	73
Social Rent	74
Affordable Rent.....	75
Affordable Home Ownership	79
Grant Funding.....	81
Older People’s Housing	81
5. Non-Residential Market	83
National Overview.....	83
Swale Non-Residential Market.....	84
Offices	85
Industrial and Distribution.....	87
Appraisal Assumptions.....	90
6. Land Values.....	91
Existing Use Values	91
Residential Land	93
Previously Developed Land.....	96
Agricultural and Paddocks	97
Existing Use Value Assumptions.....	97
Benchmark Land Values	98
7. Development Costs	101
Development Costs.....	101
Construction costs: baseline costs	101
Other normal development costs	103
Abnormal development costs and brownfield sites.....	104
Fees.....	105
Contingencies	106
S106 Contributions and the costs of strategic infrastructure.....	107
Financial and Other Appraisal Assumptions.....	108
VAT.....	108
Interest rates.....	108
Developers’ return.....	109
Voids.....	113
Phasing and timetable	113
Site Acquisition and Disposal Costs	114
Site holding costs and receipts.....	114
Acquisition costs	115
Disposal costs.....	115

8. Planning Policy Requirements.....	117
Strategic Policies	118
Policy ST 1 Development needs for the Borough	118
Policy ST 2 Swale Settlement Strategy	118
Policy ST 3 Delivering sustainable development in Swale.....	118
Policy ST 4 Building a strong, competitive economy	118
Policy ST 5 Delivering a wide choice of high-quality homes	118
Policy ST 6 Good Design	123
Policy ST 7 Health and Wellbeing	123
Policy ST 8 Planning for Infrastructure	123
Policy ST 9 Promoting Sustainable Transport and Active Travel.....	127
Policy ST 10 Conserving and enhancing the natural environment.....	127
Policy ST 11 Conserving and enhancing the historic environment	127
Land allocations for new development	128
Development management policies	128
Policy DM 1 General development criteria	128
Policy DM 2 Good Design	128
Policy DM 3 Mitigating and adapting to climate change through sustainable design and construction	129
Policy DM 5 Proposals for Main Town Centre Uses	136
Policy DM 6 Shopfronts, signs and advertisements.....	136
Policy DM 7 Loss of employment floorspace and land	136
Policy DM 8 The rural economy	136
Policy DM 9 New holiday parks or extensions to existing parks and the occupancy of holiday parks.....	136
Policy DM 10 Managing transport demand and impact	136
Policy DM 11 Vehicle Parking	137
Policy DM 12 Rural Lanes.....	137
Policy DM 13 Broadband Infrastructure Provision	137
Policy DM 14 Small and medium sites for housing development.....	137
Policy DM 15 Affordable Housing.....	137
Policy DM 16 Rural exception housing.....	138
Policy DM 17 Open space, sport and recreation provision	138
Policy DM 18 Park homes.....	139
Policy DM 19 Gypsy, Traveller and Travelling Showpeople accommodation.....	139
Policy DM 20 Dwellings for rural workers	139
Policy DM 21 Extensions to, and the replacement of, dwellings in the countryside	139
Policy DM 22 Alterations and extensions	139
Policy DM 23 Extending the garden of a dwelling in the countryside	139
Policy DM 24 Biodiversity and geodiversity conservation and biodiversity net gain	140
Policy DM 25 Conserving and enhancing valued landscapes.....	142
Policy DM 26 Kent Downs AONB strategy	142
Policy DM 27 The separation of settlements - Important Local Countryside Gaps.....	143
Policy DM 28 Local Green Spaces.....	143
Policy DM 29 Woodland, orchards, trees and hedgerows	143
Policy DM 30 Agricultural land	143
Policy DM 31 The Coast	143
Policy DM 32 Coastal change management.....	143
Policy DM 33 Air Quality	143
Policy DM 34 Pollution and Land Instability.....	143
Policy DM 35 Water Quality and Water Resources	143
Policy DM 36 Flood Risk.....	144
Policy DM 37 Sustainable Drainage.....	144



Policy DM 38 Development Involving Listed Buildings	144
Policy DM 39 Development affecting a conservation area.....	144
Policy DM 40 Historic landscapes including parks and gardens.....	144
Policy DM 41 Area of high townscape value	144
Policy DM 42 Development affecting a locally listed heritage asset	144
Policy DM 43 Archaeological Heritage	145
Policy DM 44 The keeping and grazing of horses	145
Neighbourhood plans	145
Boughton-under-Blean and Dunkirk	145
Faversham Town Council	146
Faversham Creek	146
Hernhill	146
Minster, Isle of Sheppey.....	146
Borden.....	146
9. Modelling.....	147
Residential Development	147
Older People’s Housing	156
Employment Uses.....	156
10. Residential Appraisals	159
Base Appraisals.....	159
Developers’ Return	168
Varied Benchmark Land Value.....	169
BCIS Median or BCIS Lower Quartile?	169
Varied Policy Requirements.....	169
Varied Affordable Housing	176
Developer Contributions.....	180
Cumulative Costs of Policy Requirements.....	182
Suggested Residential Policy Requirements.....	186
Impact of Change in Values and Costs	189
Self and Custom Build.....	190
Build to Rent	191
Older People’s Housing	192
11. Non-Residential Appraisals	193
Employment Uses.....	193
12. Findings and Recommendations	197
Compliance.....	198
Uncertainty.....	198
Viability Testing under the NPPF and Updated PPG.....	198
Viability Guidance	199
Residential Market	199
The Local Market	200
Affordable Housing	203
Non-Residential Market.....	203
Land Values.....	204

Development Costs.....	204
Fees.....	205
Contingencies	205
Financial and Other Appraisal Assumptions.....	205
Developers’ return.....	205
Local Plan Policy Requirements.....	205
Modelling	206
Residential Appraisals.....	206
Base Appraisals.....	207
Varied Policy Requirements.....	210
Varied Affordable Housing	210
Developer Contributions.....	212
Cumulative Costs of Policy Requirements	212
Suggested Policy Requirements	216
Impact of Change in Values and Costs	219
Older People’s Housing	220
Non-Residential Appraisals.....	220
Employment uses	221
Conclusions and Recommendations	223
Appendix 1 – Project Specification.....	226
Appendix 2 – Consultees.....	230
Appendix 3 - Consultation Presentation	232
The pages in this appendix are not numbered.	232
Appendix 4 – Consultation Questionnaire	234
The pages in this appendix are not numbered.	234
Appendix 5 – Consolidated Viability Assumptions	236
Appendix 6 – Landmark Price Paid Data	238
2020 – 2022.....	238
2020.....	239
2021.....	240
2022.....	241
Appendix 7 – Newbuild Asking Prices.....	244
February 2023.....	244
December 2023	246
Appendix 8 - CoStar Non-Residential Data	250
The pages in this appendix are not numbered.	250
Appendix 9 – Land Registry Development Land Data.....	253

Appendix 10 – CoStar Industrial Land.....	255
The pages in this appendix are not numbered.	255
Appendix 11 – BCIS Data	257
Appendix 12 – Appraisals, Residential Development.....	259
The pages in this appendix are not numbered.	259
Appendix 13 – Sensitivity Testing – Developer’s Return, BLV, BCIS.....	261
Varied Developer’s Return	261
Varied Benchmark Land Value.....	262
Varied Developer’s BCIS Based Cost	264
Appendix 14 – Residential Policy Testing.....	267
Climate Change And Building Standards	267
Biodiversity Net Gain.....	269
Accessibility Standards (Part M(4) of Building Regulations	271
Appendix 15 – Affordable Housing Testing	273
Overall Requirements	273
Affordable Rent v Social Rent	274
Impact of First Homes Discounts	277
Appendix 16 – Developer Contributions	279
Appendix 17 – Residential Development Sensitivity Testing. Cost and Value	281
Appendix 18 – Specialist Housing.....	285
Appendix 19 – Appraisals Non-residential Development.....	287
Greenfield	287
Brownfield.....	288

1. Introduction

Scope

- 1.1 The *Bearing Fruits 2031: The Swale Borough Local Plan* was adopted in 2017. The Council is now undertaking a Local Plan Review. The Local Plan Review (LPR) will set the framework for the development needs for the whole of the Swale Borough area from 2022 – 2038. This will include addressing revisions to the National Planning Policy Framework and associated Practice Guidance, addressing the future development needs of the Borough including housing needs, the local economy, environmental considerations and community infrastructure needs and transport. The Plan will include strategic policies to address these matters and put forward a development strategy for the Borough. It will also include site specific allocations to meet identified need and retain, update or include new detailed topic development management policies to guide determination of planning applications.
- 1.2 HDH Planning & Development Ltd was appointed to update the Council's viability evidence and produce this Whole Plan Viability Assessment as required by the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG) in late 2022. Initially this was to be undertaken in two stages, as described below, although these are now brought together:
- Stage 1 Initial assessment.** An initial assessment of viability was previously undertaken to inform the direction of travel for the emerging policies for the LPR before formulation and in the consideration of proposed allocations before being finalised. Given that this initial work, completed in draft form only, was published in December 2020, the Council believes it would be prudent to update this information in light of the global economic challenges of recent years.
- Stage 2 Finalisation of draft Local Plan Viability Testing.** Once the draft policies and site allocations have been finalised, the above tasks should be refreshed to form the evidence base document for publication.
- 1.3 A technical consultation was carried out in January 2024. Representatives of the main developers, development site landowners, their agents, planning agents and consultants working in the area and housing associations were invited to comment on an early draft of this report.
- 1.4 As part of its preparation, the new Local Plan needs to be tested to ensure the planned development is deliverable, in line with tests set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (PPG). This includes:
- assessing the cumulative impact of the emerging policies, including affordable housing.
 - testing the deliverability of the key development site allocations that may come forward over the course of the Local Plan period.

- considering the ability of development to accommodate developer contributions alongside other policy requirements.
- 1.5 This viability work is being undertaken to inform the development of policy and explore the impact, on the economics of development, of the options that are under consideration. This document sets out the methodology used, and the key assumptions adopted. It contains an assessment of the effect of the policy options, in the context of national policies and requirements, in relation to the planned development. This will allow the Council to further engage with stakeholders, to ensure that the new Plan is effective.
- 1.6 It was originally anticipated that a technical consultation would be held in April 2023. The timetable was delayed, in part due to the May 2023 elections and the subsequent ‘re-think’ of the plan-making process. The pre-consultation draft was refreshed in October 2023, this report now updates the earlier information, including the changes to national standards that have been announced over the last 18 months or so, at to reflect the moments made through the technical consultation.
- 1.7 The methodology used in this report is consistent with the updated NPPF, the CIL Regulations (as amended) and the updated PPG. The *Levelling-up and Regeneration Act* became law in late October 2023. The Act will have a significant impact on the overall plan-making process but does not alter the place of viability in the current Local Plan process. The Act includes reference to a new national Infrastructure Levy that would be set, having regard to viability, and makes reference to the *Infrastructure Levy Regulations*. In March 2023, the Department for Levelling Up Housing & Communities published *Open consultation, Technical consultation on the Infrastructure Levy* (March 2023). Under the proposals, CIL and the delivery of affordable housing would be combined into a single Infrastructure Levy, alongside the reform of the s106 regime. The Infrastructure Levy would be calculated as a proportion of a scheme’s value above a threshold. This is considered further in Chapter 2 below.
- 1.8 It is important to note, at the start of a study of this type, that not all sites will be viable, even without any policy requirements (or CIL). It is inevitable that the Council’s requirements will render some sites unviable. The question for this report is not whether some development site or other would be rendered unviable, it is whether the delivery of the overall Plan is likely to be deliverable. It will be necessary to consider the findings of this report in the wider context including the availability external funding and whether or not sites are in the public sector.

Report Structure

- 1.9 This report follows the following format:
- Chapter 2** The reasons for, and approach to viability testing, including a review of the requirements of the NPPF, the CIL Regulations, and updated PPG.
- Chapter 3** The methodology used.
- Chapter 4** An assessment of the housing market, including market and affordable housing, with the purpose of establishing the worth of different types of housing in different areas.

- Chapter 5** An assessment of the non-residential market.
- Chapter 6** An assessment of the costs of land to be used when assessing viability.
- Chapter 7** The cost and general development assumptions to be used in the development appraisals.
- Chapter 8** A summary of the various policy requirements and constraints that influence the type of development that come forward.
- Chapter 9** A summary of the range of modelled sites used for the financial development appraisals.
- Chapter 10** The results of the appraisals and consideration of residential development.
- Chapter 11** The results of the appraisals and consideration of non-residential development.
- Chapter 12** Conclusions and summary.

HDH Planning & Development Ltd (HDH)

- 1.10 HDH is a specialist planning consultancy providing evidence to support planning and housing authorities. The firm's main areas of expertise are:
- a. District wide and site-specific viability analysis.
 - b. Community Infrastructure Levy.
 - c. Housing Market Assessments.
- 1.11 The findings contained in this report are based upon information from various sources including that provided by the Council and by others, upon the assumption that all relevant information has been provided. This information has not been independently verified by HDH. The conclusions and recommendations contained in this report are concerned with policy requirements, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice.

Caveat and Material Uncertainty

- 1.12 No part of this report constitutes a valuation, and the report should not be relied on in that regard.
- 1.13 Whilst the RICS withdrew the formal advice in relation to the uncertainty in March 2022, due to the nature of this assessment it is important to note the uncertainty in the current market. The impact from COVID-19 pandemic continues to impact on the global economy which continues to be faced with an unprecedented set of circumstances caused by the pandemic, uncertainty around world trade and the ongoing war in Ukraine and unrest in the Middle East, with the impact on energy costs and inflationary pressures in the economy. Consequently, in respect of this report, the assessment of viability is less certain so a higher degree of caution should be attached to the findings than would normally be the case.

- 1.14 For the avoidance of doubt this does not mean that the report cannot be relied upon. Rather, this note has been included to ensure transparency and to provide further insight as to the market context under which the report was prepared. The importance of keeping the findings under review as the plan-making process is highlighted.

Compliance

- 1.15 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors (RICS). As a firm regulated by the RICS it is necessary to have regard to RICS Professional Standards and Guidance. There are two principal pieces of relevant guidance being the *Financial viability in planning: conduct and reporting RICS professional statement, England (1st Edition, May 2019)* and *Assessing viability in planning under the National Planning Policy Framework 2019 for England, GUIDANCE NOTE (RICS, 1st edition, March 2021)*.
- 1.16 *Financial viability in planning: conduct and reporting. 1st edition, May 2019* and *Assessing viability in planning under the National Planning Policy Framework 2019 for England* were reissued in April 2023 as a professional standard rather than a guidance note. Mandatory requirements are those which include the word 'must', while recommended best practices utilise the word 'should'. It is mandatory for RICS members carrying out Viability Assessments to adhere to PS 1 and PS 2 of the '*RICS Valuation – Global Standards, November 2021*'. This report has complied with PS 1 (Compliance with standards where a written valuation is provided) and PS 2 (Ethics, competency, objectivity and disclosures).
- 1.17 *Financial viability in planning: conduct and reporting. 1st edition, May 2019* was published in May 2019. This includes mandatory requirements for RICS members and RICS-regulated firms. HDH confirms that the May 2019 Guidance has been followed in full.
- a. HDH confirms that in preparing this report the firm has acted with objectivity, impartially and without interference and with reference to all appropriate available sources of information.
 - b. HDH is following a collaborative approach involving the LPA, developers, landowners and other interested parties. An early draft of this report formed the basis of a consultation process undertaken in January 2024.
 - c. The instructions under which this project is undertaken is included as **Appendix 1** of this report.
 - d. HDH confirms it has no conflicts of interest in undertaking this project. HDH confirms that, in preparing this report, no performance-related or contingent fees have been agreed.
 - e. The presumption is that a viability assessment should be published in full. HDH has prepared this report on the assumption that it will be published in full.
 - f. HDH confirms that a non-technical summary will be provided (in the form of Chapter 12). Viability in the plan-making process is a technical exercise that is undertaken

specifically to demonstrate compliance (or otherwise) with the NPPF and PPG. It is firmly recommended that this report only be published and read in full.

- g. HDH confirms that the planned programme allows for adequate time to allow engagement with stakeholders through this project.
- h. This report includes sensitivity testing. The effect of different tenures, different affordable housing requirements are tested against different levels of developer contributions and different levels of developer contributions. The impact of price and cost change are also tested.

1.18 The Guidance includes a requirement that, '*all contributions to reports relating to assessments of viability, on behalf of both the applicants and authorities, must comply with these mandatory requirements. Determining the competency of subcontractors is the responsibility of the RICS member or RICS-regulated firm*'. Much of the information that informed this viability assessment was provided by the Council or its consultants. This information was not provided in a subcontractor role and, in accordance with HDH's instructions, this information has not been challenged nor independently verified.

Metric or Imperial

1.19 The property industry uses both imperial and metric data – often working out costings in metric (£ per sqm) and values in imperial (£ per acre and £ per sqft). This is confusing so metric measurements are used throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m ²	=	10.76sqft	1sqft	=	0.0929sqm
1ha	=	2.471acres	1acre	=	0.405ha

1.20 A useful broad rule of thumb to convert sqm to sqft is simply to add a final zero (i.e. times by 10).



2. Viability Testing

- 2.1 Viability testing is an important part of the planning process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF) and is a requirement of the Community Infrastructure Levy (CIL) Regulations. In each case the requirement is slightly different, but they have much in common. Over several years in the run up to this report, various national consultations have been carried out about different aspects of the plan-making process. These have included references to, and sections on, viability and are considered in this chapter.

National Planning Policy Framework

- 2.2 The Government published the updated NPPF in December 2023. This updated NPPF makes some significant changes to the planning system, however, does not change the place of viability testing in the plan-making process. The changes are not material to this report. Paragraph 34 of the NPPF says that Plans should set out what development is expected to provide, and that the requirement should not be so high as to undermine the delivery of the Plan.

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.

- 2.3 As in the 2012 NPPF (and 2018, 2021 and 2023 NPPF), viability remains an important part of the plan-making process. The NPPF does not include detail on the viability process, rather stresses the importance of viability. The changes, made in July 2021, do touch on matters where viability will be a factor:

Strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. Where larger scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery.

NPPF, Paragraph 22

To ensure faster delivery of other public service infrastructure such as further education colleges, hospitals and criminal justice accommodation, local planning authorities should also work proactively and positively with promoters, delivery partners and statutory bodies to plan for required facilities and resolve key planning issues before applications are submitted.

NPPF, Paragraph 100

- 2.4 The Council will need to engage with the promoters of potential Strategic Sites and service and infrastructure providers as the plan-making process continues. This approach was strongly endorsed through the technical consultation¹.
- 2.5 The NPPF does not include detail on the viability process, rather stresses the importance of viability. The main change is a shift of viability testing from the development management stage to the plan-making stage.

Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

NPPF Paragraph 58

- 2.6 Consideration has been made to the updated PPG (see below). The Whole Plan Viability Assessment will become the reference point for viability assessments submitted through the development management process in the future.
- 2.7 Of particular importance to this viability assessment is deliverability. The effectiveness of plans was important under the 2012 NPPF, but a greater emphasis is put on deliverability in the NPPF which includes an updated definition:

Deliverable: *To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within 5 years. In particular:*

- a) *sites which do not involve major development and have planning permission, and all sites with detailed planning permission should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within 5 years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) *where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within 5 years.*

NPPF Glossary

- 2.8 Under the heading *Identifying land for homes*, the importance of viability is highlighted:

Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing (and employment) land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites,

¹ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:

- a) *specific, deliverable sites for years one to five of the plan period³⁵; and*
- b) *specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.*

NPPF Paragraph 69

- 2.9 Under the heading *Making effective use of land*, viability forms part of ensuring land is suitable for development:

Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.

NPPF Paragraph 125

- 2.10 The *Levelling-up and Regeneration Act* became law in late October 2023. The Act will have a significant impact on the overall plan-making process, but does not alter the place of viability in the current Local Plan process.

- 2.11 The NPPF does not include technical guidance on undertaking viability work. This is included within the Planning Practice Guidance (PPG).

Planning Practice Guidance

- 2.12 The viability sections of the PPG (Chapter 10) were rewritten in 2018, and then subsequently further updated. The changes provide clarity and confirm best practice, rather than prescribe a new approach or methodology. Having said this, the underlying emphasis of viability testing has changed. The, now superseded, requirements for viability testing were set out in paragraphs 173 and 174 of the 2012 NPPF which said:

173 ... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

174 ... the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle...

- 2.13 The test was whether or not the policy requirements were so high that development was threatened. Paragraphs 10-009-20190509 and 10-010-20180724 change this:

... ensure policy compliance and optimal public benefits through economic cycles...

PPG 10-009-20190509

... and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

PPG 10-010-20180724

2.14 The purpose of viability testing is now to ensure that ‘*maximum benefits in the public interest*’ has been secured. This is a notable change in emphasis, albeit in the wider context of striking a balance between the aspirations of developers and landowners, in terms of returns against risk.

2.15 The core requirement to consider viability links to paragraph 58 of the NPPF (as quoted above):

Plans 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 planning obligations. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

PPG 23b-005-20190315

2.16 This viability assessment takes a proportionate approach to considering the cumulative impact of policies and planning obligations.

2.17 The updated PPG includes 4 main sections:

Section 1 - Viability and plan making

2.18 The overall requirement is that:

...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...

PPG 10-001-20190509

2.19 This assessment takes a proportionate approach, building on the Council’s existing evidence, and considers all the local and national policies that will apply to new development.

Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan. ... Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

PPG 10-002-20190509

2.20 The policies in the emerging Plan are tested individually and cumulatively, to ensure that they are set at a realistic level.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

PPG 10-002-20190509

2.21 A technical consultation has formed part of this Whole Plan Viability Assessment process.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

PPG 10-002-20190509

- 2.22 A range of levels of policy requirements have been tested against a range of levels of developer contributions (including CIL).

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies.

PPG 10-002-20190509

- 2.23 Consultation forms part of the Whole Plan Viability Assessment. In due course, as the site selection process develops, the Council will engage with the promoters of the preferred strategic sites.

- 2.24 The modelling in this assessment has been informed by the long list of sites submitted to the Council through the call for sites and sites submitted for consideration through the Local Plan consultation process. These are being assessed for allocation. The purpose of this viability assessment is to ensure the deliverability of the overall Plan.

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

PPG 10-003-20180724

- 2.25 This study is based on typologies² that have been developed by having regard to the potential development sites that are most likely to be identified through the emerging plan. In addition, in due course, it will be necessary to include any Strategic Sites that may come forward, so as to inform a decision as to whether or not they are to be included in the Plan. At the time of this viability assessment, these are yet to be confirmed.

Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider

² The PPG provides further detail at 10-004-20190509:

A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.

different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.

PPG 10-004-20190509

- 2.26 This study draws on a wide range of data sources, including those collected through the development management process (see Chapter 3 below).

It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.

PPG 10-005-20180724

- 2.27 For the purpose of this viability assessment, Strategic Sites are those being considered for allocation, and if they were allocated, would be considered key sites on which the delivery of the Plan may rely. If the Council selects Strategic Sites, it will be necessary for them to be tested.

Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

PPG 10-006-20190509

- 2.28 Consultation has formed part of the preparation of this viability assessment. It specifically considers the total cumulative cost of all relevant policies (local and national).

Section 2 - Viability and decision taking

- 2.29 It is beyond the scope of this assessment to consider viability in decision making.
- 2.30 This study will form the starting point for future development management consideration of viability.

Section 3 - Standardised inputs to viability assessment

- 2.31 The general principles of viability testing are set out under paragraph 10-010-20180724 of the PPG.

Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This

includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return. ...

... Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.

In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

PPG 10-010-20180724

- 2.32 This report sets out the approach, methodology and assumptions used. These have been subject to consultation and have drawn on a range of data sources. Ultimately, the Council will use this report to judge the appropriateness of the new policies in the emerging Local Plan and the deliverability of the allocations.

Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.

PPG 10-011-20180724

- 2.33 The residential values have been established using data from the Land Registry and other sources. These have been averaged as suggested. Non-residential values have been derived through consideration of capitalised rents as well as sales.

- 2.34 PPG paragraph 10-012-20180724 lists a range of costs to be taken into account.

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*

- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return*

2.35 All these costs are taken into account.

2.36 The PPG then sets out how land values should be considered, confirming the use of the Existing Use Value Plus (EUV+) approach.

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).

PPG 10-013-20190509

2.37 The PPG goes on to set out:

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

PPG 10-014-20190509

2.38 The approach adopted in this study is to start with the EUV. The 'plus' element is informed by the price paid for policy compliant schemes to ensure an appropriate landowners' premium.

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

PPG 10-015-20190509

2.39 This report has applied this methodology to establish the EUV.

2.40 The PPG sets out an approach to the developers' return:

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

PPG 10-018-20190509

2.41 As set out in Chapter 7 below, this approach is followed.

Section 4 - Accountability

2.42 This section of the PPG sets out requirements on reporting. These are covered, by the Council, outside this report.

2.43 In line with paragraph 10-020-20180724 of the PPG that says that '*practitioners should ensure that the findings of a viability assessment are presented clearly. An executive summary should be used to set out key findings of a viability assessment in a clear way*'. Chapter 12 of this report is written as a standalone non-technical summary that brings the evidence together.

Community Infrastructure Levy Regulations and Guidance

2.44 The Council has not adopted CIL. In any event, the CIL Regulations are broad, so it is necessary to have regard to them and the CIL Guidance (which is contained within the PPG) when undertaking any plan-wide viability assessment and considering the deliverability of development.

- 2.45 The CIL Regulations came into effect in April 2010 and have been subject to subsequent amendment³. From April 2015, councils were restricted in pooling S106 contributions from more than five developments⁴ (where the obligation in the s106 agreement / undertaking is a reason for granting consent). The CIL Regulations were amended from September 2019 lifting these restrictions, however payments requested under the s106 regime must still be (as set out in CIL Regulation 122):
- a. necessary to make the development acceptable in planning terms;
 - b. directly related to the development; and
 - c. fairly and reasonably related in scale and kind to the development.
- 2.46 In October 2023 the *Levelling-up and Regeneration Act* became law. The Act includes reference to a new national Infrastructure Levy to replace CIL and reform the current developer contribution system. The limited information available suggests that the new Infrastructure Levy would be set, having regard to viability, and makes reference to the *Infrastructure Levy Regulations*. It may be necessary for the Council to review this report when the Regulations are published.

Wider Changes Impacting on Viability

- 2.47 There have been a number of changes at a national level since the Council's existing viability work.

³ **SI 2010 No. 948.** The Community Infrastructure Levy Regulations 2010 *Made 23rd March 2010, Coming into force 6th April 2010.* **SI 2011 No. 987.** The Community Infrastructure Levy (Amendment) Regulations 2011 *Made 28th March 2011, Coming into force 6th April 2011.* **SI 2011 No. 2918.** The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011. *Made 6th December 2011, Coming into force 7th December 2011.* **SI 2012 No. 2975.** The Community Infrastructure Levy (Amendment) Regulations 2012. *Made 28th November 2012, Coming into force 29th November 2012.* **SI 2013 No. 982.** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th April 2013, Coming into force 25th April 2013.* **SI 2014 No. 385.** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th February 2014, Coming into force 24th February 2014.* **SI 2015 No. 836.** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES, The Community Infrastructure Levy (Amendment) Regulations 2015. *Made 20th March 2015.* **SI 2018 No. 172** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES. The Community Infrastructure Levy (Amendment) Regulations 2018. *Made 8th February 2018. Coming into force in accordance with regulation 1.* **SI 2019 No. 966** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND The Community Infrastructure Levy (Amendment) (England) Regulations 2019. *Made - 22nd May 2019.* **SI 2019 No. 1103** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES The Community Infrastructure Levy (Amendment) (No. 2) Regulations 2019 *Made 9th July 2019. Coming into Force 1st September 2019.* **SI 2020 No. 781** The Community Infrastructure Levy (Coronavirus) (Amendment) (England) Regulations 2020. *Made 21st July 2020, Coming into force 22nd July 2020.* **SI 2020 No. 1226** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND, The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2020. *Made 5th November 2020. Coming into force 16th November 2020.*

⁴ CIL Regulations 123(3)

Affordable Housing Thresholds

- 2.48 Paragraph 65 of the NPPF now sets out national thresholds for the provision of affordable housing:

Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). 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.

- 2.49 In this context, major development is as set out in the Glossary to the NPPF:

Major development: *For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m² or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.*

- 2.50 Parts of the Borough are within a ‘Designated Rural Area’⁵, so a lower threshold than 10 units will be tested.

- 2.51 The NPPF sets out a policy for a minimum of 10% affordable home ownership units on larger sites.

Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership⁶, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:

- a) *provides solely for Build to Rent homes;*
- b) *provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
- c) *is proposed to be developed by people who wish to build or commission their own homes; or*
- d) *is exclusively for affordable housing, an entry-level exception site or a rural exception site.*

Paragraph 66, NPPF

- 2.52 This is assumed to apply.

⁵ Designated rural areas applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty (see PPG Paragraph 23b-023-20190901).

⁶ Footnote 29 of the 2018 NPPF clarifies as ‘As part of the overall affordable housing contribution from the site’.

- 2.53 In February 2020, the Government launched a consultation on First Homes. The outcome of this was announced in May 2021.

What is a First Home?

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- a. must be discounted by a minimum of 30% against the market value;*
- b. are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c. on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d. after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

PPG: 70-001-21210524

- 2.54 This is assumed to apply.

Accessible and Adaptable Standards

- 2.55 In July 2022, the Government announced the outcome of the 2020 consultation on raising accessibility standards of new homes⁷ saying:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

- 2.56 The Government will now consult further on the technical changes to the Building Regulations to mandate the higher M4(2) accessibility standard. No timescale has been announced. This is considered in Chapter 8 below.

Biodiversity Net Gain

- 2.57 The Environment Act received Royal Assent in November 2021 and mandates that new developments must deliver an overall increase in biodiversity; this is known as Biodiversity Net Gain. As noted⁸ through the technical consultation, the PPG was updated in February

⁷ [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

⁸ Danielle Lawrence MRICS of DHA Planning.

2024⁹ in this regard. The requirement is that developers ensure habitats for wildlife are enhanced and left in a measurably better state than they were pre-development. They must assess the type of habitat and its condition before submitting plans, and then demonstrate how they are improving biodiversity – such as through the creation of green corridors, planting more trees, or forming local nature spaces.

2.58 Green improvements on-site are preferred (and expected), but in the circumstances where they are not possible, developers will need to pay a levy for habitat creation or improvement elsewhere.

2.59 The costs of achieving Biodiversity Net Gain are considered in Chapter 8 below.

Environmental Standards

2.60 It is national policy to achieve the ‘net zero’ greenhouse gas emissions by 2050. The Department of Levelling up, Communities and Housing, published revisions to Conservation of Fuel and Power, Approved Document L of the Building Regulations as a ‘stepping stone’ on the pathway to Zero Carbon homes. It sets the target of an interim 31% reduction in CO₂ emissions over 2013 standards for dwellings. These changes now apply to new homes.

2.61 In December 2023, the Government published a further consultation on the details of the implementation of the Future Homes Standard. At the same time the Housing Minister, Lee Rowley, made a Written Parliamentary Statement¹⁰ which set out the Government’s position in this regard as follows:

... Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling’s Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

Where plan policies go beyond current or planned building regulations, those policies should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible

2.62 Whilst this direction does not preclude the introduction of policies that go beyond national standards, this does suggest that such policies will need to be well justified and subject to greater scrutiny. This is considered in Chapter 8 below. The Council is not planning to introduce policies which seek standards over national standards.

⁹ [Biodiversity net gain - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

¹⁰ [Written statements - Written questions, answers and statements - UK Parliament](https://www.parliament.uk)

- 2.63 In November 2021, the Government announced that, from 2022, all new homes would be required to include an electric vehicle charging point. This is assumed to apply.

White Paper: Planning for the Future (MHCLG, August 2020)

- 2.64 The Government has consulted on *White Paper: Planning for the Future* (MHCLG, August 2020) and various supporting documents. In terms of viability the two key paragraphs are:

Assessments of housing need, viability and environmental impacts are too complex and opaque: *Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for. Assessments of environmental impacts and viability add complexity and bureaucracy but do not necessarily lead to environmental improvements nor ensure sites are brought forward and delivered;*

Local Plans should be subject to a single statutory “sustainable development” test, *and unnecessary assessments and requirements that cause delay and challenge in the current system should be abolished. This would mean replacing the existing tests of soundness, updating requirements for assessments (including on the environment and viability) and abolishing the Duty to Cooperate.*

- 2.65 Pillar Three of the White Paper then goes on to set out options around the requirements for infrastructure and how these may be funded. The key proposals are:

Proposal 19: *The Community Infrastructure Levy should be reformed to be charged as a fixed proportion of the development value above a threshold, with a mandatory nationally- set rate or rates and the current system of planning obligations abolished.*

Proposal 21: *The reformed Infrastructure Levy should deliver affordable housing provision*

- 2.66 The above suggests a downgrading of viability in the planning system, however, as it stands, the proposals in the White Paper are options which may or may not come to be adopted so, at the time of this report (May 2024) a viability assessment is a requirement.

Fire Safety Standards

- 2.67 A number of further national consultations were announced during the December 2022. These include proposed Changes to Approved Document B, sprinklers in care homes, and staircases in residential buildings. The proposed changes to the regulations around second staircases¹¹ would apply to buildings of over 18m (about 6 storeys). It is important to note that the Council is not planning for taller buildings of 6 storeys or more.

- 2.68 The costs of sprinklers are considered in Chapter 8 below.

¹¹ [Government proposes second staircases to make buildings safer - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-proposes-second-staircases-to-make-buildings-safer)

National Model Design Code

2.69 The Government published the *National Model Design Code* as part of the PPG in 2021, when the NPPF was updated:

128. *To provide maximum clarity about design expectations at an early stage, all local planning authorities should prepare design guides or codes consistent with the principles set out in the National Design Guide and National Model Design Code, and which reflect local character and design preferences. Design guides and codes provide a local framework for creating beautiful and distinctive places with a consistent and high quality standard of design. Their geographic coverage, level of detail and degree of prescription should be tailored to the circumstances and scale of change in each place, and should allow a suitable degree of variety.*

129. *Design guides and codes can be prepared at an area-wide, neighbourhood or site-specific scale, and to carry weight in decision-making should be produced either as part of a plan or as supplementary planning documents. Landowners and developers may contribute to these exercises, but may also choose to prepare design codes in support of a planning application for sites they wish to develop. Whoever prepares them, all guides and codes should be based on effective community engagement and reflect local aspirations for the development of their area, taking into account the guidance contained in the National Design Guide and the National Model Design Code. These national documents should be used to guide decisions on applications in the absence of locally produced design guides or design codes.*

2.70 The National Design Code does not add to the cost of development in itself. Rather it sets out good practice in a consistent format. It will provide a checklist of design principles to consider for new schemes, including street character, building type and requirements addressing wellbeing and environmental impact. Local authorities can use the code to form their own local design codes.

February 2024 Ministerial Statement

2.71 A ministerial statement was made¹² with regards to planning in February 2023. This included the following relevant text:

In addition, a number of community infrastructure levy (CIL) charging authorities have set higher rates for minor sites (of less than 10 units, and lower in designated rural areas) to reflect the fact that affordable housing is not sought on these sites. This is not within the spirit of the Government's policy on small sites. The Government will be updating CIL guidance to make it clear that CIL-charging authorities should consider the impact of CIL rates on SME developers and should not set higher residential CIL rates on minor development. This will apply to new and revised charging schedules.

2.72 This is noted and it is assumed that the Council would follow this statement, if it were to introduce CIL.

¹² [Long-term Plan for Housing - Hansard - UK Parliament](#)

Queen's Speech 2021 and 2022

- 2.73 A range of planning reforms were outlined in the papers supporting the 2021 Queen's Speech. For the purpose of this assessment, the key points are as follows:

Planning Bill "Laws to modernise the planning system, so that more homes can be built, will be brought forward..."

The purpose of the Bill is to:

- *Create a simpler, faster and more modern planning system to replace the current one ...*
- *Help deliver vital infrastructure whilst helping to protect and enhance the environment by introducing quicker, simpler frameworks for funding infrastructure and assessing environmental impacts and opportunities.*

The main benefits of the Bill would be:

- *Simpler, faster procedures for producing local development plans, approving major schemes, assessing environmental impacts and negotiating affordable housing and infrastructure contributions from development. ...*

The main elements of the Bill are: ... Replacing the existing systems for funding affordable housing and infrastructure from development with a new more predictable and more transparent levy.

- 2.74 In the late summer of 2021, the Ministry of Housing Communities and Local Government was renamed as the Department for Levelling Up, Housing and Communities (DLUHC). Various ministers have commented about revisiting some of the subjects that had been consulted on, however, beyond statements that housebuilding remains a priority, no further detail have been released. The Council will need to keep this under review.

- 2.75 The Government's further thinking was set out in the 2022 Queen's Speech which included the following:

"A bill will be brought forward to drive local growth, empowering local leaders to regenerate their areas, and ensuring everyone can share in the United Kingdom's success. The planning system will be reformed to give residents more involvement in local development."

The main benefits of the Bill would be:

- *Laying the foundations for all of England to have the opportunity to benefit from a devolution deal by 2030 – giving local leaders the powers they need to drive real improvement in their communities.*
- *Improving outcomes for our natural environment by introducing a new approach to environmental assessment in our planning system. This benefit of Brexit will mean the environment is further prioritised in planning decisions.*
- *Capturing more of the financial value created by development with a locally set, non-negotiable levy to deliver the infrastructure that communities need, such as housing, schools, GPs and new roads.*
- *Simplifying and standardising the process for local plans so that they are produced more quickly and are easier for communities to influence.*

Levelling-up and Regeneration Act

- 2.76 At the end of October 2023, the *Levelling-up and Regeneration Act* become law. Many of the measures in the Act will be implemented, in due course, through secondary legislation and / or regulations. The provisions within the Act will have a significant impact on the overall plan-making process, but they do not alter the place of viability in the current Local Plan process.
- 2.77 The *Levelling-up and Regeneration Act* includes reference to a new national Infrastructure Levy. The Bill suggests that the Infrastructure Levy would be set, having regard to viability and makes reference to the *Infrastructure Levy Regulations*. *Infrastructure Levy Regulations* have yet to be published.

Technical consultation on the Infrastructure Levy

- 2.78 In March 2023, the Department for Levelling Up Housing & Communities published *Open consultation, Technical consultation on the Infrastructure Levy* (published 17 March 2023)¹³ to seek views on technical aspects of the design of the Infrastructure Levy. The responses will inform the preparation and content of regulations, which will themselves be consulted on, should Parliament grant the necessary powers set out in the Levelling Up and Regeneration Bill.
- 2.79 The consultation suggests (paragraph 7.11) the levy would be fully rolled out from 2029, but there would be a 'test and learn' roll out starting in 2025. Under the proposals set out in the consultation, CIL and the delivery of affordable housing would be combined into a single levy, that would be calculated as a proportion of a scheme's value. Affordable housing could be provided on-site as an in-kind payment. Under the proposals some aspects of the current s106 regime would remain.
- 2.80 At this stage the relationship with s106 is not known, and the details of the Levy are not clear, so it would be premature to test the Levy on the limited information currently available. As set out earlier, it will be necessary for the Council to monitor the progress of the Regulations and, in due course, review this report.

Viability Guidance

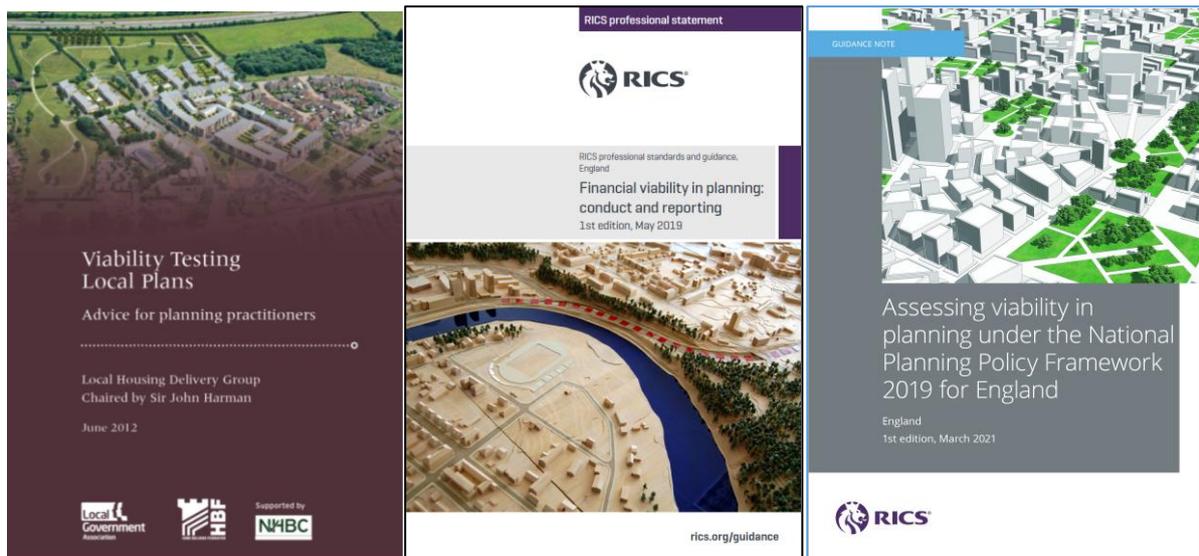
- 2.81 There is no specific technical guidance on how to test viability in the NPPF or the updated PPG, although the updated PPG includes guidance in a number of specific areas. There are several sources of guidance and appeal decisions¹⁴ that support the methodology HDH has

¹³ [Technical consultation on the Infrastructure Levy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/technical-consultation-on-the-infrastructure-levy)

¹⁴ Barnet: APP/Q5300/ A/07/2043798/NWF, Bristol: APP/P0119/ A/08/2069226, Beckenham: APP/G5180/ A/08/2084559, Bishops Cleeve: APP/G1630/A/11/2146206 Burgess Farm: APP/U4230/A/11/2157433, CLAY FARM: APP/Q0505/A/09/2103599/NWF, Woodstock: APP/D3125/ A/09/2104658, Shinfield APP/X0360/ A/12/2179141, Oxenholme Road, APP/M0933/A/13/2193338, Former Territorial Army Centre, Parkhurst Road,

developed. This study follows the *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman) June 2012¹⁵ (known as the **Harman Guidance**).

- 2.82 The planning appeal decisions and the HCA good practice publication¹⁶ suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the Existing Use Value (EUV), plus a premium. The premium over and above the EUV being set at a level to provide the landowner with an inducement to sell. This approach is now specified in the PPG. Additionally, the Planning Advisory Service (PAS) provides viability guidance and manuals for local authorities that supports this approach.



- 2.83 As set out at the start of this report, there are two principal pieces of relevant RICS guidance being the *Financial viability in planning: conduct and reporting RICS professional statement, England* (1st Edition, May 2019) and *Assessing viability in planning under the National Planning Policy Framework 2019 for England, GUIDANCE NOTE* (RICS, 1st edition, March 2021).
- 2.84 Neither of these specify a step-by-step approach, rather they make reference to the NPPF and provide interpretation on implementation.
- 2.85 In line with the updated PPG, this assessment follows the EUV Plus (EUV+) methodology. The methodology is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV must be set at a level to provide a return to the landowner. To inform

Islington APP/V5570/W/16/3151698, Vannes: Court of Appeal 22 April 2010, [2010] EWHC 1092 (Admin) 2010 WL 1608437.

¹⁵ *Viability Testing in Local Plans* has been endorsed by the Local Government Association and forms the basis of advice given by the, CLG funded, Planning Advisory Service (PAS).

¹⁶ *Good Practice Guide*. Homes and Communities Agency (July 2009).

the judgement as to whether the uplift is set at the appropriate level, reference is made to the value of the land both with and without the benefit of planning consent. This approach is in line with that recommended in the Harman Guidance.

- 2.86 In September 2019, the House Builders Federation (HBF) produced further guidance in the form of *HBF Local Plan Viability Guide* (Version 1.2: Sept 2019). This guidance draws on the Harman Guidance and the 2012 RICS Guidance, (which the RICS is updating as it is out of date), but not the more recent May 2019 RICS Guidance. This HBF guidance stresses the importance of following the guidance in the PPG and of consultation, both of which this report has done. HDH has some concerns around this guidance, as it does not reflect '*the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission*' as set out in paragraph 10-009-20190509 of the PPG. The HBF Guidance raises several 'common concerns'. Regard has been had to these under the appropriate headings through this report.



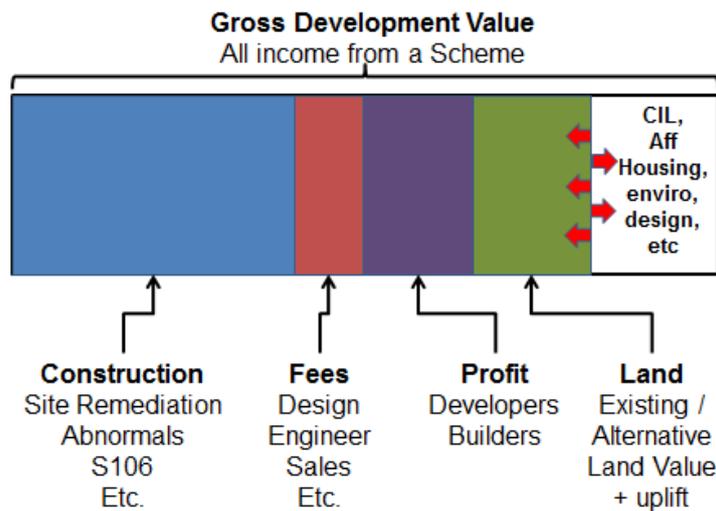
3. Methodology

Viability Testing – Outline Methodology

- 3.1 This report follows the Harman Guidance and RICS Guidance, and was be put to industry and stakeholders for technical consultation in January 2024. The comments made are addressed through this report.
- 3.2 The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

$$\begin{aligned}
 &\textbf{Gross Development Value} \\
 &\text{(The combined value of the complete development)} \\
 &\text{LESS} \\
 &\textbf{Cost of creating the asset, including a profit margin} \\
 &\text{(Construction + fees + finance charges)} \\
 &= \\
 &\textbf{RESIDUAL VALUE}
 \end{aligned}$$

- 3.3 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).
- 3.4 In the following graphic, the bar illustrates all the income from a scheme. This is set by the market (rather than by the developer or local authority). Beyond the economies of scale that larger developers can often enjoy, the developer has relatively little control over the costs of development, and whilst there is scope to build to different standards the costs are largely out of the developer’s direct control – they are what they are.



- 3.5 The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions a planning authority asks for, the less the developer can afford to pay for the land. The purpose of this assessment is to quantify the costs of the Council's policies (including CIL), to assess the effect of these, and then make a judgement as to whether or not land prices are reduced to such an extent that the Plan is not deliverable. It is necessary to take a cautious approach and ensure that policies are not set at the limits of viability.
- 3.6 The land value is a difficult topic since a landowner is unlikely to be entirely frank about the price that would be acceptable, always seeking a higher one. This is one of the areas where an informed assumption has to be made about the 'uplift' above the EUV which would make the landowner sell.
- 3.7 This study is not trying to mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the NPPF (and CIL Regulations). The approach taken in this report is different from the approach taken by developers when making an assessment to inform commercial decision making, particularly on the largest sites to be delivered over many years.

Limitations of viability testing in the context of the NPPF

- 3.8 High-level viability testing does have limitations. The assessment of viability is a largely quantitative process based on financial appraisals – there are however types of development where viability is not at the forefront of the developer's mind, and they will proceed even if a 'loss' is shown in a conventional appraisal. By way of example, an individual may want to fulfil a dream of building a house and may spend more than the finished home is worth, a community may extend a village hall even though the value of the facility, in financial terms, is not significantly enhanced, or the end user of an industrial or logistics building may build a new factory or depot that will improve its operational efficiency even if, as a property development, the resulting building may not seem to be viable.
- 3.9 This is a challenge when considering policy proposals. It is necessary to determine whether or not the impact of a policy requirement on a development type that may appear only to be marginally viable will have any material impact on the rates of development or whether the developments will proceed anyway. Some development comes forward for operational reasons rather than for property development purposes.

The meaning of Landowner Premium

- 3.10 The phrase *landowner premium* is new in the updated PPG.

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*

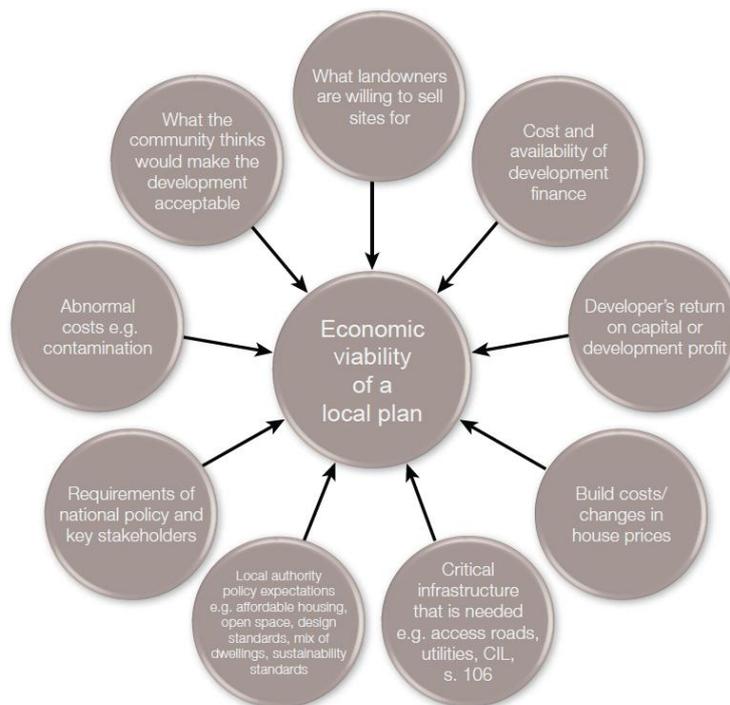
Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

PPG 10-014-20190509

- 3.11 The term *landowner's premium* has not been defined through the appeal, Local Plan examination or legal processes— although various approaches have been accepted by planning inspectors. The level of return to the landowner is discussed and the approach taken in this study is set out in the later parts of Chapter 6 below.
- 3.12 This report is about the economics of development however, viability brings in a wider range than just financial factors. The following graphic is taken from the Harman Guidance and illustrates some of the non-financial as well as financial factors that contribute to the assessment process. Viability is an important factor in the plan-making process, but it is one of many factors.



Existing Available Evidence

- 3.13 The NPPF, the PPG, the CIL Regulations and CIL Guidance (within the PPG) are clear that the assessment of viability should, wherever possible, be based on existing available evidence rather than new evidence. The evidence that is available from the Council has been reviewed.
- 3.14 The main reports are:
- a. *Local Plan Viability Testing, Economic Viability Study* (PBA, September 2014).
 - b. *Local Plan Viability Testing, Addendum Report Part 1: Community Infrastructure Levy Update* (PBA, September 2015) and *Local Plan Viability Testing, Addendum Report Part 2: Community Infrastructure Levy Update* (PBA, September 2015).
 - c. *Local Plan Viability Study – Draft Version 1* (Aspinall Verdi, December 2020). This report was not published.
- 3.15 These built on a series of earlier reports and are taken as a starting point.
- 3.16 The Council also holds development appraisals that have been submitted by developers in connection with specific developments to support negotiations around the provision of affordable housing or s106 contributions. The approach taken is to draw on this existing evidence and to consolidate it – see **Appendix 5**. In some cases, the appraisals are based on detailed cost plans that are not directly comparable with the BCIS. Only the figures that are comparable on a like-for-like basis are presented.
- 3.17 It is important to note that some of these figures are the figures submitted by developers for discussion at the start of the viability process, and are not necessarily the figures agreed between the parties.
- 3.18 The Council also holds evidence of what is being collected from developers under the s106 regime. This is being collected by the Council outside this study¹⁷.

Stakeholder Engagement

- 3.19 The PPG and the CIL Guidance require stakeholder engagement. The preparation of this viability assessment includes specific consultation and engagement with the industry. A consultation process was undertaken during January 2024 when a presentation was given, and an early draft of this report and a questionnaire were circulated. Residential and non-

¹⁷ Paragraphs 10-020-20180724 to 10-028-20180724 of the PPG introduce reporting requirements in this regard. In particular 10-027-20180724 says:

How should monitoring and reporting inform plan reviews?

The information in the infrastructure funding statement should feed back into reviews of plans to ensure that policy requirements for developer contributions remain realistic and do not undermine deliverability of the plan.

residential developers (including housing associations), landowners and planning professionals were invited to comment **Appendix 2** includes a list of the consultees. **Appendix 3** includes the consultation presentation and **Appendix 4** the questionnaire circulated with the draft report.

- 3.20 The comments of the consultees are reflected through this report and the assumptions adjusted where appropriate. The event was held online and was well attended. 10 written responses were received. The main general points from the consultation were:
- a. That the residential sub-areas must be clearly defined, and that a finer grained approach may be more appropriate^{18 19}.
 - b. That the developers' return assumptions should be revisited^{20 21 22}.
 - c. That self and custom build was not 'taken account of'²³. The Council is not currently developing a policy in this regard, however these types of delivery are now assessed (see Chapter 10).
- 3.21 Some of the comments made were of a general nature²⁴, for example concerning policy wording, rather than being in relation to the methodology or assumptions used. These will be picked up the Council outside the focused viability process.
- 3.22 The consultation process has been carried out in accordance with the requirements of the updated PPG, the Harman Guidance and the RICS Guidance. There will be further, more formal, opportunities to comment in this Whole Plan Viability Assessment, as the draft Plan proceeds through the plan-making process.

Viability Process

- 3.23 The assessment of viability as required under the NPPF and the CIL Regulations is a quantitative and qualitative process. The updated PPG requires that (at PPG 10-001-20190509) '*...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account*

¹⁸ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

¹⁹ Steve Baughen of Fernham Homes re various sites.

²⁰ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

²¹ Danielle Lawrence MRICS of DHA Planning.

²² Steve Baughen of Fernham Homes re various sites.

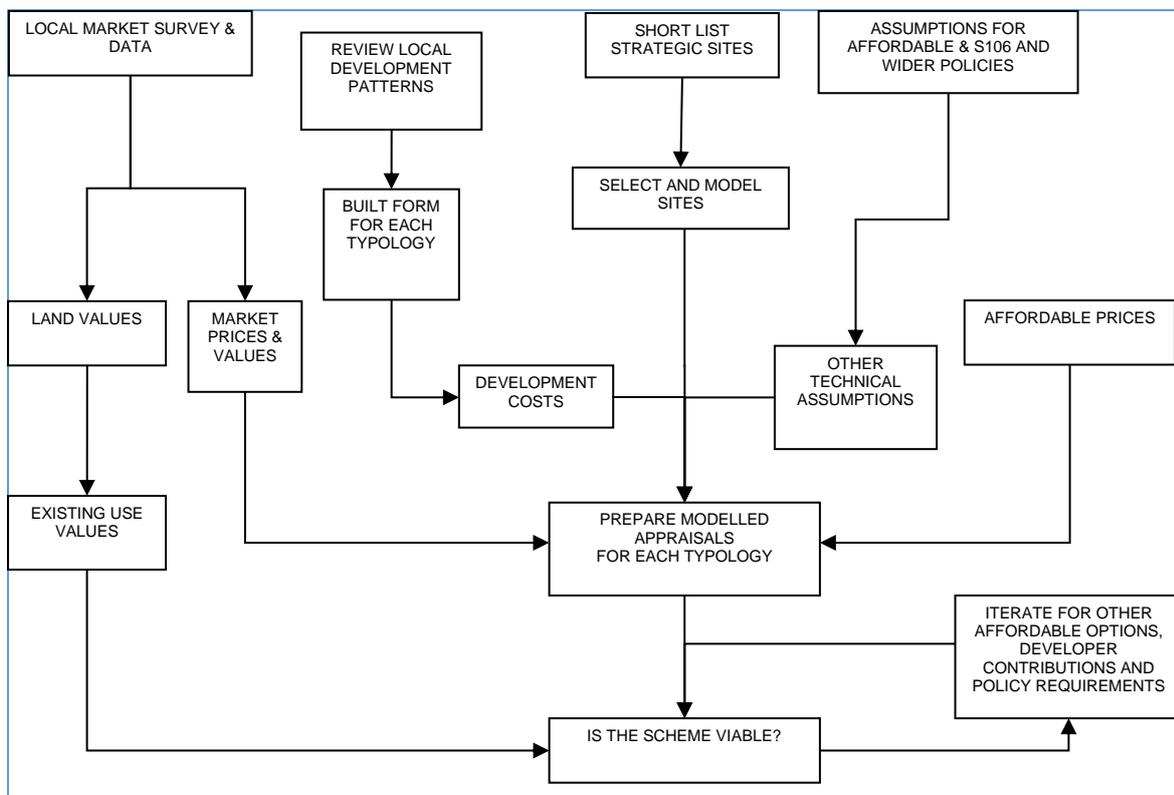
²³ John MvGee of Calpark Estates.

²⁴ Kevin Brown of National Highways, Kent & Sussex Planning Lead.

all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106’.

3.24 The basic viability methodology is summarised in the figure below. It involves preparing financial development appraisals for a representative range of typologies, and the Strategic Sites, and using these to assess whether development, generally, is viable. The typologies were modelled based on discussions with Council officers, the existing available evidence supplied to us by the Council, and on HDH’s experience of development. Details of the modelling are set out in Chapter 9 below. This process ensures that the appraisals are representative of typical development in the Council area over the plan-period.

Figure 3.1 Viability Methodology



Source: HDH 2023

3.25 The local housing markets were surveyed to obtain a picture of sales values. Land values were assessed to calibrate the appraisals and to assess EUVs. Local development patterns were considered, to arrive at appropriate built form assumptions. These in turn informed the appropriate build cost figures. Several other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of £/ha ‘residual’ land values, showing the maximum value a developer could pay for the site and still make an appropriate return. The Residual Value was compared to the EUV for each site. Only if the Residual Value exceeded the EUV, and by a satisfactory margin (the Landowners’ Premium), could the scheme be judged to be viable. The amount of margin is a difficult subject, it is discussed, and the approach taken in this study is set out, in the later parts of Chapter 6 below.

3.26 The following potential Strategic Sites are modelled individually.

Table 3.1 Potential Strategic Sites

		Units	Area Ha
South and West of Iwade (Site B)	Iwade	1,381	65.760
West of Bobbing village	Bobbing	4,173	198.720
Land at Stickfast Lane	Bobbing	2,411	114.820
Fax Farm	Dunkirk	1,201	57.210
Winterbourne Fields	Dunkirk	1,742	82.960
SE Faversham	Faversham SE	2,745	130.720
East of Faversham Expansion	Faversham E	2,665	126.890
Iwade - Solar Farm	Iwade	2,873	136.790
Rushenden South	IoS Sheerness	3,130	149.040
South East Sittingbourne	Sittingbourne SE	16,814	800.690
Land at South-West Minster	IoS Minster-on-Sea	2,235	106.430
Ashford Road, North Street	Faversham S	6,490	309.040
Between A2 Bapchild and Northern Relief Road	Bapchild	1,925	91.680

Source: SBC (April 2024)

- 3.27 The appraisals are based on existing and emerging policy options as summarised in Chapter 8 below. The preparation of draft policies within the Local Plan Review is still ongoing, so the policy topics used in this assessment may be subject to change. For appropriate sensitivity testing, a range of options are tested. If the Council allocates different types of site, or develops significantly different policies to those tested in this study, it may be necessary to revisit viability and consider the impact of any further or different requirements.
- 3.28 A bespoke viability testing model designed and developed by HDH specifically for area wide viability testing is used, as required by the NPPF and CIL Regulations²⁵. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations or people involved in property development. The purpose is to capture the generality, and to provide high level advice to assist the Council in assessing the deliverability of the Local Plan.

²⁵ This Viability Model is used as the basis for the Planning Advisory Service (PAS) Viability Workshops. It is made available to Local Authorities, free of charge, by PAS and has been widely used by Councils across England. The model includes a cashflow so that sales rates can be reflected.



4. Residential Market

- 4.1 This chapter sets out an assessment of the housing market, providing the basis for the assumptions on house prices. The study is concerned not just with the prices but the differences across different areas. Market conditions will broadly reflect a combination of national economic circumstances, and local supply and demand factors, however, even within a town there will be particular localities, and ultimately, site-specific factors, that generate different values.

The Residential Market

- 4.2 Swale is a north Kent council that is bordered by Medway Council (west), Maidstone Borough (south), Ashford Borough (south east) and Canterbury (east). The Borough is varied and contains a number of different housing markets, subject to a range of influences:

- a. Sittingbourne is the principal town, however Faversham to the east and, to a lesser extent, the seaside town of Sheerness, are also significant settlements. Boughton, Teynham, Newington, Iwade, Eastchurch and Leysdown are the main rural settlements.
- b. Much of the Borough is deeply rural. The northern part includes the Isle of Sheppey which has relatively weak transport links and has its own distinct character. Due to its nature, parts of the Borough are subject to constraints associated with Ramsar sites, Special Areas of Conservation, Special Protection Areas and a Marine Conservation Zone. Having said this, these do give the area a particular character and add to the attractiveness.
- c. Overall, Swale has strong transportation links east/west along the M2 and A2 and for rail services between London and Canterbury/the coast including High Speed services. The north-south links via A249 and A251 are weaker.
- d. Historically, Sittingbourne was an industrial town that was based on the brick industry and chalk quarrying, both of which were assisted by the access to the Thames Estuary. The various waterside-based industries such as barge building developed along the Swale (the waterway between the mainland and the Isle of Sheppey). This area also developed a significant paper manufacturing industry.

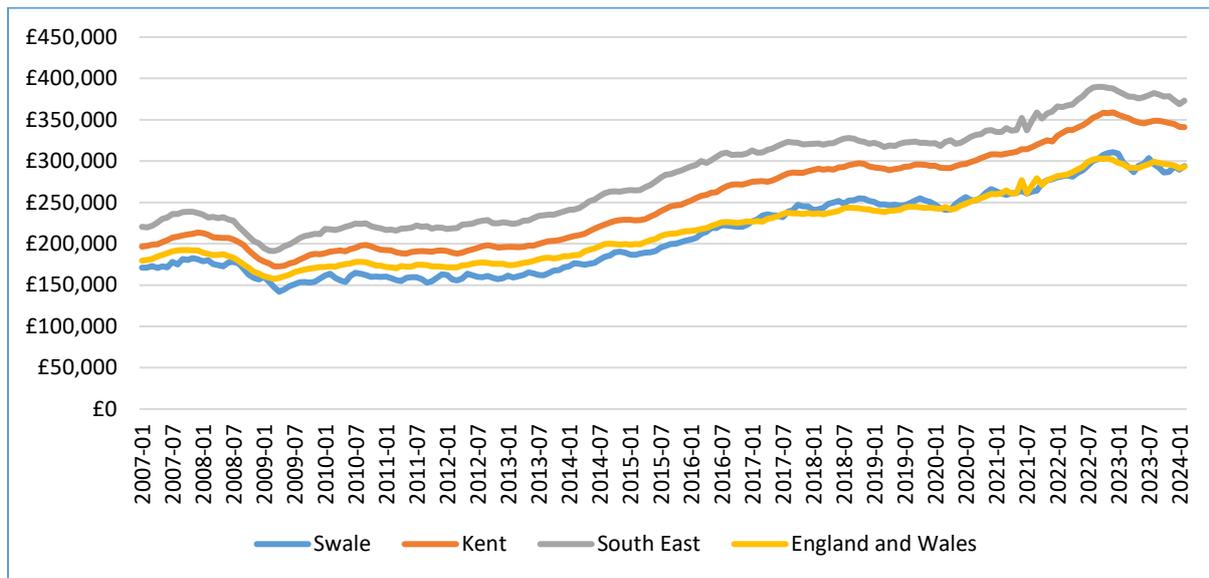
- 4.3 Overall, the market is perceived to be active, with a strong market for the right scheme in the right place, with the Council delivering about 717 new homes per year²⁶. Having said this, some areas are challenging and the relatively low house prices in some areas do make the delivery of new housing less easy.

²⁶ [Housing Land Supply Position Statement 2023/2024 \(swale.gov.uk\)](https://www.swale.gov.uk/housing-land-supply-position-statement-2023-2024).

National Trends and the relationship with the wider area

4.4 The local housing market peaked in November 2007 and then fell considerably in the 2008/2009 recession during what became known as the ‘Credit Crunch’. Since then, house prices have increased steadily, but are now widely perceived to have peaked. Locally, average house prices in the area returned to their pre-recession peak in August 2014 and are now about 63% above the 2007 peak. This substantial increase is in line with the increase across the South East region (64%) and a little more than the increase across England and Wales (59%).

Figure 4.1 Average House Prices (£)



Source: Land Registry (April 2024). Contains public sector information licensed under the Open Government Licence v3.0.

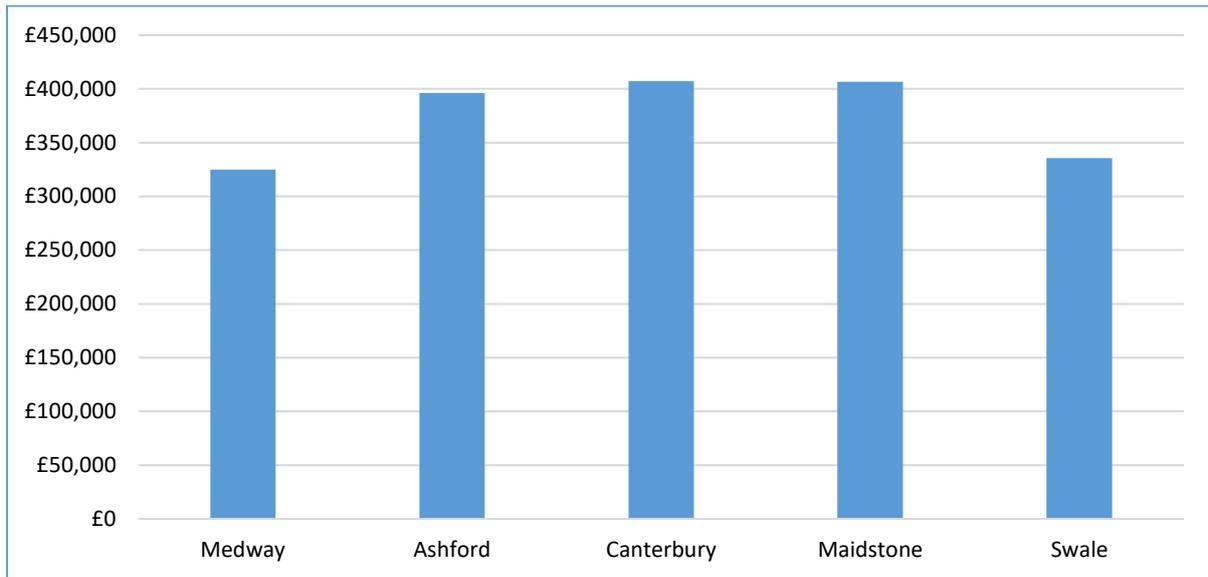
4.5 In this regard, a landowner²⁷ commented that ‘*the Land Registry Index for Swale indicates a fall in house prices across the Borough since the Whole Plan Viability Consultation was published. This will need to be monitored during the period leading to final publication*’. The latest figures are now used and sensitivity testing has been carried out.

4.6 The average prices in Swale are somewhat less than in most nearby authority areas.

²⁷ Richard Ashdown of ULL Property for the Duchy of Cornwall.



Figure 4.2 Average House Prices (£)



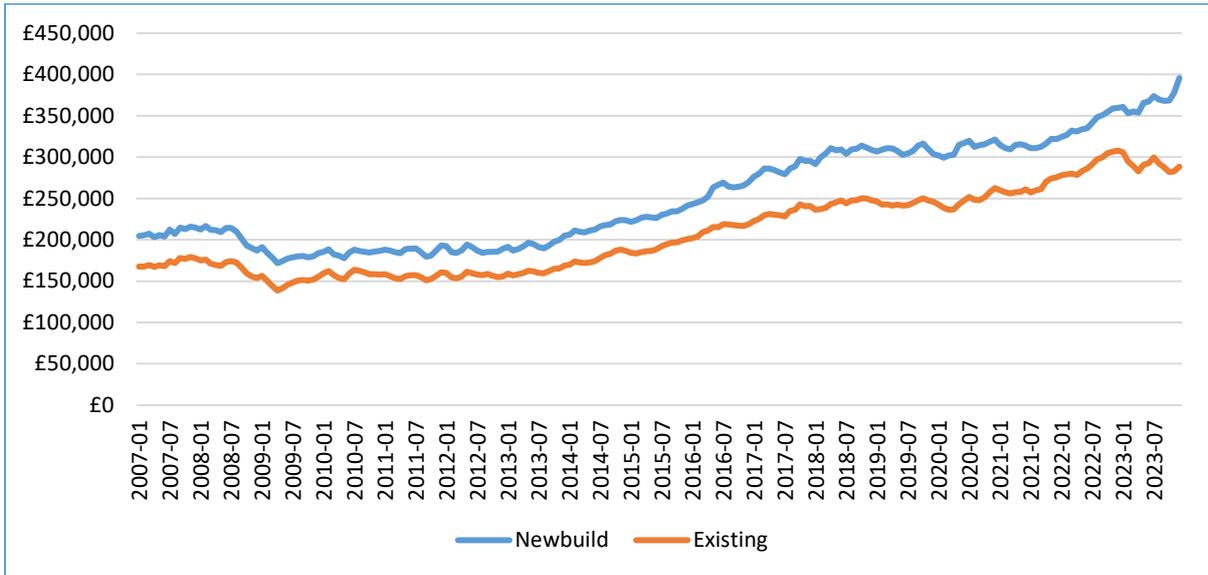
Source: Mean house prices for administrative geographies: HPSSA dataset 12 (Release 20th September 2023). Contains public sector information licensed under the Open Government Licence v3.0

- 4.7 Based on data published by the Office for National Statistics (ONS), when ranked across England and Wales, the average house price for Swale is 168th (out of 331) at £335,689²⁸. To set this in context, this is almost in the middle of the rank. the council at the middle of the rank (166th – West Suffolk), has an average price of £337,186. In Swale, the median price is lower than the average, at £335,689²⁹.
- 4.8 This study concerns new homes. The figure above shows that prices have fallen over the last year or so, but have still seen a significant recovery since the bottom of the market in 2009. Having said this, the Land Registry data shows that the price of newbuild homes have increased more quickly than existing homes, and have not shown a reduction in values.

²⁸ Mean house prices for administrative geographies: HPSSA dataset 12 (Release 20th September 2023).

²⁹ Median house prices for administrative geographies: HPSSA dataset 9 (Release 20th September 2023)

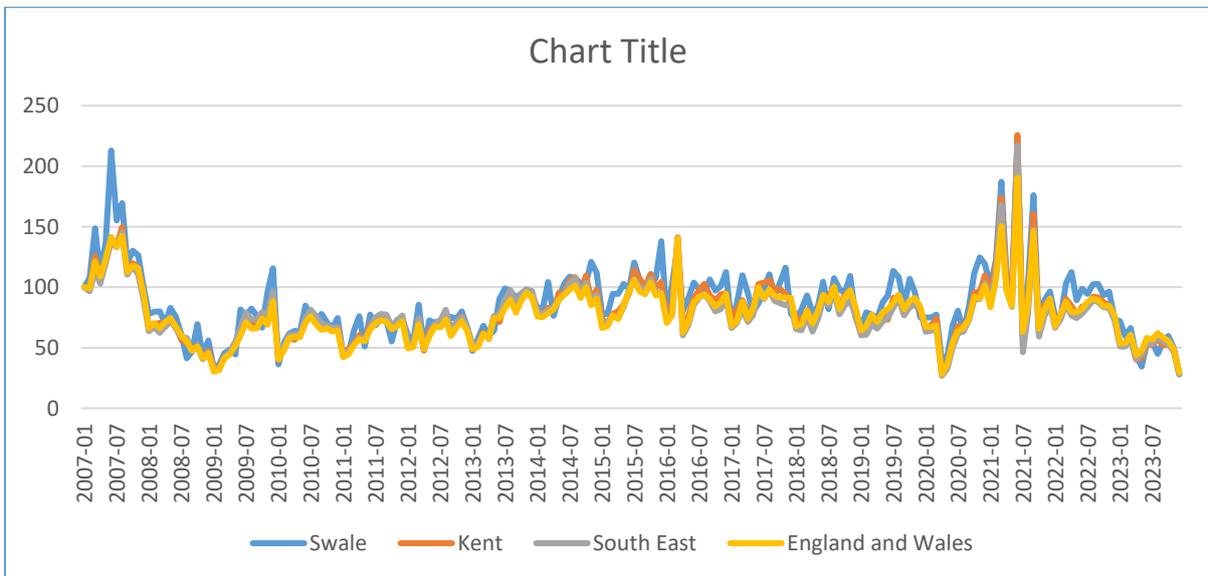
Figure 4.3 Change in House Prices. Swale. Existing v Newbuild



Source: Land Registry (April 2024). Contains public sector information licensed under the Open Government Licence v3.0.

- 4.9 The Land Registry shows that the average price paid for newbuild homes in Swale (£395,753) is £107,203 (or 37%) more than the average price paid for existing homes (£288,550).
- 4.10 The rate of sales (i.e. sales per month) in the area is in line with the wider country. At the time of this report, the most recent data published by the Land Registry is for December 2023.

Figure 4.4 Sales per Month – Indexed to January 2007



Source: Land Registry (April 2024). Contains public sector information licensed under the Open Government Licence v3.0.

- 4.11 The rise in house prices over the last 12 or so years has, at least in part, been enabled by the historically low mortgage rates offered to home buyers. In addition, the housing market has been actively supported by the Government through products and initiatives such as Help-to-Buy and a Stamp Duty ‘holiday’ that was introduced to support prices during the COVID-19



pandemic. The housing market and wider economy has been through various uncertainties, including that of the COVID-19 pandemic. A range of views as to the impact on house prices of the pandemic and Brexit were expressed which covered nearly the whole spectrum of possibilities, but the general consensus was that there would be a fall in house prices. As can be seen from the above, prices actually increased substantially. The pandemic, Brexit and more recently Russia's invasion of Ukraine, all add uncertainty.

4.12 There is a degree of uncertainty in the housing market as reported by the RICS. The March 2024 RICS UK Residential Market Survey³⁰ said:

Outlook for sales volumes continues to improve with enquiries and listings up modestly over the month

- *Sales expectations improve slightly at both the three and twelve-month time horizons*
- *New buyer enquiries continue to rise at a gentle pace, with new listings activity also picking up*
- *House price indicator moves into neutral territory while twelve-month expectations point to an upward trend emerging*

The March 2024 RICS UK Residential Survey results remain indicative of a steady improvement in overall sales market conditions. Indeed, buyer demand continues to edge higher, while near-term expectations point to activity gaining further traction over the coming months. Alongside this, house prices have stabilised at the headline level, with forward-looking metrics suggesting that an upward trend may emerge later in the year.

Looking at buyer demand, an aggregate net balance of +8% of respondents reported an increase in new buyer enquiries during March. This is up from a reading of +4% in the previous iteration of the survey, and marks the third consecutive month in which this measure has been above zero. What's more, the current figure represents the most positive return for the demand series since February 2022.

At the same time, the newly agreed sales metric has, as yet, not seen quite the same turnaround. The latest net balance of -5% is consistent with a broadly stable trend in agreed sales having seen little change from the reading of -4% last month. Nevertheless, a net balance of +13% of survey participants now foresee sales volumes rising over the coming three months. This compares with a figure of +6% posted in last month's results. Moreover, on a twelve-month view, a net balance of +46% of contributors envisage sales activity rising (up from an already solid reading of +42% beforehand).

On the supply front, the flow of new listings coming onto the sales market increased for a fourth successive report, evidenced by a net balance of +13% of respondents citing a pick-up in new instructions over the month. Similarly, contributors continued to note that the number of appraisals undertaken of late is above that of the previous year (net balance +21%). Interestingly, having languished in negative territory throughout every monthly report released in 2023, this indicator has signalled an improvement in market appraisal levels for three straight months.

Alongside this, a net balance of -4% was returned in March for the survey's headline indicator tracking house price trends. As such, this suggests a largely stable picture is in place for house prices at the aggregate level currently, with the previous negative readings diminishing to some degree in each of the last six reports (recovering from a recent low of -67% back in September of last year). When disaggregated, all regions/ countries have seen their readings for the house

³⁰ <https://www.rics.org/uk/news-insight/research/market-surveys/uk-residential-market-survey/>

price series either turn less negative or move into positive territory when compared to the start of the year. In the case of Scotland and Northern Ireland, the house price net balance moved further into expansionary territory at +21% and +60% respectively (from +10% and +53% in February).

Looking ahead, respondents continue to foresee house prices returning to growth over the next twelve months, as implied by the net balance of +38% posted in March (marginally higher than the figure of +36% reported previously). What's more, all parts of the UK are anticipated to see a rise in house prices over the year to come, with sentiment particularly robust in Northern Ireland, London and Scotland.

Across the lettings market, the aggregate gauge of tenant demand remains modestly positive at a net balance of +19% (marginally up on a reading of +16% last month). Even so, tenant demand does not appear to have quite the same momentum as found through the latter stages of last year, with this measure easing from a peak of +59% in July 2023. That said, the supply of rental properties becoming available remains restricted, as the landlord instructions indicator once again exhibits a weak net balance reading of -19%. Consequently, a net balance of +34% of contributors still expect rental prices to rise in the coming three months (albeit this is the least elevated reading since January 2021).

- 4.13 HM Treasury brings together some of the forecasts in its regular *Forecasts for the UK economy: a comparison of independent forecasts* report.

Table 4.1 Consolidated House Price Forecasts

Table 2 - 2024: Growth in prices and monetary indicators (% change)										
Forecasters and dates of forecasts		CPI (Q4 on Q4 year ago, %)	RPI (Q4 on Q4 year ago, %)	Average earnings (Q4 on Q4 year ago, %)	Sterling index (Jan 2005=100)	Official Bank rate (level in Q4, %)	Oil price (Brent, \$/bbl)	Nominal GDP	House price inflation (Q4 on Q4 year ago, %)	
City forecasters										
Barclays Capital	Apr *	1.9	3.9	-	-	4.00	90.0	-	-	
Bloomberg Economics	Mar	2.2	-	-	-	4.00	-	-	-	
Capital Economics	Apr *	0.6	0.9	3.9	78.8	4.00	75.0	2.3	3.0	
Citigroup	Aug	1.7	3.1	2.5	-	3.75	-	-	1.8	
Deutsche Bank	Feb'23	1.7	3.6	-	-	3.25	-	-	-	
Goldman Sachs	Feb'23	1.7	-	-	-	3.75	100.0	-	-	
HSBC	April *	2.2	3.2	4.2	-	4.50	-	-	-	
JP Morgan	April *	2.3	-	-	-	4.50	-	-	-	
KPMG	April *	1.9	-	-	-	4.25	86.3	-	-	
Morgan Stanley	Dec	2.4	3.7	3.1	-	-	-	-	-	
Natwest Markets	Mar	1.5	2.3	4.0	-	4.25	80.0	2.6	-	
Nomura	Mar	1.6	-	-	-	4.25	-	-	-	
Pantheon	Mar	2.2	3.5	-	-	4.50	-	-	-	
Schroders Investment Management	Mar'23	3.7	4.1	-	-	2.00	-	3.0	-2.8	
Societe Generale	Sep	3.3	3.8	4.5	-	4.00	97.3	4.2	-	
UBS	Apr *	2.2	3.1	3.1	-	4.50	-	2.5	-	
Non-City forecasters										
British Chambers of Commerce	Apr *	2.3	-	3.0	-	4.50	-	-	-	
Beacon Economic Forecasting	Apr *	2.8	2.7	4.3	83.5	4.75	86.3	4.7	-9.9	
CBI	Apr *	2.5	3.2	4.9	80.9	-	84.6	3.7	-4.5	
CEBR	Apr *	2.1	2.9	5.6	82.1	4.67	-	-	-2.0	
Economic Perspectives	Apr'23	4.3	5.4	-	75.0	3.00	80.0	5.5	-6.0	
Experian Economics	Apr *	2.2	3.0	3.5	85.3	4.75	81.4	0.4	-1.1	
EIU	Oct	-	-	-	-	5.25	81.5	-	-	
Heteronomics	Apr *	2.7	3.8	3.7	77.1	5.00	83.0	-	1.5	
ICAEW	Mar	2.0	-	-	-	4.50	-	-	-	
ITEM Club	Feb	2.0	1.4	2.8	81.7	4.25	-	-	-0.2	
Kern Consulting	Apr'23	3.8	-	-	-	-	80.0	-	-	
Liverpool Macro Research	Apr *	3.0	4.6	3.6	80.0	4.00	-	-	-	
NIESR	Feb	2.0	4.2	2.7	-	4.50	-	-	-3.3	
Oxford Economics	Apr *	1.8	3.2	3.6	82.2	4.50	82.2	2.8	0.4	k
OECD	Feb	-	-	-	-	4.75	-	-	-	
IMF	Jan	-	-	-	-	-	-	-	-	
Average of forecasts made in the last 3 months (excludes OBR forecasts)										
Independent		2.1	3.1	3.8	81.3	4.41	83.2	2.7	-1.8	
New (marked *)		2.2	3.1	3.9	81.2	4.46	83.6	2.7	-1.8	
City		1.9	2.8	3.8	78.8	4.28	82.8	2.5	3.0	
Range of forecasts made in the last 3 months (excludes OBR forecasts)										
Highest		3.0	4.6	5.6	85.3	5.00	90.0	4.7	3.0	
Lowest		0.6	0.9	2.7	77.1	4.00	75.0	0.4	-9.9	
Median		2.2	3.2	3.6	81.7	4.50	83.0	2.6	-1.1	
OBR	Mar	1.4	2.1	3.4	-	4.15	77.0	2.3	-2.7	

Source: April 2024. Forecasts for the UK economy: a comparison of independent forecasts No 441 (HM Treasury, November 2023).

4.14 Property agents Savills are forecasting the following changes in house prices, suggesting that while prices may fall in 2024, they may also return to growth in 2025:

Table 4.2 Savills Property Price Forecasts

	2024	2025	2026	2027	2028	5 Year
Mainstream UK	-3.0%	3.5%	5.0%	6.5%	5.0%	17.9%
South East	-3.5%	3.0%	4.5%	6.5%	5.5%	16.7%
Prime Regional	-1.5%	3.0%	4.5%	6.0%	5.5%	18.6%
Mainstream UK Rents	6.0%	3.5%	3.0%	2.5%	2.0%	18.1%

Source: Savills Mainstream House Price Forecasts (November 2023) and Savills Prime Residential Property Forecasts³¹

4.15 In this context is relevant to note that the Nationwide Building Society reported in March 2024:

Annual house price growth edges up in March

- UK house prices up 1.6% compared with a year ago
- Northern Ireland best performing region, with prices up 4.6%
- South West weakest performing region, with prices down 1.7% over the year
-

Headlines	Mar-24	Feb-24
Monthly Index*	523.6	524.7
Monthly Change*	-0.2%	0.7%
Annual Change	1.6%	1.2%
Average Price (not seasonally adjusted)	£261,142	£260,420

* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

4.16 The Nationwide produces regional figures on a quarterly basis. This suggests data suggests, for Outer South East an annual -1.0% change in Q1 2024 and an annual -4.5% change in the previous quarter.

4.17 Halifax Building Society reported a more positive situation in March 2024:

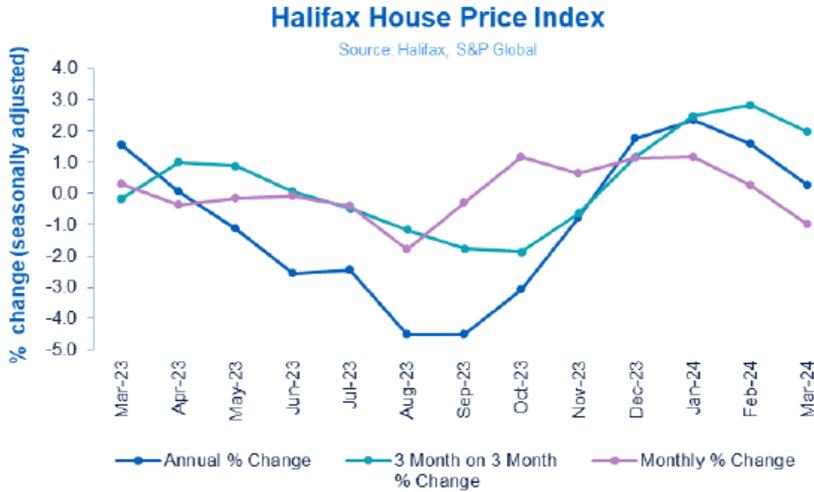
			
Average house price	Monthly change	Quarterly change	Annual change
£288,430	-1.0%	+2.0%	+0.3%

Annual growth slows, but house prices remain up on last year

- Property prices grew by +0.3% annually (vs +1.6% last month)
- House prices up +2.0% on previous quarter

³¹ [Savills UK | Mainstream Residential Forecasts 2024-28, Savills UK | Prime Residential Forecasts 2024-28](#)

- Average house prices fell by -1.0% in March on a monthly basis, following a rise of +0.3% in February
- Typical UK home now costs £288,430, around £2,900 less than last month
- Northern Ireland remains strongest performing nation or region in the UK

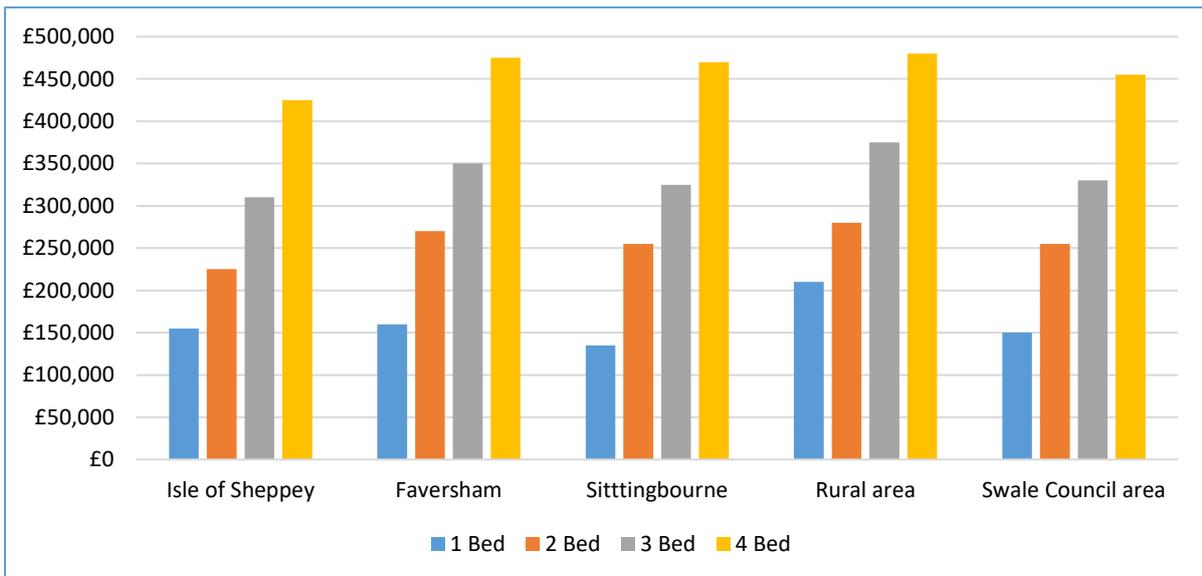


4.18 There is clearly continued uncertainty in the market, and the substantial growth reported over the last few years seems unlikely to continue.

The Local Market

4.19 A survey of asking prices across the Council area was carried out in February 2023 and refreshed in December 2023. Through using online tools such as rightmove.co.uk and zoopla.co.uk, median asking prices were estimated.

Figure 4.5 Median Asking Prices (£)



Source: Rightmove.co.uk (December 2023)

4.20 The above data are asking prices which reflect the seller’s aspiration of value, rather than the actual value, they are however a useful indication of how prices vary across areas.



4.21 As part of the research, data from Landmark has been used. This brings together data from the following sources and allows the transactions recorded by the Land Registry to be analysed by floor area and number of bedrooms using the following data sources:

Table 4.3 Landmark Data Sources

Attribute	Source
Newbuild	HMLR Price Paid
Property Type	HMLR Price Paid
Sale Date	HMLR Price Paid
Sale Value	HMLR Price Paid
Floor Area Size(m)	Metropix
	EPC
Bedroom Count	Metropix
	LMA Listings (Property Heads)
Price per square meter (Sale Value / Floor Area)	HMLR Price Paid
	Metropix
	EPC

Source: Landmark

4.22 This data includes the records of 6,046 sales since the start of 2020. Of these, floor areas are available for 5,567 sales, and the number of bedrooms is available for 2,537 sales. There is a significant delay in the Land Registry updating the dataset, with only 44 sales recorded in 2022 and in 2023.

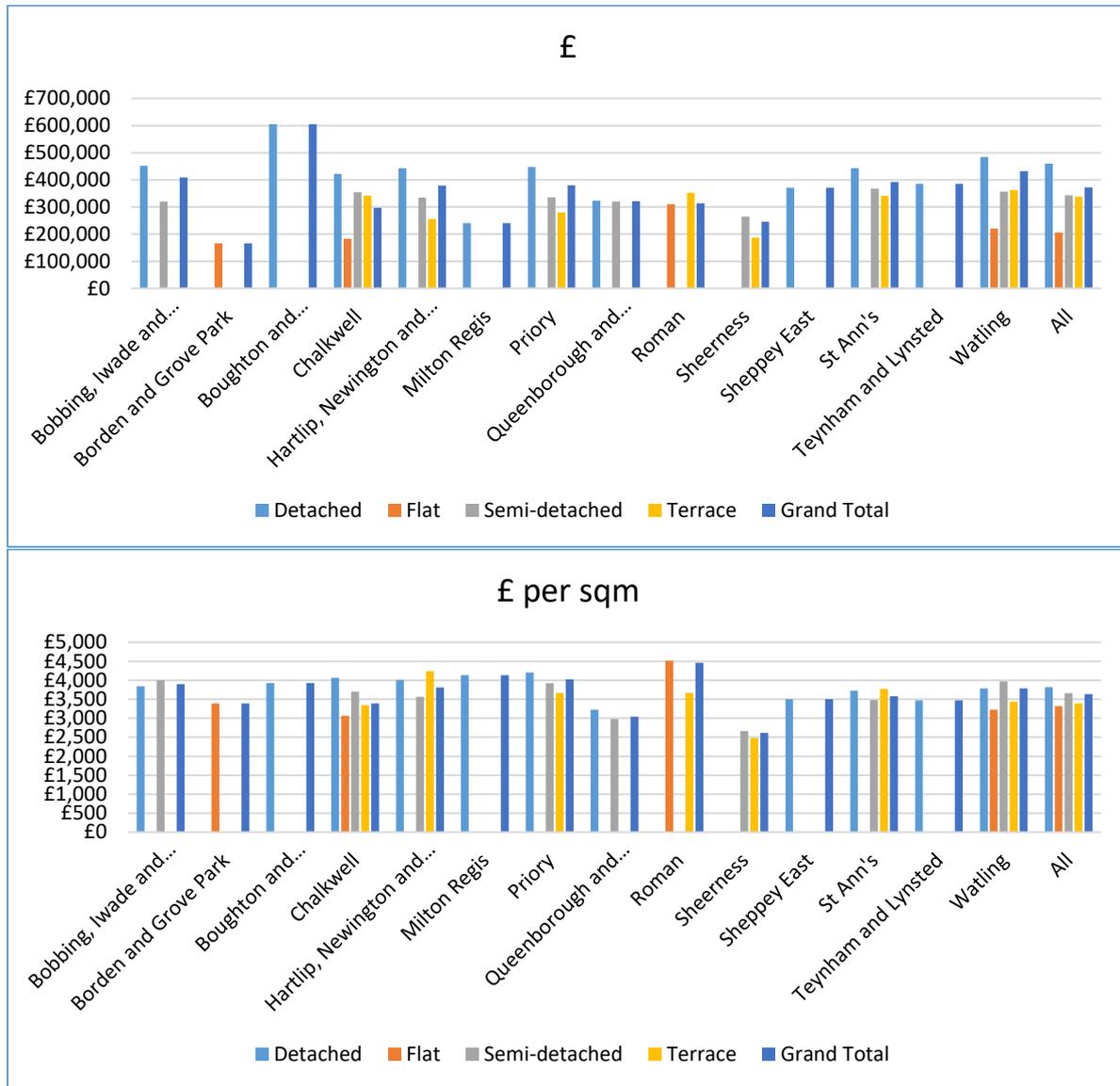
Table 4.4 Landmark Data – Sample Sizes

	Count of Sale Value	Count of Floor Area	Count of Bedrooms
Newbuild	629	629	4
2020	330	330	4
2021	255	255	0
2022	44	44	0
Non Newbuild	5,417	4,938	2,569
2020	1,731	1,524	919
2021	2,362	2,169	1,078
2022	1,324	1,245	572
All	6,046	5,567	2,573
2020	2,061	1,854	923
2021	2,617	2,424	1,078
2022	1,368	1,289	572

Source: Landmark (February 2023)

- 4.23 The data is available for newbuild and existing homes and by ward and can be summarised as follows:

Figure 4.6 Residential Prices Paid – From January 2020 to February 2023. Newbuild



Source: Landmark (February 2023)

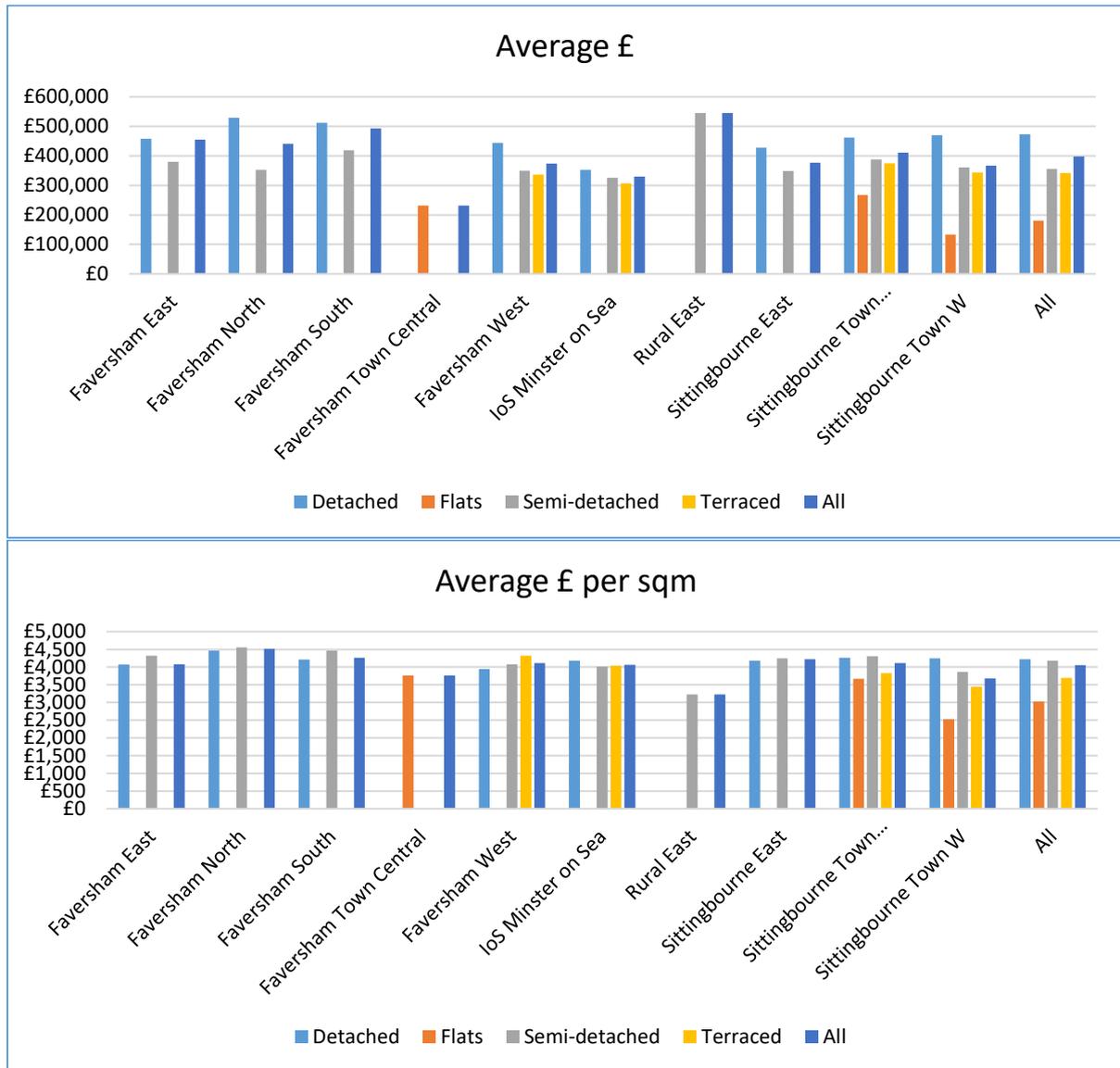
- 4.24 The full data tables are set out in **Appendix 6** below. This data can be disaggregated by year and between newbuild and existing homes.
- 4.25 Following the technical consultation, in April 2024, this data was supplemented with more up-to-date data from the Land Registry recording 395 transactions from 2022 and 57 transactions from 2023. This data is married with the floor area data from the EPC Register to derive the price paid on a £ per sqm basis. The data includes several outliers that are not representative of the newbuild market. Those homes with a price of less than £2,000 per sqm and over £5,000 per sqm have been disregarded.

Table 4.5 Average Newbuild Price Paid 2022 to 2024

	Detached	Flats	Semi-detached	Terraced	All
Faversham East	£458,295		£380,000		£454,891
Faversham North	£529,556		£353,389		£441,472
Faversham South	£512,319		£418,572		£493,276
Faversham Town Central		£231,800			£231,800
Faversham West	£444,359		£350,062	£336,995	£374,211
IoS Minster on Sea	£352,450		£325,346	£307,154	£329,590
Rural East			£545,500		£545,500
Sittingbourne East	£427,623		£348,429		£377,226
Sittingbourne Town Central	£462,232	£267,967	£387,495	£375,412	£410,545
Sittingbourne Town W	£470,022	£133,548	£361,322	£343,518	£367,298
All	£472,858	£180,628	£355,826	£341,659	£397,747
	Detached	Flats	Semi-detached	Terraced	All
Faversham East	£4,071		£4,318		£4,082
Faversham North	£4,460		£4,559		£4,509
Faversham South	£4,209		£4,465		£4,261
Faversham Town Central		£3,763			£3,763
Faversham West	£3,946		£4,077	£4,324	£4,112
IoS Minster on Sea	£4,177		£4,011	£4,040	£4,063
Rural East			£3,228		£3,228
Sittingbourne East	£4,183		£4,248		£4,224
Sittingbourne Town Central	£4,265	£3,668	£4,306	£3,832	£4,110
Sittingbourne Town W	£4,244	£2,523	£3,861	£3,443	£3,682
All	£4,222	£3,030	£4,181	£3,697	£4,051

Source: Land Registry and EPC Register (April 2024)

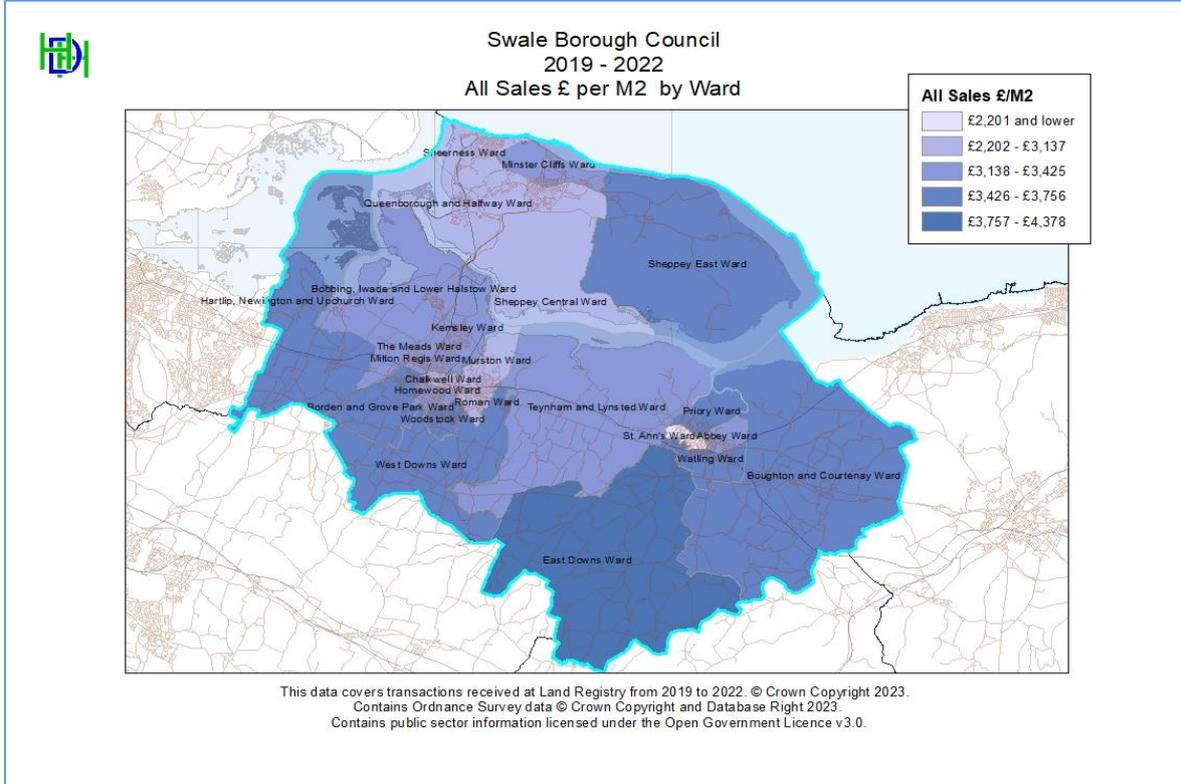
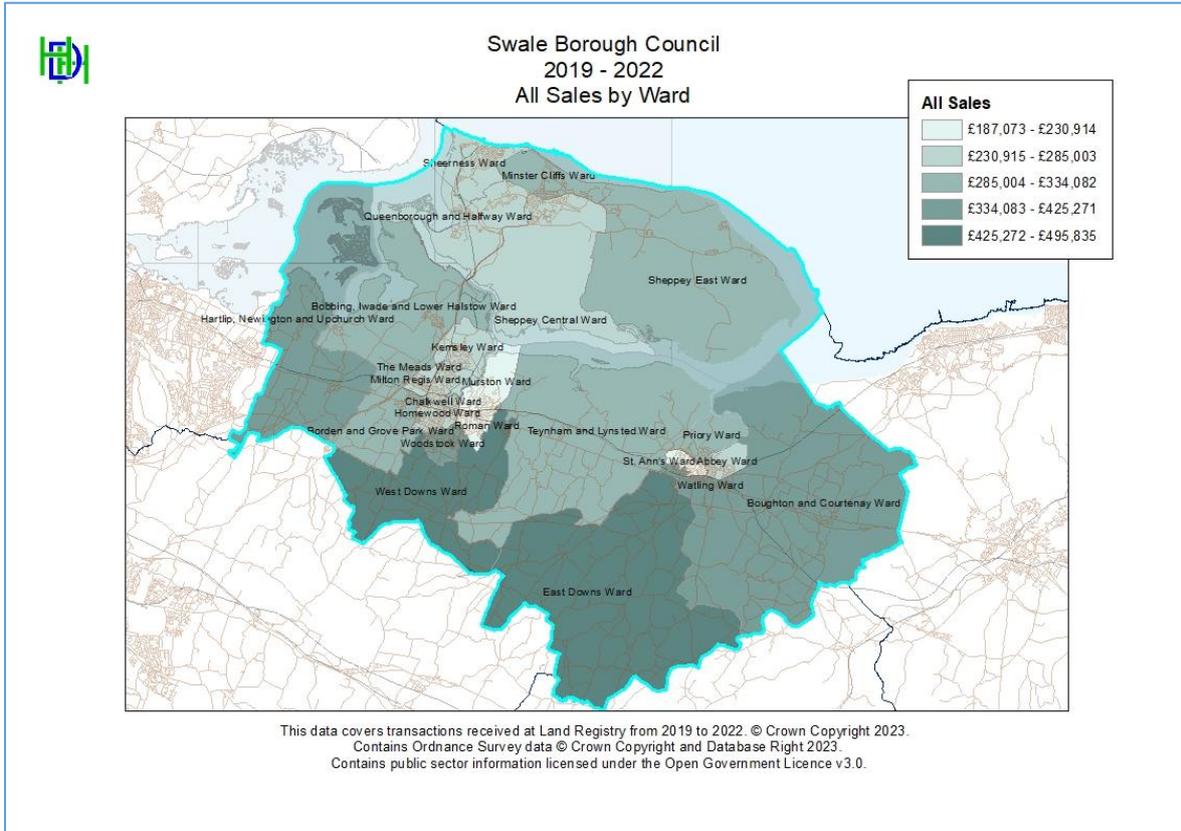
Figure 4.7 Average Newbuild Price Paid 2022 to 2024



Source: Land Registry and EPC Register (April 2024)

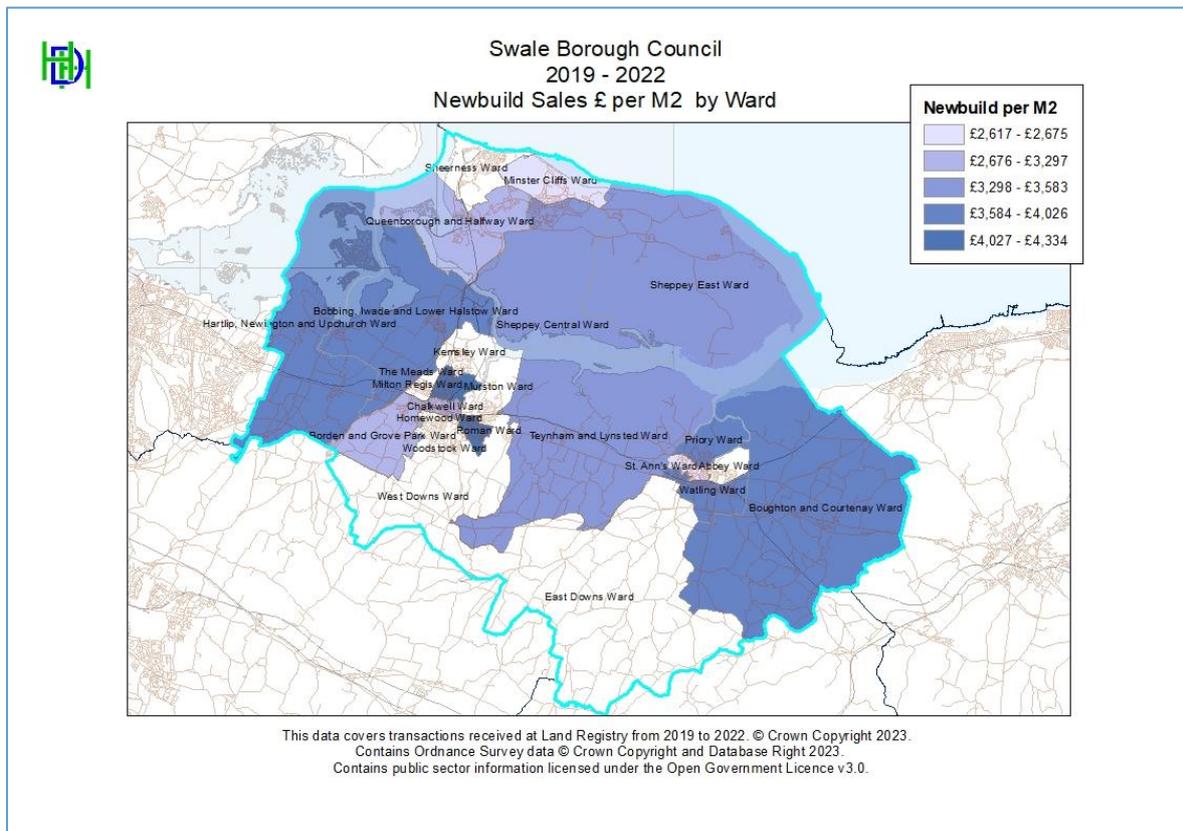
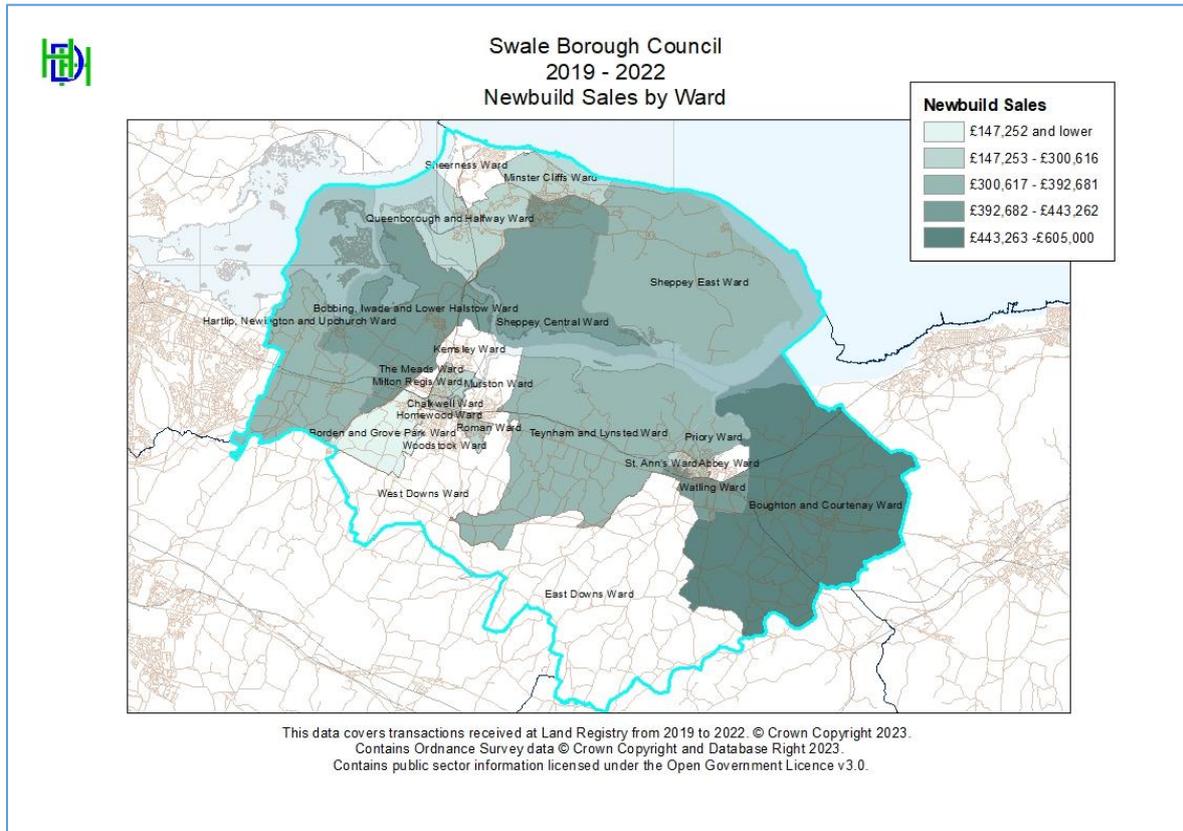
- 4.26 In deriving the assumptions in this report, weight is put on the more recent data to ensure the more recent changes in values is reflected in the assumptions.
- 4.27 The average price paid varies across the area as illustrated in the following maps. The maps show that the distribution of newbuild development is concentrated in relatively few areas. It is important to note that some of the sample sizes are small so care should be taken when considering a fine-grained approach.

Figure 4.8a Average Price Paid (£) – All Properties – By Ward



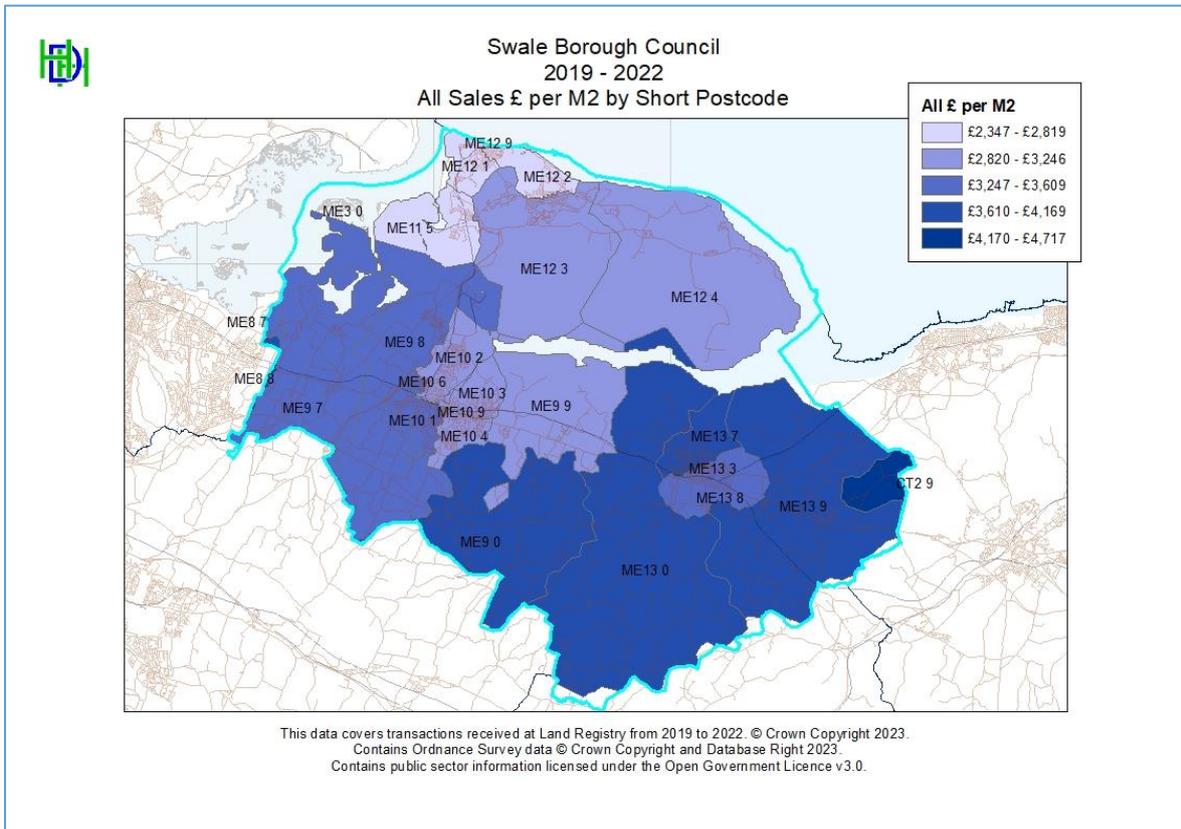
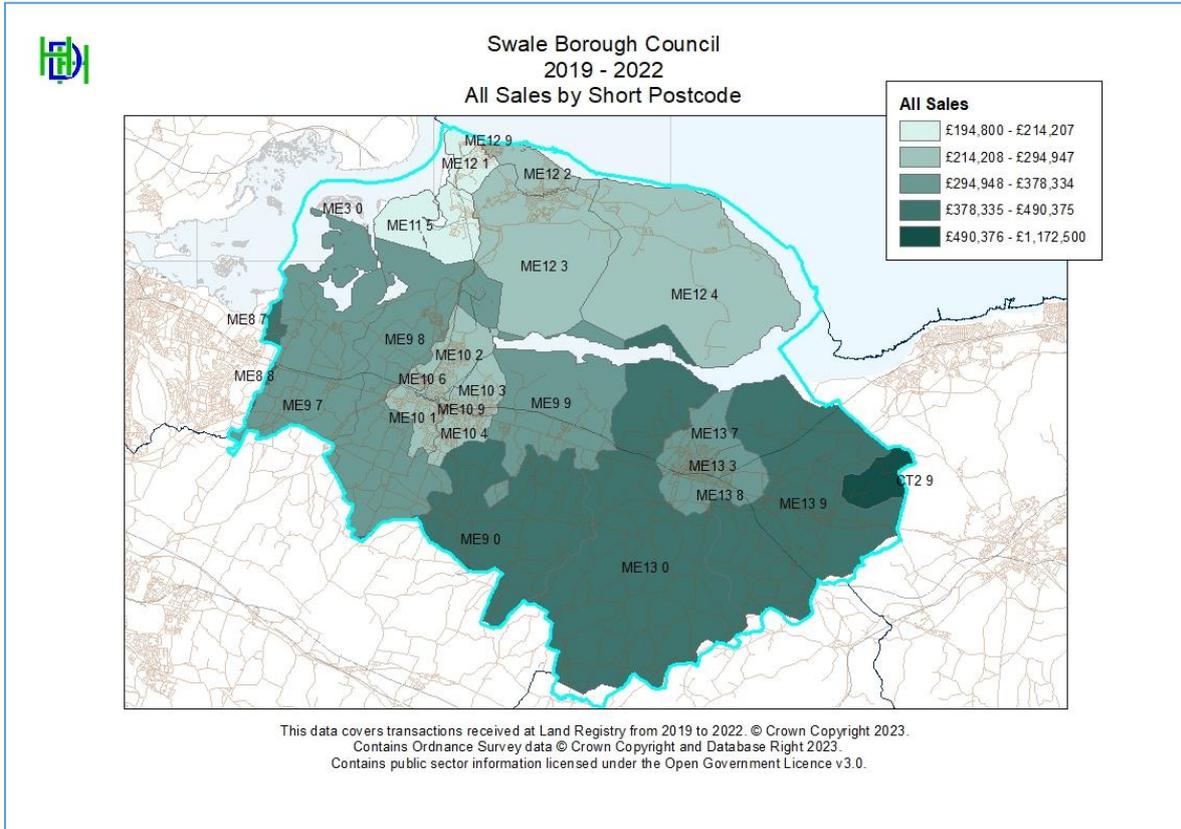
Source: Land Registry (February 2023). Contains public sector information licensed under the Open Government Licence v3.0.

Figure 4.8b Average Price Paid (£/m²) – Newbuild Properties – By Ward



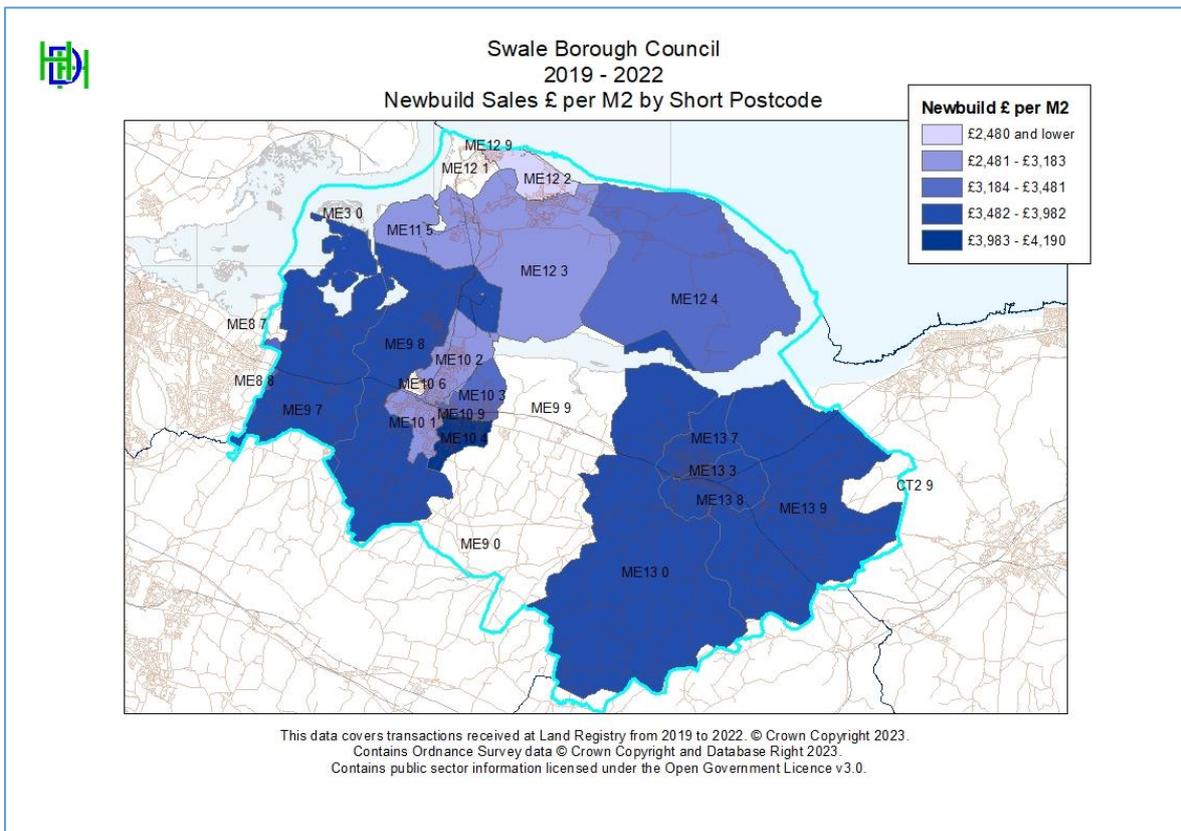
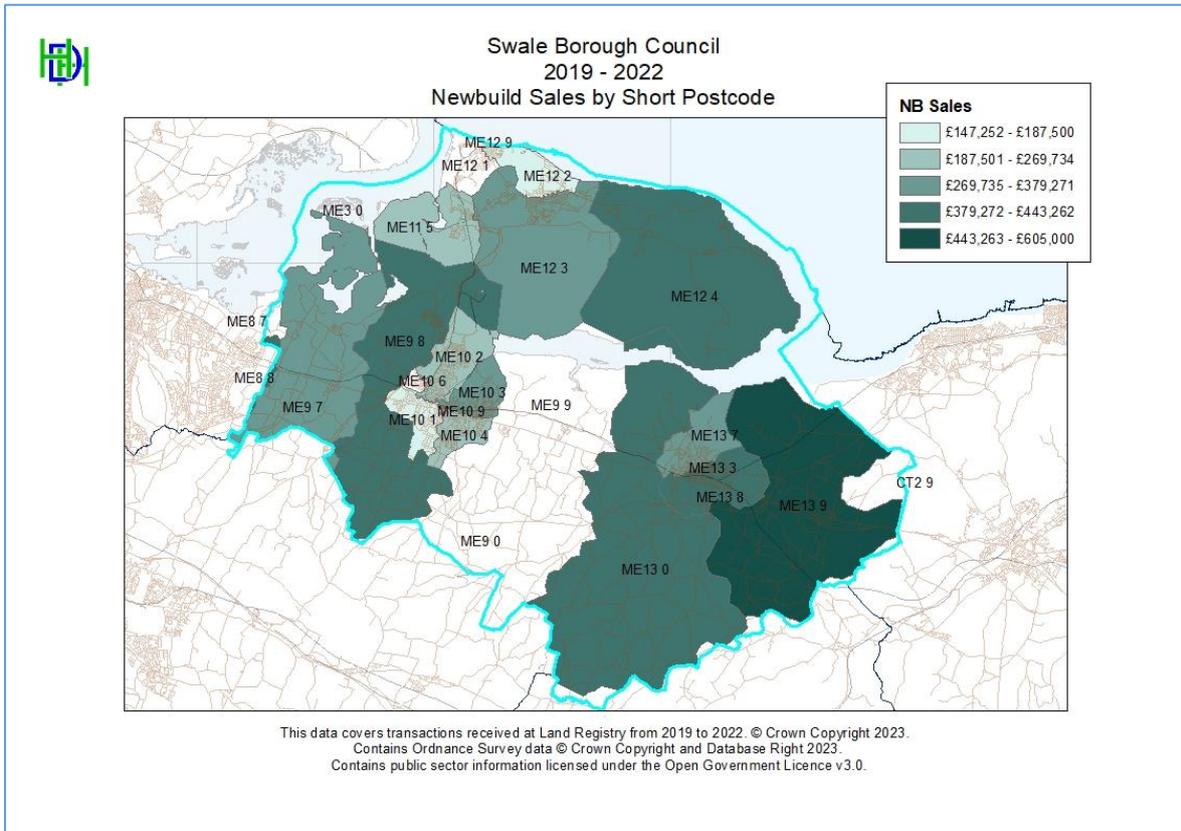
Source: Land Registry (February 2023). Contains public sector information licensed under the Open Government Licence v3.0.

Figure 4.8c Average Price Paid (£) – All Properties – By Postcode



Source: Land Registry (February 2023). Contains public sector information licensed under the Open Government Licence v3.0.

Figure 4.8d Average Price Paid (£/m²) – Newbuild Properties – By Postcode



Source: Land Registry (February 2023). Contains public sector information licensed under the Open Government Licence v3.0.

4.28 The ONS provides data at ward level for median house prices as set out in the following table. The lack of data is a result of the limited distribution of newbuild development.

Table 4.6 Median Price Paid by Ward - Year Ending March 2023

	Newbuild				Existing			
	Detached	Semi-detached	Terraced	Flats	Detached	Semi-detached	Terraced	Flats
Milton Regis	:	:	:	:	£400,500	£295,000	£267,750	:
Hartlip, Newington and Upchurch	:	:	:	:	£612,500	£380,000	£285,000	£155,000
Murston	:	:	:	:	:	£280,000	£258,000	£170,000
Abbey	:	:	:	:	:	£345,000	£342,500	£220,000
Priory	:	:	:	:	£400,000	£302,500	£305,000	:
Queenborough and Halfway	:	:	:	:	£355,000	£285,000	£250,000	£132,500
Roman	:	:	:	:	£385,000	£290,000	£252,500	£137,500
Borden and Grove Park	:	:	:	:	£565,000	£343,000	£267,500	:
Homewood	:	:	:	:	£460,000	£347,250	£272,500	£173,000
Boughton and Courtenay	:	:	:	:	£567,500	£372,500	£322,500	:
Chalkwell	:	:	£384,995	:	:	£303,500	£258,500	£166,000
East Downs	:	:	:	:	£650,000	£475,000	:	:
Minster Cliffs	:	:	:	:	£440,000	£325,000	£305,000	:
St Ann's	£456,995	£374,995	:	:	£400,000	£368,000	£302,500	£151,000
Kemsley	:	:	:	:	£435,000	£310,000	£261,000	£190,000
Bobbing, Iwade and Lower Halstow	:	:	:	:	£482,000	£330,000	£290,000	£195,000
Sheerness	:	:	:	:	:	£270,000	£210,000	£130,000
Sheppey East	:	:	:	:	£350,000	£275,000	£233,000	:
Watling	:	:	:	:	£592,000	£395,000	£290,000	£175,500
Teynham and Lynsted	:	:	:	:	£428,500	£325,000	£248,000	£165,000
West Downs	:	:	:	:	£825,000	£447,000	:	:
Sheppey Central	:	:	:	:	£377,500	£297,500	£275,000	£176,250
Woodstock	:	:	:	:	£565,000	£402,500	£405,000	:
The Meads	:	:	:	:	£459,000	£360,000	£269,000	£158,500

Source: HPSSA Dataset 37 (Data Release 20th September 2023)

Newbuild Asking Prices

- 4.29 This study is concerned with new development, so the key input for the appraisals is the price of new units. A survey of new homes for sale was carried out in February 2023 and again in December 2023 and April 2024.
- a. In February 2023, there were 60 new homes being advertised for sale in the Council area. The analysis of these showed that asking prices for newbuild homes started at £162,500 and went up to £775,000. The average was about £429,000 (£4,221 per sqm).
 - b. In December 2023, there were 94 new homes being advertised for sale in the Council area. The analysis of these showed that asking prices for newbuild homes started at £1162,500 and went up to £950,000. The average was about £407,000 (£4,097 per sqm).
 - c. In April 2024, there were 128 new homes being advertised for sale in the Council area. The analysis of these shows that asking prices for newbuild homes start at £270,000 and go up to over £1,200,000. The average is about £460,000 (£4,274 per sqm).
- 4.30 These are summarised in the following table and set out in detail in **Appendix 7**.

Table 4.7a Average Newbuild Asking Prices £/m² – February 2023

Developer / Agent		Detached	Flat	Semi-detached	Terraced
Anderson					
Faversham Lakes	£	£600,000		£386,667	
	£/m ²	£4,800		£4,720	
Bovis					
Davington Fields	£	£484,995			
	£/m ²	£4,030			
DWH					
Applegate Park	£	£604,995			
	£/m ²	£4,144			
Esquire Developments					
Hill Farm	£	£586,667		£405,000	
	£/m ²	£4,500		£4,309	
Jones Homes					
Kingsborough Manor	£	£619,995			
	£/m ²	£4,000			
Keepmoat					
Belgrave Place	£	£365,000		£331,875	
	£/m ²	£4,620		£4,289	
Linden Homes					
Ospringe Gardens	£	£467,495		£415,662	£359,995
	£/m ²	£4,140		£4,529	£4,500
Miles&Barr					
Ashdown	£			£450,000	
	£/m ²			£5,114	
Redrow					
Amber Fields	£	£497,138		£394,995	£394,995
	£/m ²	£4,369		£4,937	£3,657
Regent Quay	£	£484,995			£409,995
	£/m ²	£3,785			£3,565
Rosechurch Homes					
Edgelake	£	£465,000		£402,500	
	£/m ²	£4,306		£4,096	
Sanctuary Homes					
Saxon Court, Watling Gate	£		£189,300		
	£/m ²		£3,224		
Watling Gate	£	£286,500		£288,500	
	£/m ²	£4,856		£4,508	
Wards					
The Street	£			£450,000	
	£/m ²			£3,409	
Woodcombe Mews	£				£412,500
	£/m ²				
Other	£	£460,000			
	£/m ²	£5,412			
WKHA					
Faversham Lakes	£			£310,000	
	£/m ²				
All	£	£507,980	£189,300	£379,888	£399,282
	£/m ²	£4,346	£3,224	£4,434	£3,789

Source: Market Survey (February 2023) (The blanks indicate where no asking price and or GIA is available).

Table 4.7b Average Newbuild Asking Prices £/m² – December 2023

		Detached	Flat	Semi-detached	Terraced
Anderson					
Faversham Lakes	£	£586,667		£405,000	
	£/m ²	£5,210		£4,867	
Bovis					
Davington Fields	£	£462,495			
	£/m ²	£3,851			
DWH					
Applegate Park	£	£550,495		£397,495	
	£/m ²	£3,811		£3,681	
Esquire Developments					
Hill Farm	£	£582,500		£405,000	
	£/m ²	£4,477		£4,309	
Jones Homes					
Shurland Park	£	£412,500		£340,000	£298,929
	£/m ²				
Keepmoat					
Belgrave Place	£	£225,000		£245,750	
	£/m ²	£2,848		£3,326	
Linden Homes					
Ospringe Gardens	£			£373,599	
	£/m ²			£4,564	
Matthew Homes					
Blake Gardens	£	£426,000		£350,000	
	£/m ²	£3,569		£3,302	
Persimmon					
Orchard Meadows	£	£403,328		£355,000	
	£/m ²	£4,782		£4,663	
Redrow					
Amber Fields	£	£531,250		£380,000	£375,000
	£/m ²	£4,269		£4,750	£3,472
Regent Quay	£	£498,333	£163,750	£417,500	£390,000
	£/m ²	£3,885	£3,275	£3,537	£3,391
Rosechurch Homes					
Edgelake	£			£322,500	
	£/m ²			£3,886	
RPC Land					
Greystones	£	£925,000			
	£/m ²	£3,838			
Sanctuary Homes					
Beckett Court	£		£174,200		
	£/m ²		£3,435		
ALL					
	£	£513,823	£171,214	£352,553	£317,500
	£/m ²	£4,190	£3,390	£4,199	£3,432

Source: Market Survey (December 2023) (The blanks indicate where no asking price and or GIA is available.)

Table 4.7c Average Newbuild Asking Prices £/m² – April 2024

		Detached	Flat	Semi-detached	Terraced
Anderson					
Faversham Lakes	£	£665,000		£374,000	
	£/m ²	£4,521		£4,857	
Custom Build Homes					
Callum Park	£	£1,073,000			
	£/m ²	£4,514			
DWH					
Applegate Park	£	£557,995			
	£/m ²	£3,909			
Esquire Developments					
Featherbed Farm	£	£533,571		£399,995	
	£/m ²	£4,401		£4,255	
Hill Farm	£	£650,714		£395,000	
	£/m ²	£4,305		£4,202	
Jones Homes					
Shurland Park	£			£318,333	£291,250
	£/m ²			£4,162	£3,757
Keepmoat					
Belgrave Place	£	£350,000		£308,571	
	£/m ²	£4,430		£4,142	
Linden Homes					
Ospringe Gardens	£	£0		£364,333	
	£/m ²	£0		£4,663	
Matthew Homes					
Blake Gardens	£	£421,667			
	£/m ²	£3,600			
Persimmon					
Orchard Meadows	£	£421,667		£355,556	
	£/m ²	£4,567		£4,384	
Otterham Park	£	£438,333			£362,273
	£/m ²	£4,478			£4,473
Quealy & Co					
Fairlake View	£	£447,475		£342,499	
	£/m ²	£4,143		£4,126	
Redrow					
Amber Fields	£	£535,000		£400,000	
	£/m ²	£4,211		£5,000	
Regent Quay	£	£499,286		£435,000	
	£/m ²	£3,951		£3,595	
Rosechurch Homes					
Edgelake	£	£454,988		£384,316	
	£/m ²	£4,213		£4,139	
RPC Land					
Greystones	£	£900,000			
	£/m ²	£3,734			
Streets					
The Street	£			£425,000	
	£/m ²			£3,195	
All	£	£563,513		£359,213	£343,333
	£/m²	£4,265		£4,284	£4,282

Source: Market Survey (April 2024) (The blanks indicate where no asking price and or GIA is available).

4.31 This more recent data can be summarised by area as follows:



Table 4.7d Average Newbuild Asking Prices by area. £/m² – April 2024

		Detached	Semi Detached	Terraced	All
Faversham North	£	£665,000	£374,000		£483,125
	£/sqm	£4,521	£4,857		£4,731
Faversham West	£		£364,333		£364,333
	£/sqm		£4,663		£4,663
Isle of Sheppey	£	£403,750	£313,077	£291,250	£326,190
	£/sqm	£3,807	£4,152	£3,757	£4,004
Sittingbourne East	£	£452,483	£383,938		£411,356
	£/sqm	£4,190	£3,820		£3,968
Sittingbourne Town	£	£499,286	£435,000		£491,250
	£/sqm	£3,951	£3,595		£3,906
Sittingbourne West	£	£553,612	£372,333		£494,499
	£/sqm	£4,302	£4,372		£4,325
Rural West	£	£680,667		£362,273	£545,962
	£/sqm	£4,441		£4,473	£4,454
All	£	£563,513	£359,213	£343,333	£461,102
	£/sqm	£4,265	£4,284	£4,282	£4,274

Source: Market Survey (April 2024) (The blanks indicate where no asking price and or GIA is available.)

- 4.32 During the course of the research, sales offices and agents were contacted to enquire about the price achieved relative to the asking prices, and the incentives available to buyers. In most cases the feedback was that significant discounts are not available, and were unlikely to be available. This reflects the situation in the wider country where larger housebuilders tend to say that the asking price is the price to be paid. The situation was somewhat different in the existing market where agents report sales prices are, in most cases, up to 10% below asking prices, although in April 2024, agents were generally reporting that discounts were about half of this.

Price Assumptions for Financial Appraisals

- 4.33 It is necessary to form a view about the appropriate prices for the schemes to be appraised in this study. The preceding analysis does not reveal simple clear patterns with sharp boundaries. It is necessary to relate this to the pattern of development expected to come forward in the future. Bringing together the evidence above (which is varied) the following approach is taken.
- a) Brownfield Sites. Development is likely to be of a higher density than greenfield sites and be based around schemes of flats, semi-detached housing and terraces.

- b) Flatted Schemes. This is considered to be a separate development type that is only likely to take place in Sittingbourne. These are modelled as conventional development and as Build to Rent (see below).
- c) Greenfield Sites. These are likely to be developed as a broad mix including family housing. They are likely to include only a low proportion of flats.

- 4.34 It is important to note that this is a broad-brush, high-level study to test the emerging sites as required by the NPPF. The values between new developments and within new developments will vary considerably. No single source of data should be used in isolation, and it is necessary to draw on the widest possible sources of data. In establishing the assumptions, the prices (paid and asking) of existing homes are given greater emphasis when establishing the pattern of price difference across the area and the data from newbuild homes (paid and asking) is given greater emphasis in the actual assumption.
- 4.35 Care is taken not to simply attribute the values of second-hand / existing homes to new homes. As shown by the data above, new homes do not always follow the values of existing homes, particularly in those areas where the existing housing stock is less aspirational. It is also necessary to appreciate that there has been a significant increase in values over the last year that is not yet reflected in the ONS data sources.
- 4.36 The above data shows variance across the area, however it is necessary to consider the reason for that variance. An important driver of the differences is the situation rather than the location of a site. Based on the existing data, the value will be more influenced by the specific site characteristics, the immediate neighbours, and the environment, as well as where the scheme is located. This is well demonstrated by the variance in values in appraisals submitted through the development process.
- 4.37 In the *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020) the following assumptions were used:

Table 4.8 Proposed Housing Development - Sale Prices 2020

Typology	Unit size	unit price	£psm
Lower value area			
1-bed flat	50	£180,000	£3,600
2-bed flat	60	£200,000	£3,333
2 bed house	70	£240,000	£3,429
3 bed house	90	£330,000	£3,667
4 bed house	120	£430,000	£3,583
Higher value area			
1-bed flat	50	£180,000	£3,600
2-bed flat	60	£215,000	£3,583
2 bed house	70	£270,000	£3,857
3 bed house	90	£360,000	£4,000
4 bed house	120	£465,000	£3,875

Source: Table 2.10 – Appendix 2 Property Market Report. *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020)

- 4.38 Based on prices paid, the asking prices from active developments, and informed by the general pattern of all house prices across the study area, and the wider data presented, the prices put to the consultation are as in the table below.

Table 4.9 December 2023, Pre-consultation Price Assumptions £ per sqm

East Area	
Housing	£3,750
Flats	£3,500
West Area	
Greenfield	£3,900
Flats	£3,500

Source: HDH (December 2023)

- 4.39 In this regard, through the technical consultation³², attention was drawn to long term value growth potential from place-making on Strategic Sites with reference being made to RICS research³³. It is clear and widely accepted that good design and placemaking, across larger schemes, does result in values that are driven by the scheme itself, rather than just being a

³² Francis Truss of Carter Jonas, for Shaptor Capital, re Winterbourne Fields.

³³ [Placemaking and Value \(rics.org\)](https://www.rics.org/placemaking-and-value)

reflection of the wider second-hand market. Whilst this is noted, the value assumptions are not adjusted in this regard, thus taking a cautious approach.

4.40 A site promoter³⁴ noted that there were sub-markets in the district and these should be clearly defined. Similarly, a regional developer³⁵ noted the sub-areas must be well defined, they considered there to be 5 value areas, although no supporting information was submitted:

- a. The Isle of Sheppey
- b. Sittingbourne
- c. West and south west of Sittingbourne: Borden, Bobbing, Iwade, Newington etc
- d. East of Sittingbourne: Bapchild, Teynham, Rodmershan etc
- e. Faversham

4.41 It is agreed that prices do vary across the Borough and that there are further sub-markets. It is however also clear that these are difficult to evidence due to the relative lack of data. Further, newbuild house prices are not simply a factor of the general location of a scheme. The situation is also important. Two sites in a similar area of the Borough may have significantly different values due to their situation, the value being driven by the outlook, the neighbours and specifics of each site.

4.42 In updating the price assumptions, particular emphasis has been placed on the most recent newbuild Price Paid Data from the Land Registry and the updated new build asking prices. In considering the newbuild asking prices it has been assumed that the price achieved will be about 5% below the asking price, although some of this discount may be through sales incentives rather than being reflected in the actual price paid.

4.43 The following areas are used:

- a. **Isle of Sheppey** – being all the Isle of Sheppey
- b. **Sittingbourne and West** – being the town of Sittingbourne, the sites to the southwest and west of the town and in the rural areas to the west of the town. This includes sites associated with Rainham.
- c. **Sittingbourne East** – being the sites to the north, northeast and south of the town and the areas to the east of the town. This excludes the sites associated with Faversham.
- d. **Faversham and East** – being the town of Faversham, sites associated with the town and the area to the east, towards Canterbury.

³⁴ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

³⁵ Steve Baughen of Fernham Homes re various sites.

Table 4.10 April 2024, Post-consultation Price Assumptions £ per sqm

	Large Greenfield and Rural	Urban	Flatted Only
Isle of Sheppey	4,000	4,000	3,700
Sittingbourne and West	4,000	4,100	3,700
Sittingbourne East	4,225	4,100	3,700
Faversham and East	4,300	4,200	3,700

Source: HDH (April 2024)

Ground Rents

- 4.44 Over the last 20 or so years many new homes have been sold subject to a ground rent. Such ground rents have recently become a controversial and political topic. In this study, no allowance is made for residential ground rents³⁶.

Build to Rent

- 4.45 This is a growing development format, that is subject to specific guidance within the PPG. The Build to Rent sector is a different sector to mainstream housing.
- 4.46 The value of housing that is restricted to being Private Rented Sector (PRS) housing is different to that of unrestricted market housing. The value of the units in the PRS (where their use is restricted to PRS and they cannot be used in other tenures) is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor would pay for the completed unit or scheme. This will depend on the amount of the rent and the cost of managing the property (letting, voids, rent collection, repairs etc.). This is well summarised in *Unlocking the Benefits and Potential of Built to Rent*, A British Property Federation report commissioned from Savills, academically reviewed by LSE, and sponsored by Barclays (February 2017):

A common comment from BTR players is that BTR schemes tend to put a lower value on development sites than for sale appraisals. Residential development is different to commercial in that it has two potential end users - owners and renters. Where developers can sell on a retail basis to owners (or investors paying retail prices - i.e. buy to let investors) this has been the preferred route to market as values tend to exceed institutional investment pricing, which is based on a multiple of the rental income. This was described as "BTR is very much a yield-based pricing model.

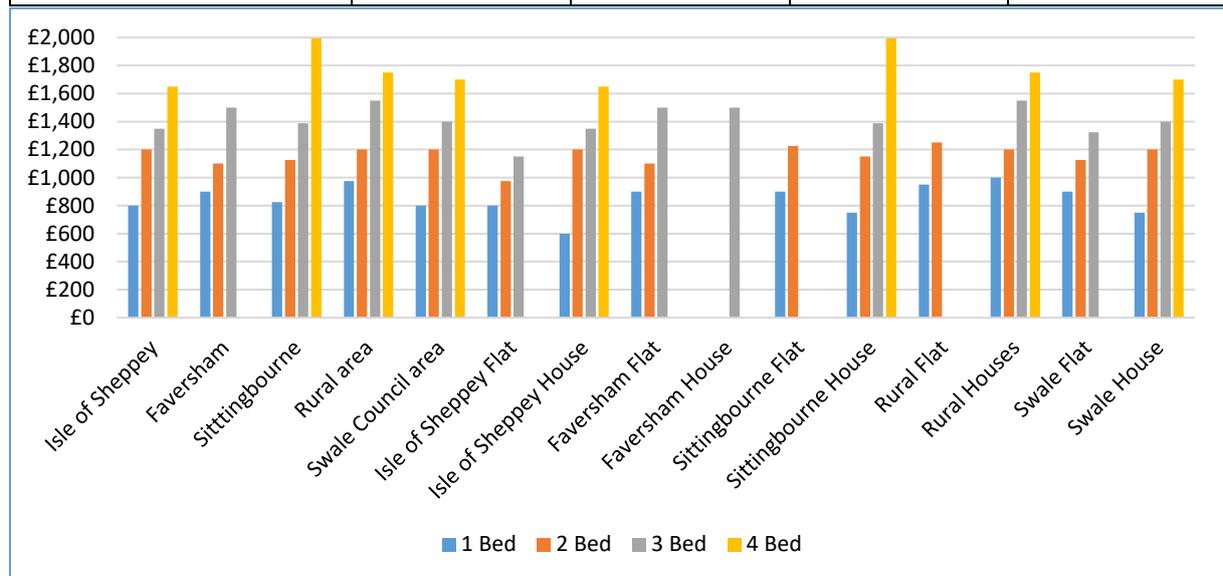
- 4.47 In estimating the likely level of rent, a survey of market rents across the area was undertaken. Generally, the rents in December 2023 are between 5% and 10% more than those in February

³⁶ In October 2018 the Communities Secretary announced that majority of newbuild houses should be sold as freehold and new leases to be capped at £10. <https://www.gov.uk/government/news/communities-secretary-signals-end-to-unfair-leasehold-practices>

2023. In this regard, through the technical consultation, a regional developer³⁷ noted that it was important to differentiate the values between houses and flats. This has been done.

Table 4.11 Median Asking Rents advertised on Rightmove (£/month)

HOUSES	1 Bed	2 Bed	3 Bed	4 Bed
Isle of Sheppey	£600	£1,200	£1,350	£1,650
Faversham			£1,500	
Sittingbourne	£750	£1,150	£1,387	£1,995
Rural area	£1,000	£1,200	£1,550	£1,750
Swale Council area	£750	£1,200	£1,400	£1,700
FLATS	1 Bed	2 Bed	3 Bed	4 Bed
Isle of Sheppey	£800	£975	£1,150	
Faversham	£900	£1,100	£1,500	
Sittingbourne	£900	£1,225		
Rural area	£950	£1,250		
Swale Council area	£900	£1,125	£1,325	



Source: Rightmove.co.uk (April 2024)

4.48 It is important to note that the above rents are for all units across the market. It is likely that Build to Rent units will be amongst the highest quality in the market, offering high quality and reliable management and a greater certainty of tenure.

³⁷ Steve Baughen of Fernham Homes re various sites.

4.49 Care must be taken when considering the above to recognise the outliers. The Valuation Office Agency (VOA) collects data on rent levels:

Table 4.12 Rents reported by the VOA – Swale, October 2022 to September 2023

	Count of rents	Mean	Lower quartile	Median	Upper quartile
Room	20	£601	£550	£590	£650
Studio	10	£599	£550	£600	£695
1 Bedroom	110	£756	£680	£750	£800
2 Bedroom	260	£909	£818	£895	£995
3 Bedroom	220	£1,080	£900	£1,050	£1,250
4+ Bedroom	50	£1,443	£1,250	£1,400	£1,650

Source: VOA Private rental market summary statistics in England (Released 20th December 2023)

4.50 In calculating the value of PRS units it is necessary to consider the yields. Several sources of information have been reviewed.

- a. Savills in its *UK Build to Rent Market Update- Q1 2024* (Savills, April 2024) does not report a yield. The Q4 2022 suggests a Prime Regional Multifamily yield of 4%.
- b. Cushman & Wakefield in its *Q2 2023 Build to Rent Report* suggests a net yield of about 3.75%
- c. Knight Frank in its *Residential Yield Guide* (February 2024) reported a 4.5% yield for Build to Rent in Tier 1 Regional Cities and a 4.75% yield for Build to Rent in Tier 2 Regional Cities.

A 4.5% yield for Regional - Single Family Housing and a 4.0% yield for South East Single Family Housing are also reported. These are unchanged from those reported in November 2023.

- d. CBRE is reporting multifamily prime yields of 4.15% to 4.5% its *UK Property Market Snapshot Q1 2024*. This compares to 3.6% to 4.5% in its *UK Property Market Snapshot Q2 2023*.

4.51 Having considered a range of sources, a net yield of 5% has been assumed (increased from 4.5% assumed in the pre-consultation draft), being at the cautious end of the range, and reflecting the fact that, whilst Sittingbourne and Faversham are well connected to London, they are not prime locations for Build to Rent investment. In this regard, through the technical consultation, a site promoter³⁸ questioned this approach and asked why it is cautious. In

³⁸ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

valuation, a higher yield leads to a lower value. By using a yield at the higher end of the range suggested in the above, a lower value will be derived.

- 4.52 A 20% allowance is made for management, maintenance and voids. In considering the rents to use in this assessment it is necessary to appreciate that much of the existing rental stock is relatively poor, so new PRS units are likely to have rental values that are well in excess of the averages, with yields that are below the averages.

Table 4.13 Capitalisation of Private Rents

Houses	1 bed	2 bed	3 bed	4 bed
Rent (£/month)	£800	£1,200	£1,400	£1,700
Rent (£/annum)	£9,600	£14,400	£16,800	£20,400
Net Rent	£7,680	£11,520	£13,440	£16,320
Value	£170,667	£256,000	£298,667	£362,667
sqm	50	70	84	97
£ per sqm	£3,413	£3,657	£3,556	£3,739
Flats	1 bed	2 bed	3 bed	
Rent (£/month)	£900	£995	£1,250	
Rent (£/annum)	£10,800	£11,940	£15,000	
Net Rent	£8,640	£9,552	£12,000	
Value	£192,000	£212,267	£266,667	
sqm	50	70	84	
£ per sqm	£3,840	£3,032	£3,175	

Source: HDH (April 2024)

- 4.53 This approach derives a value for private rent, under Build to Rent, of £3,600 per sqm or so for housing and £3,350 per sqm for flatted development.

Affordable Housing

- 4.54 A core output of this assessment is advice as to the level of the affordable housing requirement, so it is necessary to estimate the value of such housing. In this assessment it is assumed that affordable housing is constructed by the site developer and then sold to a Registered Provider (RP).

- 4.55 In the *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020) affordable housing was assumed to have the following values:

- Affordable Rent at 45% of market values
- Shared Ownership at 75% of market values
- First Homes at 70% of market values

- 4.56 The values of affordable housing have been considered from first principles.

Social Rent

4.57 The value of social rented property is a factor of the rent – although the condition and demand for the units also have an impact. Social Rents are set through a national formula that smooths the differences between individual properties and ensures properties of a similar type pay a similar rent:

Table 4.14 General Needs (Social Rent)

Average weekly net rent (£ per week) by unit size for Swale - Large PRPs ³⁹	£ per week				Unit count
	Net rent	Social rent rate	Service charge	Gross rent	
Non-self-contained	-	-	-	-	-
Bedsit	£81.64	£81.65	£6.06	£87.70	30
1 Bedroom	£88.52	£88.36	£9.86	£96.54	1,544
2 Bedroom	£102.28	£101.59	£6.64	£105.56	2,077
3 Bedroom	£113.83	£113.47	£4.60	£114.98	2,759
4 Bedroom	£128.84	£128.21	£5.06	£130.82	166
5 Bedroom	£137.78	£137.45	£9.99	£141.11	9
6+ Bedroom	£143.06	£148.75	£3.11	£144.10	3
All self-contained	£104.53	£104.10	£7.47	£108.01	6,588
All stock sizes	£104.53	£104.10	£7.47	£108.01	6,588

Owned stock. Large PRPs only - unweighted. Excludes Affordable Rent and intermediate rent, but includes other units with an exception under the Rent Policy Statement. Stock outside England is excluded.

Source: Table 9, SDR 2023 – Data Tool

4.58 This study concerns only the value of newly built homes. There seems to be relatively little difference in the amounts paid by Registered Providers (RPs) for such units across the area. In this study, the value of Social Rents is assessed assuming 10% management costs, 4% voids and bad debts and 6% repairs. These are capitalised at 4.5%.

³⁹ PRPs are providers of social housing in England that are registered with RSH and are not Local Authorities. This is the definition of PRPs in the Housing and Regeneration Act 2008.

Table 4.15 Capitalisation of Social Rents

	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Rent (£/month)	£384	£443	£493	£558
Rent (£/annum)	£4,603	£5,319	£5,919	£6,700
Net Rent	£3,682	£4,255	£4,735	£5,360
Value	£81,832	£94,552	£105,230	£119,105
sqm	50	70	84	97
£ per sqm	£1,637	£1,351	£1,253	£1,228

Source: HDH (December 2023)

4.59 On this basis, a value of £1,300 per sqm across the study area is derived for Social Rent.

Affordable Rent

4.60 Under Affordable Rent, a rent of no more than 80% of the market rent for that unit can be charged. The value of the units is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor (or another RP) would pay for the completed unit. In estimating the likely level of Affordable Rent, a survey of market rents across the Borough has been undertaken and is presented under the Build to Rent heading above.

4.61 As part of the reforms to the social security system, housing benefit / local housing allowance is capped at the 3rd decile of open market rents for that property type, so in practice Affordable Rents are unlikely to be set above these levels. The cap is set by the Valuation Office Agency (VOA) by Broad Rental Market Area (BRMA). Where this is below the level of Affordable Rent at 80% of the median rent, it is assumed that the Affordable Rent is set at the LHA Cap. The majority of the Borough is within the Medway and Swale BRMA.

Table 4.16 BRMA LHA Caps (£/week)

	Canterbury BRMA	Maidstone BRMA	Medway & Swale BRMA
Shared Accommodation	£97.81	£102.37	£94.36
One Bedroom	£155.34	£172.60	£155.34
Two Bedrooms	£205.97	£208.27	£195.62
Three Bedrooms	£253.15	£276.16	£216.33
Four Bedrooms	£302.63	£356.71	£299.18

Source: VOA (April 2024)

4.62 These caps are somewhat higher than those put to the technical consultation, and are generally more than the Affordable Rents being charged as reported in the most recent HCA data release (although this data covers both newbuild and existing homes).

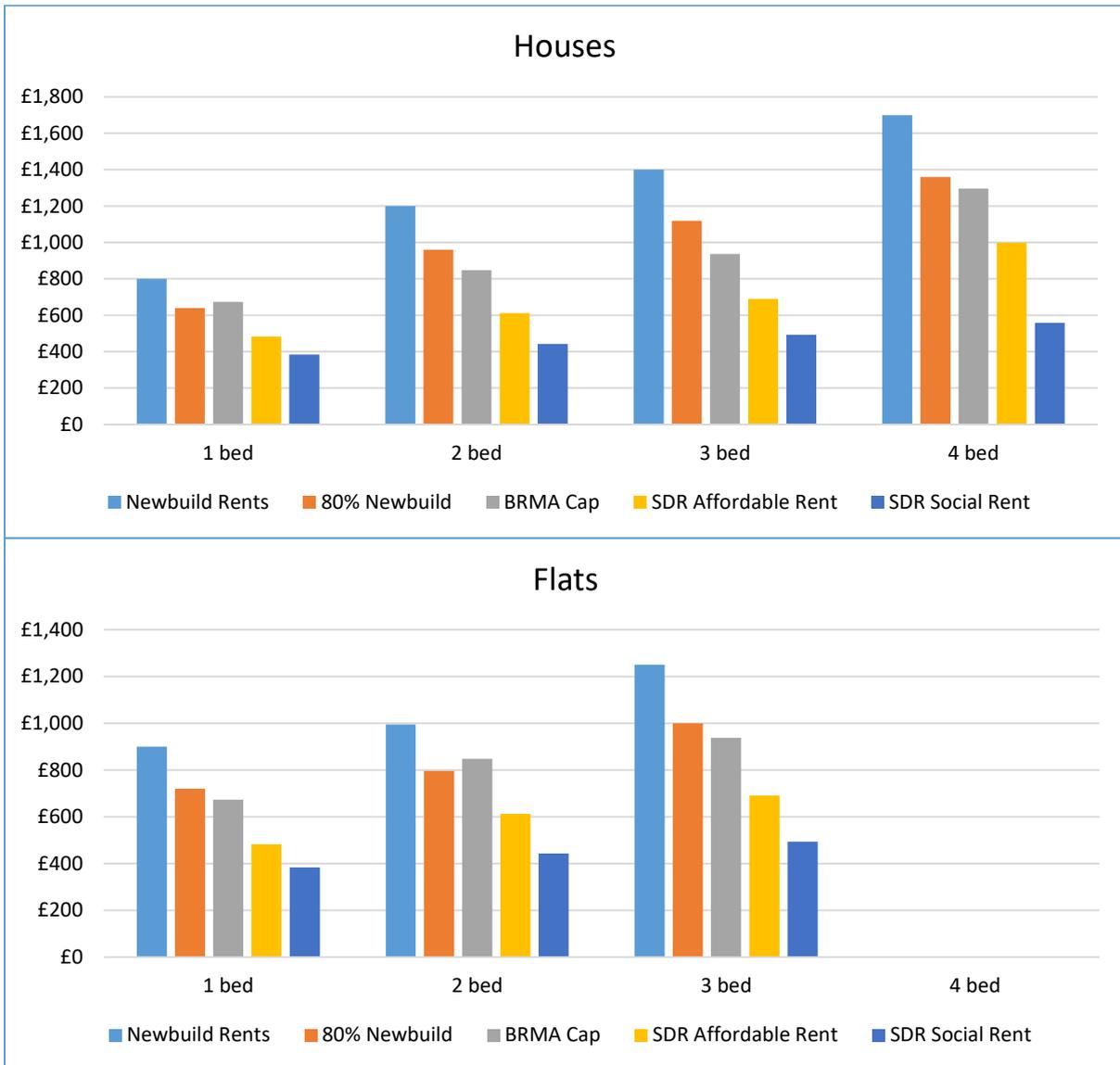
Table 4.17 Affordable Rent General Needs

Unit Size	£ per week	
	Gross rent	Unit count
Non-self-contained	-	-
Bedsit	£97.30	2
1 Bedroom	£111.40	206
2 Bedroom	£141.31	569
3 Bedroom	£159.34	504
4 Bedroom	£230.38	51
5 Bedroom	-	-
6+ Bedroom	-	-
All self-contained	£146.85	1,332
All stock sizes	£146.85	1,332
Owned stock. All PRPs owning Affordable Rent units - unweighted. Stock outside England is excluded.		

Source: Table11, SDR 2023 – Data Tool

4.63 The rents, across tenures, can be summarised as follows.

Figure 4.9 Rents by Tenure – £/Month



Source: Market Survey, SDR and VOA (April 2024)

4.64 Initially, in calculating the value of Affordable Rent, 10% management costs, 4% voids and bad debts and 6% repairs have been allowed for. The net rents have been capitalised to provide an income at 4.5%. It is assumed that the Affordable Rent is no more than the LHA cap. On this basis affordable rented property has the following worth.

Table 4.18 Capitalisation of Affordable Rents

	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Gross Rent (£/month)	£593	£748	£848	£1,197
Gross Rent (£/annum)	£7,120	£8,975	£10,172	£14,360
Net Rent	£5,696	£7,180	£8,138	£11,488
Value	£126,584	£159,559	£180,840	£255,295
sqm	50	70	84	97
£ per sqm	£2,532	£2,279	£2,153	£2,632

Source: HDH (February 2023)

- 4.65 Using this method to assess the value of affordable housing, under the Affordable Rent tenure, a value of £2,400 per sqm⁴⁰ is derived.
- 4.66 Through the technical consultation, a site promoter⁴¹ suggested that this could be misleading and the value should be linked to the unit size. Whilst it is noted that the 1 and 4 bedroom units have higher values than the 2 and 3 bedroom units, this approach is considered proportionate in a high-level study of this type.
- 4.67 A regional developer⁴² commented:
- The values for rental values are not accurate.*
- For example at Newington, on a blended scheme of 50% Affordable Rent : 50% Shared Ownership FH affordable homes values equated to £1,800 m2 as compared to the stated £2,400. At Lady Dane Farm, Faversham the best offer received on the basis of 50% Affordable Rent : 50% Shared Ownership equated to £1,772 m2.*
- Shared ownership: FH's experience is that it is closer to 60-62% OMV. Experience as well is that 50% purchase at outset is far too high, and 25-30% is more accurate.*
- 4.68 The assumptions used in similar local studies have been reviewed.

⁴⁰ In this regard, through the technical consultation, a site promoter (David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing) quired the calculation. Using the 2 bed unit as an example, Net Rent of £7,180 per year x 1 ÷ 4.5% (4.5% being the yield) = £159,559. £159,559 ÷ 70sqm (the size of the unit) = £2,279 per sqm. £2,400 taken as an average across the units.

⁴¹ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

⁴² Steve Baughen of Fernham Homes re various sites.

Table 4.19 Neighbouring and Nearby Authority Affordable Housing Value Assumptions

	Affordable for Rent	Shared Ownership
Dartford Dixon Searle Feb-21	3 bed house @ £2,142/sqm, 3bed flat @ £2,344/sqm	65% OMV
Gravesham GVA Jan-16	30% to 40% OMV	Starter Homes @ 80% OMV
Medway HDH Planning Dec-21	Social rent	£1,400/sqm / 40% OMV
	Affordable rent	£2,350/sqm, 50% to 60% OMV
	Intermediate	70% OMV
Maidstone Aspinall Verdi Sep-21	Social / affordable rent	50% OMV
	Shared Ownership	70%
	First Homes	70%^
Ashford NCS Mar-23	Social rent	40% OMV
	Affordable rent	50% OMV
	Intermediate	60% OMV
Canterbury HDH Planning May-22	Social rent	£1,790/sqm
	Affordable rent	£2,500/sqm
	Intermediate	70% OMV
Dover HDH Planning Nov-20	Social rent	£1,270/sqm
	Affordable rent	£1,930/sqm
	Intermediate	70% OMV

Source: LPA Viability Assessments (most recently published – April 2024)

- 4.69 The assumptions used for Social Rent are between 35% and 40% of market value, and for Affordable Rent, the assumptions are between 60% and 65% of market value, so are broadly in line with assumptions used elsewhere.

Affordable Home Ownership

- 4.70 Affordable Home Ownership includes Shared Ownership and shared equity products⁴³ as well as First Homes. A value of 70% of open market value for these units has been assumed. These values were based on purchasers buying an initial 30% share of a property and a

⁴³ For the purpose of this assessment, it is assumed that the 'affordable home ownership' products, as referred to in paragraph 65 of the NPPF, fall into this definition,

2.5%⁴⁴ per annum rent payable on the equity retained. The rental income is capitalised at 4% having made a 5% management allowance.

4.71 Through the technical consultation an agent noted⁴⁵ ‘a value of 70% of open market value has been assumed for affordable home ownership. We would argue that 55% of open market value is more realistic – this is on the basis of challenging market conditions which is seeing affordable housing providers offer lower values for sites’. Wider feedback suggests that a value of 55% may be more appropriate for affordable housing for rent.

4.72 A regional developer⁴⁶ commented:

Shared ownership: FH's experience is that it is closer to 60-62% OMV. Experience as well is that 50% purchase at outset is far too high, and 25-30% is more accurate.

4.73 As set out above, it is assumed that a 30% initial share is purchased, rather than 50%. The 70% assumption has been reviewed, based on varied sale portions. The following table shows ‘typical’ values for Shared Ownership housing at a range of proportions sold:

Table 4.20 Value of Shared Ownership Housing at 30% to 80% of Proportion Sold

Market Value			% Sold		Rent			Value		
m2	£/m2	£	%	£	%	£/year	£	£	£/m2	% OMV
95	3,900	370,500	30%	111,150	2.50%	6,484	153,989	265,139	2,791	71.56%
95	3,900	370,500	40%	148,200	2.50%	5,558	131,991	280,191	2,949	75.63%
95	3,900	370,500	50%	185,250	2.50%	4,631	109,992	295,242	3,108	79.69%
95	3,900	370,500	60%	222,300	2.50%	3,705	87,994	310,294	3,266	83.75%
95	3,900	370,500	70%	259,350	2.50%	2,779	65,995	325,345	3,425	87.81%
95	3,900	370,500	80%	296,400	2.50%	1,853	43,997	340,397	3,583	91.88%
95	3,500	332,500	30%	99,750	2.50%	5,819	138,195	237,945	2,505	71.56%
95	3,500	332,500	40%	133,000	2.50%	4,988	118,453	251,453	2,647	75.63%
95	3,500	332,500	50%	166,250	2.50%	4,156	98,711	264,961	2,789	79.69%
95	3,500	332,500	60%	199,500	2.50%	3,325	78,969	278,469	2,931	83.75%
95	3,500	332,500	70%	232,750	2.50%	2,494	59,227	291,977	3,073	87.81%
95	3,500	332,500	80%	266,000	2.50%	1,663	39,484	305,484	3,216	91.88%

Source: HDH (April 2024)

4.74 No change in made in this regard.

4.75 In relation to First Homes, a 30% discount and a £250,000 cap are assumed to apply. Greater levels of discount will be tested.

⁴⁴ A rent of up to 3% may be charged – although we understand that in this area 2.75% is more usual.

⁴⁵ Danielle Lawrence MRICS of DHA Planning.

⁴⁶ Steve Baughen of Fernham Homes re various sites.

Grant Funding

- 4.76 It is assumed that grant is not available for market housing schemes of the type assessed in this viability assessment. Funding may be available in exceptional circumstances, for example to facilitate regeneration infrastructure.

Older People's Housing

- 4.77 Housing for older people is generally a growing sector due to the demographic changes and the aging population. The sector brings forward two main types of product that are defined in paragraph 63-010-20190626 of the PPG:

Retirement living or sheltered housing: *This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*

Extra care housing or housing-with-care: *This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.*

- 4.78 HDH has received representations from the Retirement Housing Group (RHG)⁴⁷ a trade group representing private sector developers and operators of retirement, care and Extracare homes. Through the technical consultation it was noted⁴⁸ that this is currently being updated. The Guidance sets out a case that Sheltered Housing and Extracare Housing should be tested separately. The RHG representations assume the price of a 1 bed Sheltered unit is about 75% of the price of existing 3 bed semi-detached houses and a 2 bed Sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition, it assumes Extracare Housing is 14% more expensive than Sheltered Housing.
- 4.79 A typical price of a 3 bed semi-detached home has been taken as a starting point. On this basis it is assumed Sheltered and Extracare Housing has the following worth:

⁴⁷ [COMMUNITY INFRASTRUCTURE LEVY \(retirementhousinggroup.com\)](http://retirementhousinggroup.com)

⁴⁸ Natasha Styles of the Planning Bureau, for McCarthy Stone.

Table 4.21 Worth of Sheltered and Extracare

Sittingbourne			
	Area (sqm)	£	£/sqm
3 bed semi-detached		325,000	
1 bed Sheltered	52	243,750	4,688
2 bed Sheltered	72	325,000	4,514
1 bed Extracare	55	277,875	5,052
2 bed Extracare	75	370,500	4,940
Faversham			
3 bed semi-detached		350,000	
1 bed Sheltered	52	262,500	5,048
2 bed Sheltered	72	350,000	4,861
1 bed Extracare	55	299,250	5,441
2 bed Extracare	75	399,000	5,320

Source: HDH (December 2023)

- 4.80 A review of older people’s schemes within the Borough and surrounding area has been undertaken, however few are being advertised at the time of this report. In February 2023 there was a small scheme of 9 local occupancy retirement bungalows at Orchard View at Lower Halstow. Two 2 bedroom units were being advertised at £425,000 (£5,986 per sqm) and at £415,000 (£5,390 per sqm). Several of these units were still being marketed in December 2023.
- 4.81 Based on the above, a value of £4,900 per sqm is assumed for Sheltered Housing and Extracare Housing. Extracare Housing is likely to have a higher value, however it has not been possible evidence this locally, so no differentiation has been made. No allowance is made for ground rents.
- 4.82 The value of units as affordable housing has also been considered. It has not been possible to find any directly comparable schemes where housing associations have purchased social units in a market-led Extracare development. Private sector developers have been consulted. They have indicated that, whilst they have never disposed of any units in this way, they would expect the value to be in line with other affordable housing – however they stressed that the buyer (be that the local authority or housing association) would need to undertake to meet the full service and care charges.

5. Non-Residential Market

- 5.1 This chapter sets out an assessment of the markets for non-residential property within the Swale Borough Council area, providing a basis for the assumptions of prices to be used in financial appraisals for the sites tested in the study. Previous assumptions have been referenced for information and sense checking purposes. There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward as planned development.
- 5.2 Across the Borough, market conditions broadly reflect a combination of national economic circumstances and local supply and demand factors. However, even within the area, there will be particular localities, and ultimately site-specific factors, that generate different values and costs.

National Overview

- 5.3 The various non-residential markets in Swale reflect national trends.

Occupier and investor demand still subdued although forward-looking sentiment improves marginally

- *Occupier and investor demand metrics remain downbeat away from the industrial sector*
- *The gap between prime and secondary office rental expectations continues to widen*
- *The largest share of respondents now feel the market has reached the bottom of the current cycle*

The Q4 2023 RICS UK Commercial Property Monitor results continue to portray a market struggling for momentum, even if most of the indicators tracked in the survey have improved slightly (or turned less negative) relative to the previous report. In keeping with this, although views remain

mixed, the largest share of respondents (33%) now sense the market has reached the bottom of the current cycle, which represents modest increase on the 24% who were of this opinion last quarter.

Occupier Market

The all-property aggregate measure of occupier demand posted a net balance reading of -7% in Q4. Although slightly less negative than figures of -12% and -10% seen in Q3 and Q2 respectively, the latest feedback remains consistent with a generally subdued trend in headline tenant demand. Looking at the sector breakdown, both the office and retail segments remain relatively weak, returning net balance readings of -12% and -18% (albeit these are a little less downcast than values of -19% and -25% seen beforehand). Meanwhile, industrial demand edged up according to a net balance of +6% of respondents (+3% last time). That said, the Q4 reading is still relatively soft compared to recent years.

Alongside this, space available for occupancy continued to increase with regards to both the office and retail sectors. At the same time, industrial vacancies held broadly steady this quarter. Nevertheless, the value of incentive packages on offer to tenants continued to rise right across the board, albeit this pick-up was more pronounced within the office and retail sectors and only modest for industrials.

Looking ahead, near-term rental growth expectations remain more or less flat at the all-sector level, posting a net balance of -2% in Q4 compared to a reading of -4% in Q3. Likewise, headline rental growth projections for the year ahead are also flat (net balance zero), albeit this

aggregate figure masks continued divergence across the various sub-sectors. Indeed, rents for Industrial space are still anticipated moving higher over the course of the next twelve months, with respondents' views largely unchanged from the previous results (net balance +48% for prime industrials and +14% for secondary).

Conversely, secondary retail rental expectations remain entrenched in negative territory, returning a net balance of -41% compared to a reading of -50% last time around. That said, the outlook for prime retail rents appears to have stabilised, with the twelve-month expectations net balance moving to -4% from a value of -13% previously. In fact, this reading marks the least negative view on prime retail rents since Q1 2018. In parallel with this, the office sector appears even more polarised, as rental expectations moved further into positive territory for prime space during Q4 (net balance +30% vs +21% in Q3), but remained firmly negative for secondary office rents (net balance -44%).

When looking at the regional results, the national picture is largely mirrored throughout most parts of the country. For London however, the prime office and retail markets stand out as exhibiting stronger rental expectations than the UK-wide averages (while secondary office space appears to be under even greater pressure across the capital).

Investment market

Overall investment demand remains relatively soft at present, evidenced by the all-property investment enquiries indicator posting a net balance reading of -19%. This is only marginally less negative than the figure of -21% in Q3, with the office and retail sectors continuing to weigh most heavily on the aggregate picture. Similarly, overseas investment enquiries also continue to slip, with all sectors seeing a decline (to a greater or lesser degree) in Q4.

On a slightly more encouraging note, the net balance for the credit conditions measure came in at -5% in Q4, marking a significant easing in negativity relative to readings of -44% and -75% seen in Q3 and Q2 respectively. As such, this represents the least negative reading going back to Q1 2022, while the prospect of a loosening in the lending climate has the potential to stimulate something of a recovery in investment activity as the year progresses.

With respect to capital values, only the prime industrial sector displays clearly positive expectations for the year to come, posting a net balance of +36% compared to last quarter's reading of +24%. On the same basis, respondents do foresee a modest uplift in prime office values (net balance +11%), although the outlook remains firmly negative for their secondary counterparts (net balance -46%). At the same time, secondary industrial and prime retail values are seen holding broadly steady over the next twelve months, while secondary retail units are expected to see further capital value declines.

By way of contrast, several of the more alternative sectors tracked display a positive assessment for capital value growth prospects over 2024. Leading the way, data centres, life sciences, aged care facilities and student housing all returned net balances in excess of +40% for capital value expectations, while multifamily residential expectations were not far behind at +39%. In each instance, twelve-month projections were upgraded from last quarter. At the other end of the spectrum, the outlook is only marginally positive for hotels, while leisure values are seen falling slightly.

RICS – Q4 2023: UK Commercial Property Market Survey⁴⁹

Swale Non-Residential Market

- 5.4 As with the housing market, the various non-residential markets in Swale reflect national trends, but there are local factors that underpin the market. To some extent, the Swale is an

⁴⁹ Accessed at: [Global Commercial Property Monitors \(rics.org\)](https://www.rics.org/global-commercial-property-monitors)

in-between place, being between Canterbury and the settlements to the west, including Maidstone. The non-residential market is described in detail in the SBC Employment Land Review Update (Stantec, October 2023) (ELR) so that detail is not repeated here.

- a. Historically, Sittingbourne was an industrial town that was based on the brick industry and chalk quarrying, both of which were assisted by the access to the Thames Estuary. The various waterside based industries, such as barge building, developed along the Swale (the waterway between the mainland and the Isle of Sheppey). This area also developed a significant paper manufacturing industry.
- b. Overall, Swale has strong road transportation links east/west along the M2 and A2 and has rail services between London and Canterbury/the coast including High Speed services. The North/South links via A249 and A251 are weaker.
- c. Whilst having direct access to the M2, the Borough has not become a focus for larger scale logistics and industrial uses seen elsewhere on the motorway network, such as those seen a little closer to London to the west.
- d. On the whole, the businesses based in the Borough are either based here for historical reasons, have grown here, and / or serve the local markets. The Borough has not been a destination for expanding business from elsewhere.

5.5 This assessment of viability is concerned with new property that is likely to be purpose built. There is little evidence of a significant variance in price for newer premises more suited to modern business, although very local factors (such as the access to transport network) are important.

5.6 Various sources of market information have been analysed, the principal sources being the local agents/auctioneers, research published by national agents, and through the Estates Gazette's Property Link website (a commercial equivalent to Rightmove and Zoopla). In addition, information from CoStar (a property industry intelligence subscription service) has been used. Clearly much of this commercial space is 'second-hand' and not of the configuration, type and condition of new space that may come forward in the future, so is likely to command a lower rent than new property in a convenient well accessed location with car parking and that is well suited to the modern business environment.

5.7 **Appendix 8** includes up-to-date market data collected (in February 2023) for the above-mentioned sectors and summarised in the pages that follow.

Offices

5.8 The Swale office market is described in the 2023 ELR:

The Swale office market remains small even in the context of Kent, which itself has a comparatively small office market. The largest occupiers found in Swale are either the public sector or occupiers located here for historic reasons.

4.71 As identified in the previous study and remains the case, demand for office space across the Borough is from a range of sectors with no one sector, nor location driving demand. The Borough still does not attract footloose regional or national requirements. Demand for office

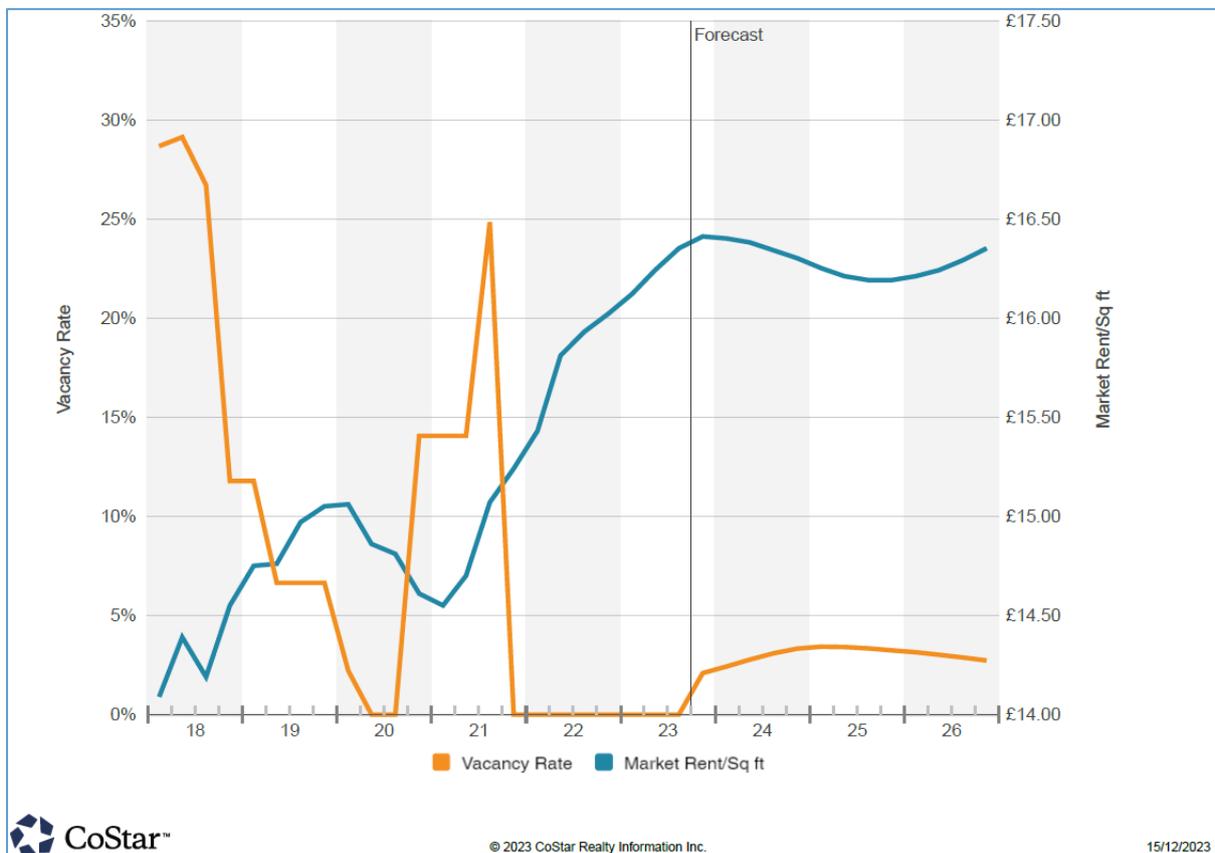
space in the Borough is on a small scale and tends to be from businesses already located in Swale and serving local markets.

4.76 ... The majority of space currently available is in Sittingbourne with the balance of space in the rural areas. The space is secondary, with the better quality space being the Creative Community Hub, Sittingbourne. In addition, we see industrial space at Prospect Court being advertised as office space, despite its more industrial nature.

5.9 The Borough has a low supply of office stock, with the majority of the accommodation found in Sittingbourne, Faversham and Sheerness, and at the Kent Science Park (to the south of Sittingbourne) which provides high quality office/R&D space.

5.10 CoStar data shows an increase in rents in the office sector over the last five years, albeit one with a dip during the COVID-19.

Figure 5.1 Offices - Vacancy Rates v Rent (£/sqft)



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5.11 The 2023 ELR reported in relation to rents:

The previous assessment identified that rents for good quality second- hand space ranged between £172 -£183 psm (£16.00 – £17.00 psf), and this was achieved at Conqueror Court. Elsewhere, agents reported that rents were £65 -£129 psm (£6.00 -£12.00 psf). The rents were below what was required to stimulate viable development, which at the time would need to be over £215 psm (£20.00 psf), on the basis of a pre-let on institutional lease terms to a blue-chip covenant. To enable speculative development rents would have had to have been £323 psm (£30 psf), but rents are far below this because the occupier market is weak. The Draft Local

Plan Viability Study (Aspinall Verdi, December 2020) based the analysis of the office market an appropriate a rent of £18psf and a yield of 8.00%.

- 5.12 CoStar reports a very broad range of rents from about £50 per sqm per year to over £320 per sqm per year, having said this, most of these are either older buildings or mixed use. Overall, the average is about £205 per sqm per year.
- 5.13 In February 2023 and December 2023 very few high quality modern offices were being advertised for let. EGI is showing asking rents of £225 per sqm per year or so for high quality small offices in rural conversions. Quinn Estates / Savills are advertising new offices space at Bourne Place (Central Sittingbourne) with a guide rent of about £250 per sqm per year (plus a service charge of about £17 per sqm per year), although incentives are available. There are examples above this range, however these tend to be for shorter terms or flexible occupancy. New purpose-built development is likely to achieve a rent of £215 per sqm per year or so.
- 5.14 CoStar is not reporting any yield data, however, based on wider experience, a figure of 7% for smaller offices and 6.5% in the business park situation would be anticipated.
- 5.15 On this basis new office development would have a value of £2,900 per sqm for smaller offices, more likely to be in central locations, and £3,100 per sqm in the office park situation (having allowed for a rent free / void period of 1 year).

Industrial and Distribution

- 5.16 The Swale industrial market is described in the 2023 ELR:

4.13 The previous study stated that Swale has traditionally been considered more affordable compared to Medway and Maidstone, but in the years immediately before that study, the Borough's supply had reduced resulting in rents increasing in line with the surrounding areas. Therefore, the Borough was losing its competitive advantage of being more affordable than surrounding areas.

4.14 Vacancy rates were low across the Borough, and despite new sites being developed, this new space was not considered sufficient to fulfil demand throughout the plan period. The 2018 ELR recommended that new sites needed to be allocated to accommodate growth and help maintain the Borough's competitive advantage.

4.37 The previous assessment explained that rents at the most recent development of Phase 4 of Eurolink were £78 psm (£7.25 psf), with older phases seeing rents between £70 -£75 psm (£6.50 -£7.00 psf). At Glenmore Business Park and Precision Park micro units of between 93 – 186 sq m (1,000 – 2,000 sq ft) were achieving rents of between £97 -£108 psm (£9.00 – 10.00 psf). Rents in Sheerness/Queenborough were between £32 -£54 psm (£3.00 -£5.00 psf)....

4.39 At the time of the previous assessment, the only yield evidence was around Sittingbourne, with the report stating a yield of 6.5%. CoStar evidence shows that yields have fallen, although the only evidence is portfolio sales, rather than individual properties...

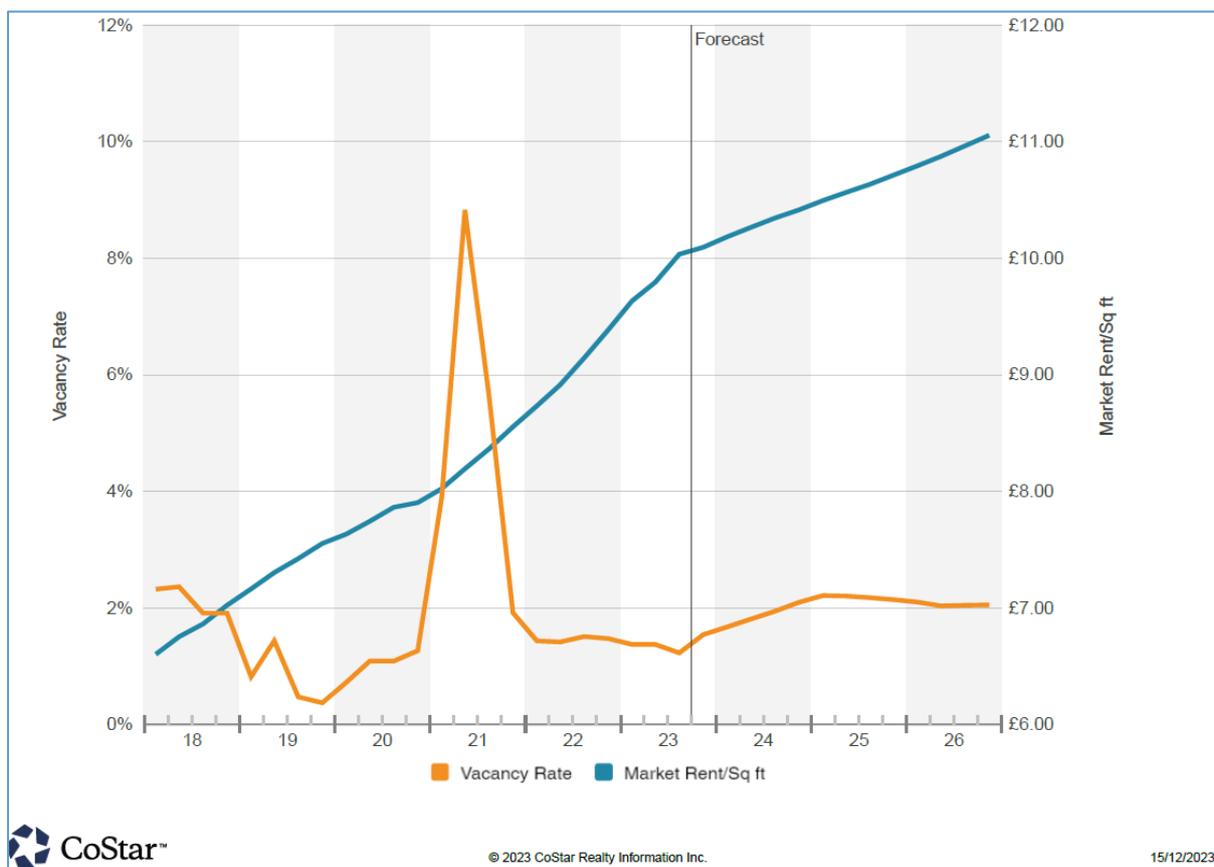
4.40 We see at the above rents it is sufficient to maintain and refurbish existing stock and the higher rents combined with the yields are sufficient to stimulate speculative development.

4.41 With regards to capital values, the previous report stated that around Faversham these were £1,345 psm (£125 psf) and between £1,500 -£1,615 psm (£140 -£150 psf) in Sittingbourne. As we see from the CoStar evidence below capital values have not changed:

5.17 The Borough has two principal areas of industrial and / or distribution development. These are in Sittingbourne. The Eurolink area which has been developed since the 1970s and lies to the east of Milton Creek, and the Trinity Trading Estate to the West of the Milton Creek. There are numerous other locations including to the north of Faversham, the development associated with the Sheerness Docks and elsewhere.

5.18 This sector of the market has seen a notable change over the last few years with a significant growth in logistics following the pandemic, although this has ‘cooled’ with the increased costs of borrowing. CoStar data also shows an increase in levels of vacancy rates and a steady increase in rents over the last five years. Informal soundings from agents suggest that vacancy rates have not increased significantly:

Figure 5.2 Industrial - Vacancy Rates v Rent (£/sqft)



Source: © CoStar (December 2023) - This copyrighted report contains research licensed to CoStar UK Ltd - 701359

5.19 The *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020) based the analysis of the industrial market was based on the following assumptions.

- Industrial units 200 sqm (2,153 sqft)
 - Rent £108 psm (£10.00 psf)
 - Yield 7.50%
- Industrial/distribution units 1,000 sqm (10,764 sqft)
 - Rent £97 psm (£9.00 psf)

- Yield 7.00%
- Industrial/distribution units 5,000 sqm (53,820 sqft)
 - Rent £75 psm (£7.00 psf)
 - Yield 6.50%
- Strategic Distribution 15,000 sqm (161,460 sqft)
 - Rent £81 psm (£7.50 psf)
 - Yield 5.50%

5.20 There are several significant distribution centres in the Borough, including (amongst others):

- a. Morrison distribution unit at Ridham/ Kemsley – c. 900,000 sq ft over two units
- b. Aldi distribution unit at Neatscourt, Isle of Sheppey – c. 672,000 sq ft
- c. Gist distribution unit at Faversham town centre – c. 107,000 sq ft

5.21 CoStar reports a very broad range of rents from about £45 per sqm per year to about £200 per sqm per year, however, as with offices above, many of these are older buildings. Overall, the average is about £100 per sqm per year.

5.22 EGI is showing asking rents of £165 per sqm per year or so for high quality small units⁵⁰ and £130 per sqm per year for larger units⁵¹. There are examples above this range, however these tend to be for mixed use buildings. New larger, purpose-built development is likely to achieve a rent of £130 per sqm per year or so.

5.23 CoStar has very limited data on yields. Based on wider experience, a figure of 7% for smaller units and 5.5% in the business park situation would be expected.

5.24 On this basis, new industrial development would have a value of £2,200 per sqm for smaller industrial units, and £2,250 per sqm in the industrial park situation (having allowed for a rent free / void period of 1 year).

5.25 Very large units have been considered in more detail. The market is a national market so wider data has been drawn on.

- a. Savills, in *Big Shed Briefing* (Savills, January 2024), reports rents of £9.50 per sqft to £35.00 per sqft in London and the South East. Prime investment yields, on a national basis, of about 5.2% for Industrial Distribution and Industrial Multi-let units is given.
- b. CBRE, in *UK Logistics Market Summary Q4 2023* (CBRE, February 2024) reports prime 'Big Box' rent in the South East of £27.50 per sqft pa and a 5.25%.

⁵⁰ For example Unit A1 Smeed Dean Centre (Petchey Holdings).

⁵¹ For example 5 Dolphin Park, Cremers Road, Eurolink

c. Knight Frank, in *LOGIG: London & South East, 2023 Review* (Knight Frank 2023), reports prime rents of £27.50 per sqft and yields of 5.25%.

5.26 On this basis, new large logistics buildings (having allowed for a rent free / void period of 12 months) are assumed to have a value of £4,880 per sqm.

Appraisal Assumptions

5.27 The following assumptions were presented as part of the technical consultation with local stakeholders:

Table 5.1 Commercial Value Assumptions. £ per sqm

	Rent £/m2	Yield	Rent free period	Value	Assumption
Offices Central	£215	7.00%	1.0	£2,870	£2,900
Offices Park	£215	6.50%	1.0	£3,106	£3,100
Industrial	£130	5.50%	1.0	£2,240	£2,250
Smaller Industrial	£165	7.00%	1.0	£2,203	£2,200
Logistics	£270	5.25%	1.0	£4,886	£4,880

Source: HDH (April 2024)

5.28 In this regard, through the technical consultation, a site promoter⁵² suggested that ‘a reasonable assumption of values for non-commercial uses’. They went on to say that it is important that the Local Plan includes an element of flexibility in setting developer contributions when such uses are proposed. In particular, this applies to logistics that has seen a recent ‘realignment’ recently.

5.29 A landowner⁵³ commented as follows:

For larger strategic developments with commercial (principally local retail and small office) uses, there is a long lead-in period while these uses become financially viable. We would expect long letting periods at the start which need to be reflected in the Borough-wide viability assessment for larger developments. Investment yields are also likely to be higher for the same reason.

5.30 No alternative suggestions were made and no supporting information submitted. The above assumptions are carried into this iteration of this assessment.

⁵² David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

⁵³ Richard Ashdown of ULL Property for the Duchy of Cornwall.

6. Land Values

- 6.1 Chapters 2 and 3 set out the background to, and the methodology used, in this study to assess viability. An important element of the assessment is the value of the land. Under the method set out in the updated PPG and recommended in the Harman Guidance, the worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the Existing Use Value (EUV). This is used as the starting point for the assessment.
- 6.2 In this chapter, the values of different types of land are considered. The value of land relates closely to its use, and will range considerably from site to site. As this is a high-level study, the three main uses, being agricultural, residential and industrial, have been researched. The amount of uplift that may be required to ensure that land will come forward and be released for development has then been considered.
- 6.3 In this context it is important to note that the PPG says (at 10-016-20180724) that *the ‘Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments’*. It is therefore necessary to consider the EUV as a starting point.
- 6.4 In the *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020), the following Threshold Land Value assumptions were used:

6.24 *Greenfield land values in the higher value zone is based on £100,000 per gross acre (£247,100 per gross hectare). These values represent between 16 and 9 times an existing use value of between £6,204 and £11,090 per gross acre (£15,330 and £27,404 per gross hectare). When compared to sites over 30 hectares, the value represents between 14 and 13 times an existing use value of between £6,722 and £7,632 per gross acre (£16,611 and £18,858 per gross hectare). As outlined in Table 6-12.*

6.25 *Brownfield land values are based on £400,000 per gross acre (£988,400 per gross hectare) benchmark land value, inclusive of a 10% landowner premium.*

Existing Use Values

- 6.5 To assess development viability, it is necessary to analyse Existing Use Values. EUV refers to the value of the land in its current use before planning consent is granted, for example, as agricultural land. AUV refers to any other potential use for the site, for example, a brownfield site may have an alternative use as industrial land.
- 6.6 The updated PPG includes a definition of land value as follows:

How should land value be defined for the purpose of viability assessment?

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the

landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.

PPG: 10-013-20190509

What is meant by existing use value in viability assessment?

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

PPG: 10-015-20190509

6.7 The land value should reflect emerging policy requirements and planning obligations. The value of the land for a particular typology (or site) needs to be compared with the EUV. If the Residual Value does not exceed the EUV, plus the Landowner's Premium, then the development is not viable; if there is a surplus (i.e. profit) over and above the 'normal' developer's profit/return having paid for the land, then there is scope to make developer contributions. For the purpose of the present study, it is necessary to take a comparatively simplistic approach to determining the EUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis, the outcome might still be contentious.

6.8 The 'model' approach is outlined below:

- i. For sites in agricultural use, then agricultural land represents the EUV. It is assumed that greenfield sites of 0.5ha or more fall into this category.
- ii. For paddock and land on the urban fringe, a 'paddock' value is adopted. This is assumed for greenfield sites of less than 0.5ha.
- iii. Where the development is on brownfield land or previously developed land (PDL), industrial values have been assumed.

Residential Land

- 6.9 In August 2020, MHCLG published *Land value estimates for policy appraisal 2019*⁵⁴. This was prepared by the Valuation Office Agency (VOA) and sets out land values at April 2019. The Swale figure is £3,280,000/ha⁵⁵. This figure assumes nil affordable housing. As stressed in the paper, this is a hypothetical situation and *'the figures on this basis, therefore, may be significantly higher than could be reasonably obtained in the actual market'*.
- 6.10 There are few large development sites being marketed in the area however there are a number of small sites being marketed in the area at the time of this study.

⁵⁴ <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

⁵⁵ The VOA assumed as follows:

- Any liability for the Community Infrastructure Levy (CIL), even where it was planning policy as at 1 April 2019, has been excluded.
- It has been assumed that full planning consent is already in place; that no grants are available and that no major allowances need to be made for other s106/s278 costs.
- The figures provided are appropriate to a single, hypothetical site and should not be taken as appropriate for all sites in the locality.
- In a small number of cases schemes do not produce a positive land value in the Model. A 'floor value' of £370,000 (outside London) has been adopted to represent a figure at less than which it is unlikely (although possible in some cases) that 1 hectare of land would be released for residential development.
- This has been taken on a national basis and clearly there will be instances where the figure in a particular locality will differ based on supply and demand, values in the area, potential alternative uses etc. and other factors in that area.
- Each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available.
- The site will have a net developable area equal to 80% of the gross area (excluding London).
- For those local authorities outside London, the hypothetical scheme is for a development of 35, two storey, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
- For those local authorities in London, the hypothetical scheme varies by local authority area and reflects the type/scale of development expected in that locality. The attached schedules provide details of gross/net floor areas together with number of units and habitable rooms.

These densities are taken as reasonable in the context of this exercise and with a view to a consistent national assumption. However, individual schemes in many localities are likely to differ from this and different densities will impact on values achievable.

Table 6.1 Small Development Sites – Asking Prices

			Units	Ha	Asking Price	£/unit	£/ha	
Feb-23 & Dec-23	The Square,	Sittingbourne	28.00	0.41	£1,550,000	£55,357	£3,823,384	Planning submitted for 28 flats and retail. Conversion of Kemsley Arms pub.
Feb-23 & Dec-23	East Street	Sittingbourne	8.00	0.08	£650,000	£81,250	£8,125,000	Planning for 8 flats and small pub. Reduced from £695k in February 23.
Feb-23	Newbridge Avenue	Sittingbourne	1.00	0.02	£80,000	£80,000	£4,000,000	2 bed house subject to planning.
Feb-23	Station Road	Faversahm	32.00	0.59	£2,000,000	£62,500	£3,389,831	Historic railway sheds for conversion.
Feb-23	St Catherine's Drive	Faversahm	1.00	0.09	£125,000	£125,000	£1,388,889	Plot subject to planning.
Feb-23	Warden Road	Isle of Sheppey		3.23	£400,000		£123,839	8 acres with 5 touring caravan pitches.
Dec-23	Swanstreet Avenue	Sittingbourne	135.00	5.90	£9,000,000	£66,667	£1,525,424	Market Garden with consent. 30% affordable.
Dec-23	Bartletts Close	Halfway	16.00	0.55	£1,300,000	£81,250	£2,363,636	Consent for 16. Mix of terrace, semi and detached.
Dec-23	Highfield Road	Minster On Sea	16.00	1.47	£900,000	£56,250	£612,245	Consent for 16 1&2 bed bungalows.
Dec-23	Wards Hill Road	Minster On Sea	2.00	0.15	£300,000	£150,000	£2,047,782	Consent to replace existing bungalow with pair of semi-detached.

Source: Market Survey (February 2023 & December 2023)

6.11 Informal discussions with agents suggest that there is strong demand for smaller plots across the market, from large 'grand designs' projects to modest single plot sites. It was suggested



that 'oven ready' plots were likely to achieve at least £125,000, and probably significantly more.

- 6.12 Recent transactions based on planning consents over the last few years and price paid information from the Land Registry have been researched and are set out in **Appendix 9**. The data is summarised in the following table, the amount of affordable housing in the scheme is shown, being the key indicator of policy compliance (as required by the PPG). Only the sites for which the data is available are presented here, all sites are included in **Appendix 9**.

Table 6.2 Price Paid for Consented Development Land

Address	Proposal	Units	Ha	Aff %	Price £/ha	Price £/unit
Land West of Crown Quay Lane (N/E Corner only for 98 dwellings)	405 dwellings	353	10.68	10%	£936,330	£28,329
Parcel G, Land at Harps Farm	Res Matts for 171 dwellings	171	4.31	0%	£1,578,654	£39,789
Adj Quinton Farmhouse, Quinton Road	155 dwellings (amended layout to 18/500257).	155	7.95	10%	£864,780	£44,355
Land at Station Road	Dem of 56 & 58 Station Road and erect 130 dwellings	130	4.4	40%	£972,442	£32,913
Ospringle Brickworks (Northern area) Sumpter Way	Res Matts for 127 dwellings	127	3.25	30%	£1,576,923	£40,354
Land at Southsea Avenue	72 dwellings	72	2.55	0%	£410,431	£14,536
East of Ham Road	Res Matts for 26 dwellings & 9 flats	35	1.57	100%	£1,210,191	£54,286
Land at Belgrave Road, Halfway	153 dwellings	153	5.31	10%	£941,620	£32,680
The Slips, Scocles Road	REM for 62 dwellings	62	2.778	100%	£919,726	£41,210
Brogdale Place, Brogdale Road	R/M for 63 dwells	63	3.5	30%	£2,207,143	£122,619
Mill and Wharf Sites, Milton Rd/Mill Way/Charlotte St	Res Matts s/s 11/0159 for 150 dwellings	150	2.51	3%	£1,673,307	£28,000
99 High Street and land to the North	124 new dwellings	124	7.25	30%	£674,483	£39,435
Land at Lady Dane Farm, Love Lane	Approval of reserved matters for 196 proposed dwellings	196	10.7	30%	£1,094,211	£59,735
Land north of Graveney Road	72 houses and 33 flats	105	2.95	16%	£1,459,715	£41,011

Source: SBC and Land Registry (February 2023)

- 6.13 These values are on a whole site basis (gross area). The average is about £1,175,000/ha (£44,000/unit) however this includes some notable outliers (including some with no affordable housing).

6.14 In considering the above, the PPG 10-014-20190509 says:

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

6.15 The price paid is the maximum the landowner could achieve. The landowner is unlikely to suggest a buyer may be paying an unrealistic amount. The BLV is not the price paid (nor the average of prices paid).

6.16 In relation to larger sites, and, in particular, larger greenfield sites, these have their own characteristics and are often subject to significant infrastructure costs and open space requirements which result in lower values. In the case of non-residential uses, a similar approach is to that taken for residential land except in cases where there is no change of use. Where industrial land is being developed for industrial purposes, a BLV of the value of industrial land is assumed.

Previously Developed Land

6.17 *Land value estimates for policy appraisal* provides the following values, although it is important to note that neither Redbridge nor Bexley are very similar to Swale:

Table 6.3 Employment Land Values – Swale (£/ha)		
Industrial Land		£1,100,000
Commercial Land: Office Edge of City Centre	Redbridge	£2,470,000
	Bexley	£2,470,000
Commercial Land: Office Out of Town – Business Park	Redbridge	£4,500,000
	Bexley	£4,250,000

Source: Land value estimates for policy appraisal (MHCLG, August 2020)

6.18 CoStar (a property market data service) includes details of industrial land. These are summarised in **Appendix 10**, although the sample size is limited. This limited evidence aligns with that set out in the above table.

6.19 A figure of £1,100,000/ha is assumed for industrial land across the area.

Agricultural and Paddocks

6.20 *Land value estimates for policy appraisal* (MHCLG, August 2020) provides a value figure for agricultural land in the area of £25,000/ha. This assumption has been checked:

- a. Savills' *The Farmland Market*⁵⁶ reports a figure of £8,390 per acre (£20,731 per ha) for the South East.
- b. Strutt and Parker's *English Estates & Farmland Market Review Autumn 2023*⁵⁷ suggests a value of £10,900 per acre (£26,900 per ha) for arable land and £8,000 per acre (£19,800 per ha) for pasture.
- c. Knight Fank's *Farmland Index Q3 2023*⁵⁸ suggests average values of £22,118 per ha.
- d. Carter Jonas' *Farmland Market Update*⁵⁹ reports, for the South East, average values £10,750 per acre (£26,560 per ha) for arable land, £9,000 per acre (£22,240 per ha) for pasture land, and £22,000 per acre (£54,360 per ha) for lifestyle land.

6.21 For agricultural land, a value of £25,000 per ha is assumed to apply here.

6.22 Sites on the edge of a town or village may be used for an agricultural or grazing use but have a value over and above that of agricultural land due to their amenity use. They are attractive to neighbouring households for pony paddocks or simply to own to provide some protection and privacy. A higher value of £50,000/ha is used for sites of up to 0.5ha on the edge of the built-up area.

6.23 Through the technical consultation, a regional developer⁶⁰ suggested a paddock value of £74,000 per ha 'based on extensive work, including that undertaken by a regional/national consultant to inform FH land purchases'. This is agreed.

Existing Use Value Assumptions

6.24 In this assessment the following Existing Use Value (EUV) assumptions are used. These are applied to the gross site area.

⁵⁶ [spotlight---the-farmland-market-2022.pdf \(savills.co.uk\)](#)

⁵⁷ [English Estates & Farmland Market Review | Autumn 2023 - Strutt & Parker \(struttandparker.com\)](#)

⁵⁸ [English Farmland Index - Q3 2023 | Knight Frank Research](#)

⁵⁹ [Farmland market update | Q3 2023 \(carterjonas.co.uk\)](#)

⁶⁰ Steve Baughen of Fernham Homes re various sites.

Table 6.4 Existing Use Value Land Prices - 2023

PDL	£1,100,000/ha
Agricultural	£25,000/ha
Paddock	£74,000/ha

Source: HDH (April 2024)

Benchmark Land Values

6.25 The setting of the Benchmark Land Values (BLV) is one of the more challenging parts of a plan-wide viability assessment. The updated PPG makes specific reference to BLV, so it is necessary to address this. As set out in Chapter 2 above, the updated PPG says:

Benchmark land value should:

- be based upon existing use value
- allow for a premium to landowners (including equity resulting from those building their own homes)
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

PPG 10-014-20190509

6.26 With regard to the landowner's premium, the PPG says:

How should the premium to the landowner be defined for viability assessment?

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional

judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

PPG 10-016-20190509

6.27 In this pre-consultation iteration of this viability assessment, the following Benchmark Land Value assumptions are used (these are applied on a gross site area):

- | | | |
|----|-------------------------|---------------------------------|
| a. | Brownfield/Urban Sites: | EUV Plus 20%. |
| b. | Greenfield Sites: | Generally EUV Plus £350,000/ha. |
| | Strategic Sites | EUV x 10 |

6.28 In this regard, through the technical consultation, a site promoter⁶¹ confirmed that ‘these seem reasonable for greenfield sites, representing 15 times EUV for agricultural land’.

6.29 Likewise an agent noted⁶²:

Table 6.4 of the report refers to agricultural land as having an existing use value of £25,000/ha and paddocks £50,000/ha. Paragraph 6.26 then assumes for greenfield sites an EUV+ of £350,000/ha which based on table 6.4, would suggest that a premium of 14. Whilst we do not dispute this approach, we would highlight that Planning Practice Guidance does not indicate what the uplift should be, and this will vary according to site specific and policy circumstances.

6.30 Alternatively, a regional developer⁶³ commented that ‘experience is that strategic site BLVs will be similar to general greenfield sites: EUV +£350k’. No supporting evidence was submitted, and no alternative suggestions made.

6.31 The assumptions used in other nearby authorities are as follows:

⁶¹ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

⁶² Danielle Lawrence MRICS of DHA Planning.

⁶³ Steve Baughen of Fernham Homes re various sites.

Table 6.5 Neighbouring and Nearby Authority BLV Assumptions

Dartford Dixon Searle Feb-21	Greenfield	£250k to £500k
	Brownfield	£1m to £5m
Gravesham GVA Jan-16	Greenfield	
	Brownfield	£865k / £1,185k + 20%. Small £2,471k, Town Centre, £3450k
Medway HDH Planning Dec-21	Greenfield	EUV + £350k
	Brownfield	EUV +20%
Maidstone Aspinall Verdi Sep-21	Greenfield	£247/ha (EUV x 12.5) / £310k/ha (EUV x 12.5)
	Brownfield	£815k to £2.2m (EUV + 10%)
Ashford NCS Mar-23	Greenfield	50% Uplift (ie Shinfield)
	Brownfield	50% Uplift (ie Shinfield)
Canterbury HDH Planning May-22	Greenfield	EUV + £350k
	Brownfield	EUV +20%
Dover HDH Planning Nov-20	Greenfield	EUV (£22k/ha) + £400k/ha
	PDL	EUV (£1,2m/ha) + 20%

Source: LPA Viability Assessments (most recently published – April 2024)

- 6.32 The proposed approach is broadly in line with that used locally. No change is made.
- 6.33 It is necessary to make a differential between general development the potential Strategic Sites. Strategic Sites frequently have substantially higher strategic infrastructure and mitigation costs than smaller sites, and, in line with paragraphs 10-012-20180724 and 10-014-20190509 of the PPG, these should be reflected in the Benchmark Land Value.
- 6.34 Having considered these comments, sensitivity testing of the BLV assumption has been undertaken, however have not altered the approach used in the base appraisals.

7. Development Costs

- 7.1 This chapter considers the costs and other assumptions required to produce financial appraisals for the development typologies.

Development Costs

Construction costs: baseline costs

- 7.2 The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for the Council area. The cost figure for ‘Estate Housing – Generally’ is £1,517 per sqm (**Appendix 11**). This is an increase of 5.2% from £1,442 per sqm in February 2023, and an increase of 24% (from £1,221 per sqm) since the *Draft Local Plan Viability Study* (Aspinall Verdi, December 2020) was undertaken. The use of the BCIS data is suggested in the PPG (paragraph 10-012-20180724), however, it is necessary to appreciate that the volume housebuilders are likely to be able to achieve significant saving due to their economies of scale.
- 7.3 As set out in Chapter 2 above, the Government recently updated Part L of Regulations following the consultation on ‘The Future Homes Standard’. This is linked to achieving the ‘net zero’ greenhouse gas emissions by 2050. This is considered in Chapter 8 below.
- 7.4 The appropriate build cost is applied to each house type, with the cost of Estate Housing Detached being applied to detached housing, the costs of flats being applied to flats and so on. Appropriate costs for non-residential uses are also applied. The lower quartile cost is used for schemes of over 200 units where economies of scale can be achieved, and the median cost is used for smaller schemes.
- 7.5 Through the technical consultation an agent noted⁶⁴:

Whilst the assessment is intended to provide a high-level snapshot, we would highlight that for the purpose of future, site-specific financial viability assessments (FVAs), the BCIS rates should be drawn from the relevant building function (i.e. detached, semi-detached, etc.) as this will provide a more accurate indication.

- 7.6 This is agreed and this opportunity is taken to confirm that this is the approach that has been taken. They went on to comment:

As you will be aware, BCIS costs are based on analysis over the period specified, so will not reflect new regulations such as the recently updated Part L requirements referred to in paragraph 7.3. From our experiences of other FVAs and discussions with larger housebuilders, the lower quartile rate of £1,350 psm is not reflective of current market conditions.

⁶⁴ Danielle Lawrence MRICS of DHA Planning.

7.7 This is agreed, as set out in Chapter 8 below, adjustments are made for increased mandatory standards (e.g. Part L and Part M of Building Regulations etc).

7.8 Alternatively, a regional developer⁶⁵ commented:

FH consider that if the aspiration for Swale borough is to have high quality schemes in terms of design then the median cost should be used for schemes of over 200 homes, rather than just smaller developments. The directors of FH worked for a range of volume housebuilders (Berkeley, Crest Nicholson, Countryside) and are adamant that median costs should be used if the aspiration is for appropriate high quality design.

7.9 A landowner⁶⁶ commented that it was not appropriate to use the lower quartile cost. The rationale behind this was that ‘the significant additional infrastructure required means the build costs are generally higher than the assumptions made’. It is important to note that separate allowances are made for site costs and for strategic infrastructure costs.

7.10 The assumptions used in other nearby authorities are as follows:

⁶⁵ Steve Baughen of Fernham Homes re various sites.

⁶⁶ Richard Ashdown of ULL Property for the Duchy of Cornwall.

Table 7.1 Neighbouring and Nearby Authority Base Construction Cost Assumptions

Dartford Dixon Searle Feb-21	BCIS median
	Abnormal within contingency
Gravesham GVA Jan-16	BCIS
	No allowance for abnormal costs
Medway HDH Planning Dec-21	BCIS median
	Abnormal 5% Brownfield, 10% waterfront
Maidstone Aspinall Verdi Sep-21	BCIS median, + Garage @ £6k
	Abnormal £110k /net ha
Ashford NCS Mar-23	Cost plan
	Abnormal by typology
Canterbury HDH Planning May-22	< 250 BCIS median, >250 BCIS LQ
	Abnormal brownfield 5%, 2% large greenfield
Dover HDH Planning Nov-20	BCIS Median, BCIS LQ on Strategic Sites
	Abnormal 5% Brownfield

Source: LPA Viability Assessments (most recently published – April 2024)

- 7.11 Bearing in mind the comments made, the median costs are used in the base analysis. Sensitivity testing is carried out using the lower quartile costs on the larger (200 units plus) sites.

Other normal development costs

- 7.12 In addition to the BCIS £/m² build cost figures described above, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping and other external costs). Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. This is not practical within this broad-brush study and the approach taken is in line with the PPG and the Harman Guidance.
- 7.13 Nevertheless, it is possible to generalise. Drawing on experience, it is possible to determine an allowance related to total build costs. This is normally lower for higher density than for lower density schemes since there is a smaller area of external works, and services can be used more efficiently – larger greenfield sites tend to have lower net developable areas, so more land requires work.

- 7.14 A scale of allowances for site costs has been developed for the residential sites, ranging from 5% of build costs for the smaller sites and flatted schemes within the urban area, to 15% for the larger greenfield schemes.
- 7.15 Through the technical consultation⁶⁷ it was suggested that 10% be used for the specialist older peoples housing. This is in line with the assumptions used, no change is made.
- 7.16 Detached houses are modelled with garages.

Abnormal development costs and brownfield sites

- 7.17 With regard to abnormal costs, paragraph 10-012-20180724 of the PPG says:

... abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value ...

- 7.18 This needs to be read with paragraph 10-014-20180724 of the PPG that says that:

Benchmark land value should: ... reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and ...

- 7.19 The consequence of this, when considering viability in the planning, is that abnormal costs should be added to the cost side of the viability assessment, but also reflected in (i.e. deducted from) the BLV. This has the result of balancing the abnormal costs on both elements of the appraisal.

- 7.20 This approach is consistent with the treatment of abnormal costs that was considered at Gedling Council's Examination in Public. As set out in Gedling, it may not be appropriate for abnormal cost to be built into appraisals in a high-level assessment of this type. Councils should not plan for the worst-case option – rather for the norm. For example, if two similar sites were offered to the market and one was previously in industrial use with significant contamination, and one was 'clean' then the landowner of the contaminated site would have to take a lower land receipt for the same form of development due to the condition of the land. The Inspector said:

... demolition, abnormal costs and off site works are excluded from the VA, as the threshold land values assume sites are ready to develop, with no significant off site secondary infrastructure required. While there may be some sites where there are significant abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in a lower threshold land value for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies.

- 7.21 In some cases, where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development

⁶⁷ Natasha Styles of the Planning Bureau, for McCarthy Stone.

costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on. An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs.

- 7.22 A regional developer⁶⁸ questioned where the 5% came from, noting that abnormal costs can be higher. The assumptions used in other nearby authorities are included in Table 7.1 above.
- 7.23 In summary, abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs.

Fees

- 7.24 For residential and non-residential development, professional fees are assumed to amount to 8% of build costs to include cost of preparing the planning application and land promotion. Separate, additional, allowances are made for planning fees, acquisition, sales and fees.
- 7.25 Through the technical consultation an agent⁶⁹ and regional developer⁷⁰ that 8% to 10%, depending on site specific circumstances would be more appropriate. A specialist developer of older people's housing⁷¹ suggested a 10% allowance be made on brownfield sites.
- 7.26 The assumptions used in other nearby authorities are as follows:

⁶⁸ Steve Baughen of Fernham Homes re various sites.

⁶⁹ Danielle Lawrence MRICS of DHA Planning.

⁷⁰ Steve Baughen of Fernham Homes re various sites.

⁷¹ Natasha Styles of the Planning Bureau, for McCarthy Stone.

Table 7.2 Neighbouring and Nearby Authority Professional Fees Assumptions

Dartford Dixon Searle Feb-21	Professional	10%
	Acquisition	2.25% + SDLT
	Sales	3% +£750
Gravesham GVA Jan-16	Professional	10%
	Non Res	5% to 10%
	Sales	1.5% + 0.2%
Medway HDH Planning Dec-21	Professional	8%
	Acquisition	1% + 0.5% + SDLT
	Sales	3.50%
Maidstone Aspinall Verdi Sep-21	Professional	10%
	Acquisition	1% + 0.5% +SDLT
	Sales	3% + 0.5%
Ashford NCS Mar-23	Professional	8%
	Acquisition	
	Sales	
Canterbury HDH Planning May-22	Professional	8%
	Acquisition	1% + 0.5% + SDLT
	Sales	3.50%
Dover HDH Planning Nov-20	Professional	8%
	Acquisition	1% + 0.5% + SDLT
	Sales	3.50%

Source: LPA Viability Assessments (most recently published – April 2024)

7.27 Bearing in mind the comments made, the allowance for fees has been increased to 10%.

Contingencies

7.28 For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% (calculated on the total build costs, including abnormal costs) has been allowed for, with a higher figure of 5% on more risky types of development, previously developed land. So, the 5% figure was used on the brownfield sites, and the 2.5% figure on the remainder.

7.29 Through the technical consultation an agent suggested that⁷² .2.5% was ‘light’. Alternatively, regional developer⁷³ suggested 5% should be used across all situations. A landowner⁷⁴ commented that at least 5% should be assumed.

7.30 The assumptions used in other nearby authorities are as follows:

Table 7.3 Neighbouring and Nearby Authority Base Contingency Assumptions

Dartford Dixon Searle Feb-21	Housing	3% to 10% (5%)
	Non Residential	5%
Gravesham GVA Jan-16	Housing	5%
	Non Residential	5%
Medway HDH Planning Dec-21	Greenfield	2.50%
	Brownfield	5%
Maidstone Aspinall Verdi Sep-21	All	5% (3% to 5%)
Ashford NCS Mar-23	All	3%
Canterbury HDH Planning May-22	Greenfield	2.50%
	Brownfield	5%
Dover HDH Planning Nov-20	Greenfield	2.5%, 5% on Strategic Sites
	Brownfield	5%

Source: LPA Viability Assessments (most recently published – April 2024)

7.31 In this iteration of this report, the 5% is also applied to the Strategic Sites.

S106 Contributions and the costs of strategic infrastructure

7.32 Swale Council has not adopted CIL. The Council seeks Developer Contributions, for strategic infrastructure and mitigation, under the s106 regime, in line with restrictions set out on CIL

⁷² Danielle Lawrence MRICS of DHA Planning.

⁷³ Steve Baughen of Fernham Homes re various sites.

⁷⁴ Richard Ashdown of ULL Property for the Duchy of Cornwall.

Regulation 122, these are treated separately from abnormal costs. Additional costs are allowed for, as set out in Chapter 8 below.

Financial and Other Appraisal Assumptions

VAT

- 7.33 It has been assumed throughout, that either VAT does not arise, or that it can be recovered in full⁷⁵.

Interest rates

- 7.34 The appraisals assume 7.5% p.a. for total debit balances (to include interest and associated fees). No allowance is made for any equity provided by the developer. This does not reflect the current working of the market, nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites.
- 7.35 Developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. In the residential appraisals, a simple cashflow is used to calculate interest.
- 7.36 The assumption of 7.5%, is an 'all-in cost' to cover interest rate and associated finance fees, and the assumption that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest, particularly on the larger schemes, as most developers are required to put some equity into most projects. In this study a cautious approach is being taken.
- 7.37 Through the technical consultation an agent commented⁷⁶:

Whilst we note that the previous Local Plan Viability Study (December 2020) was not produced by HDH Planning & Development, this assumed interest of 7.5% when the Bank of England base rate was set up 0.1%. It has since risen to 5.25% which will inevitably increase lending costs. The Viability Study should therefore assume an interest rate of base plus a % which would typically be a minimum of base rate plus 5%.

We understand that the report is intending to provide an indication of the development as a snapshot in time but would suggest that 8% is more appropriate, although this is still considered optimistic based on our discussions with developers and lenders.

⁷⁵ VAT is a complex area. Sales of new residential buildings are usually zero-rated supplies for VAT purposes (subject to various conditions). VAT incurred as part of the development can normally be recovered. Where an Appropriate 'election' is made, VAT can also be recovered in relation to commercial development – although VAT must then be charged on the income from the development.

⁷⁶ Danielle Lawrence MRICS of DHA Planning.

7.38 A regional developer⁷⁷ commented:

Whilst national housebuilders can secure interest of 7.5%, SMEs and regional housebuilders (such as FH) can only secure 9.25% plus fees, which often equate to 10%. Therefore should be range, or a point between 7.5% and 10%.

7.39 The assumptions used in other nearby authorities are as follows:

Table 7.4 Neighbouring and Nearby Authority Interest Assumptions

Dartford Dixon Searle Feb-21	6.5%
Gravesham GVA Jan-16	7%
Medway HDH Planning Dec-21	6%
Maidstone Aspinall Verdi Sep-21	7.5%
Ashford NCS Mar-23	6%
Canterbury HDH Planning May-22	6%
Dover HDH Planning Nov-20	6%

Source: LPA Viability Assessments (most recently published – April 2024)

7.40 No change is made in this regard.

Developers' return

7.41 An allowance needs to be made for developers' return and to reflect the risk of development. As set out in Chapter 2 above, this is an area of significant change since the Council's earlier viability work that was used to support CIL. Paragraph 10-018-20190509 of the updated PPG now sets out the approach to be taken and says:

⁷⁷ Steve Baughen of Fernham Homes re various sites.

How should a return to developers be defined for the purpose of viability assessment?

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

- 7.42 The purpose of including a developers' return figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending the costs of construction before selling the property. The use of developers' return in the context of area wide viability testing of the type required by the NPPF and CIL Regulation 14, is to reflect that level of risk.
- 7.43 Broadly there are four different approaches that could be taken:
- a. To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.
 - b. To set a rate for the different types of unit produced – say 20% for market housing and 6% for Affordable Housing, as suggested by the HCA.
 - c. To set the rate relative to costs – and thus reflect the risks of development.
 - d. To set the rate relative to the gross development value.
- 7.44 In deciding which option to adopt, it is important to note that the intention is not to recreate any particular developer's business model. Different developers will always adopt different models and have different approaches to risk.
- 7.45 The argument is sometimes made that financial institutions require a 20% return on development value and if that is not shown they will not provide development funding. In the pre-Credit Crunch era there were some lenders who did take a relatively simplistic view to risk analysis but that is no longer the case. Most financial institutions now base their decisions behind providing development finance on sophisticated financial modelling that it is not possible to replicate in a study of this type. They require a developer to demonstrate a sufficient margin, to protect the lender in the case of changes in prices or development costs. They will also consider a wide range of other factors, including the amount of equity the developer is contributing (both on a loan-to-value and loan-to-cost basis), the nature of development and the development risks that may arise due to demolition works or similar, the warranties offered by the professional team, whether or not the directors will provide personal guarantees, and the number of pre-sold units.

7.46 This is a high-level study where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (i.e. site-by-site or split), it is appropriate to make some broad assumptions and, as set out above, the updated PPG says ‘*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies ... A lower figure may be more appropriate in consideration of delivery of affordable housing*’. In the initial, pre-consultation iteration of this assessment, the developers’ return was assessed as 17.5% of the value of market housing and a 6% is applied to the value affordable housing. Additionally, 17.5% is applied to First Homes as the sales risk lies with the developer.

7.47 In this regard, through the technical consultation, a site promoter⁷⁸ suggested that ‘developer’s return should be increased to 18% of GDV for market housing’. No rational or explanation was provided.

7.48 Similarly, an agent commented⁷⁹:

... assumes a return of 17.5% for market housing which is mid-range of the assumptions set out in PPG. Whilst we understand that the report provides a high-level overview, an allowance should be made to reflect site specific circumstances and any changes in market conditions. For example, current Developer’s returns are circa 20% on GDV at present due to market conditions and the local plan needs to reflect changing markets and cannot be static

7.49 A regional developer⁸⁰ commented:

Developers return (based on a blended market and affordable housing scheme) is 20%. Assuming less is unrealistic. Any housebuilder delivering appropriate quality development will not operate under 20%.

7.50 Through the technical consultation⁸¹ as specialist developer of older people’s housing, suggested that 20% be used, being based on various appeal decisions. Appeal decisions cover numerous alternatives. Bearing in mind the Borough’s aging population, and the other sector specific assumptions made through this report, it is not believed that developing specialist older people’s housing is more risky than other types of development.

7.51 A landowner⁸² commented:

We disagree with the assumption of 6% return for affordable housing. This level of return relates to a contractor’s (not a developer’s) margin, because there is deemed to be certainty of payment akin to a building contract. While this level of certainty has never reflected reality, it is particularly the case today when many Registered Providers have moved away from acquiring

⁷⁸ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

⁷⁹ Danielle Lawrence MRICS of DHA Planning.

⁸⁰ Steve Baughen of Fernham Homes re various sites.

⁸¹ Natasha Styles of the Planning Bureau, for McCarthy Stone.

⁸² Richard Ashdown of ULL Property for the Duchy of Cornwall.

Section 106 homes. Whole developments are stalled because the developer cannot identify an RP; where there is a planning obligation to contract with an RP prior to commencement, or prior to occupation of a certain number of private homes, the risk is too great to commit significant funds to the construction process is a higher risk than private sales, not lower.

7.52 A 15% return was assumed for non-residential development, and for Build to Rent.

7.53 The assumptions used in other nearby authorities are as follows:

Table 7.5 Neighbouring and Nearby Authority Developer Return Assumptions

Dartford Dixon Searle Feb-21	Market Housing	17.5%
	Affordable	6.0%
	Non Res	15.0%
Gravesham GVA Jan-16	Market Housing	20.0%
	Affordable	6.0%
	Non Res	20.0%
Medway HDH Planning Dec-21	Market Housing	17.5%
	Affordable	17.5%
	Non Res	15.0%
Maidstone Aspinall Verdi Sep-21	Market Housing	20.0%
	Affordable	6.0%
	Non Res	BTR 13%, 20% employment & retail
Ashford NCS Mar-23 Canterbury	Market Housing	20.0%
	Affordable	6.0%
	Non Res	15.0%
	Market Housing	17.5%
HDH Planning May-22	Affordable	17.5%
	Non Res	15.0%
Dover	Market Housing	17.5%
HDH Planning Nov-20	Affordable	17.5%
	Non Res	15.0%

Source: LPA Viability Assessments (most recently published – April 2024)

7.54 In this iteration of this report, the market housing assumption has been increased to 20%.

7.55 It is important to appreciate that this is an assessment for planning purposes, as set per the requirements of the PPG, rather than for lending purposes. As mentioned under the Interest heading above, no allowance is made for equity provided by the developer, so this does not reflect the current working of the market nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites. The cushion within the appraisals, to protect a

developer's lender against changes in the market or costs, will depend on a wide range of factors, including how much equity the developer is providing (the loan-to-value ratio), the borrower's track record and the complexity of the project. It is appropriate to work within the guidance of the PPG.

Voids

- 7.56 On a scheme comprising mainly individual houses, one would normally assume only a nominal void period as the housing would not be progressed if there was no demand. In the case of apartments in blocks, this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited.
- 7.57 For the purpose of the present study, a three-month void period is assumed for residential developments.

Phasing and timetable

- 7.58 A pre-construction period of six months (from site acquisition, following the grant of planning consent) is assumed for all of the sites. Each dwelling is assumed to be built over a nine-month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. The rate of delivery will be an important factor when considering the allocation of sites so as to manage the delivery of housing and infrastructure. Two aspects are relevant, firstly the number of outlets that a development site may have, and secondly the number of units that an outlet may deliver.
- 7.59 Delivery rates are informed by the Council's Housing Land Supply Position Statement 2023/2024⁸³.

⁸³ [Housing Land Supply Position Statement 2023/2024 \(swale.gov.uk\)](https://www.swale.gov.uk/housing-land-supply-position-statement-2023-2024)

Table 7.6 Local Build Out Rates (Units per Year)

Site size (dwellings)	0-4	5-9	10-24	25-49	50-99	100-249	250-499
Average	2	6	10	17	27	45	72
2022/23	2	6	11	21	11	48	76
2021/22	2	6	4	7	42	46	102
2020/21	2	5	14	10	41	37	72
2019/20	2	6	7	14	25	39	61
2018/19	1	4	12	37	11	46	20
2017/18	2	6	11	15	8	38	151
2016/17	1	5	8	13	47	52	88
2015/16	1	6	12	16	29	52	6

Source: Table 5.5.1 Housing Land Supply Position Statement 2023/2024

- 7.60 The higher density flatted schemes are assumed to come forward more quickly. These assumptions are conservative and do, properly, reflect current practice. This is the appropriate assumption to make to be in line with the PPG and the Harman Guidance.
- 7.61 In this regard, through the technical consultation, a site promoter⁸⁴ commented '*it is important to be mindful of the impact that the cost-of-living crisis, rise in interest rates, affordability of mortgages and end of the Help to Buy scheme have had on sales rates*'. This is agreed. Using average rates over multiple years, has the advantage of smoothing exceptional years.
- 7.62 For the older people's housing schemes, a slower rate of sales has been assumed, with 40% of units will be sold at the end of the first year of sales, 30% during the second year of sales and 30% during the third period. An allowance being made for block management over the sales period (£5,000/unit), in line with a comment made through the consultation⁸⁵.

Site Acquisition and Disposal Costs

Site holding costs and receipts

- 7.63 Each site is assumed to proceed immediately (following a 6-month mobilisation period) and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

⁸⁴ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

⁸⁵ Natasha Styles of the Planning Bureau, for McCarthy Stone.

Acquisition costs

- 7.64 A simplistic approach is taken, it is assumed an allowance 1% for acquisition agents' and 0.5% legal fees.
- 7.65 Stamp duty is calculated at the prevailing rates.

Disposal costs

- 7.66 For market and for affordable housing, sales and promotion and legal fees are assumed to amount to 3.5% of receipts. For disposals of affordable housing, these figures can be reduced significantly depending on the category, so in fact the marketing and disposal of the affordable element is probably less expensive than this.
- 7.67 Through the technical consultation⁸⁶ it was suggested that a 6% assumption be used for specialist older people's housing. The rationale for this was not explained. Bearing in mind allowance is made for empty property costs, no change is made.

⁸⁶ Natasha Styles of the Planning Bureau, for McCarthy Stone.



8. Planning Policy Requirements

8.1 The *Bearing Fruits 2031: The Swale Borough Local Plan* was adopted in 2017. The Council is now undertaking a Local Plan Review. The Local Plan Review (LPR) will set the framework for the development needs for the whole of the Swale Borough area from 2022 – 2038. In 2021 the Council undertook a consultation on the *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021. Amongst other things, the purpose of the review is to⁸⁷:

- deliver the spatial objectives of the Swale Borough corporate strategy that better reflects Council objectives including responding to the Council's Climate and Ecological Emergency and subsequent Action Plan;
- reflect changes to national planning policy and guidance, particularly the new National Planning Policy Framework introduced in February 2019 and the requirement to review local plans every 5 years;
- extend the plan-period to 2038 in order to ensure that there will be a 15 year time horizon from adoption for strategic policies as recommended in the NPPF in order to anticipate and respond to long term requirements and opportunities, such as those arising from major improvements in infrastructure;
- provide for additional new housing, employment and other development that will be required to meet future needs over the extended plan-period as required by the Government.

8.2 The specific purpose of this study is to consider and inform the development of the emerging Local Plan and then, in due course, to assess the cumulative impact of the policies on the planned development. This viability work is being undertaken to inform the development of policy and explore the consequences, on the economics of development, of the options that are under consideration. It contains an assessment of the effect of the policy options, in the context of national policies and requirements, in relation to the planned development. This will allow the Council to further engage with stakeholders, to ensure that the new Plan is effective.

8.3 In this report the policies, as set out in the emerging *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021 and options as discussed with the Council and having regard to the changes in national policy, have been reviewed. It is important to note that, at this stage, some of the options that are considered are included for completeness, and

⁸⁷ As set out in paragraph 1.0.5 of the *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021,

that these are simply options that may or may not be progressed into the new Local Plan. In particular, the Council has asked that the following policy areas are considered:

- Climate change
- Developer contributions

8.4 In the following sections the requirements in *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021 are reviewed and how they impact on viability (if at all).

Strategic Policies

Policy ST 1 Development needs for the Borough

8.5 This is a general policy that does not impact on viability.

Policy ST 2 Swale Settlement Strategy

8.6 This is a general policy that directs development, but does not impact on viability.

Policy ST 3 Delivering sustainable development in Swale

8.7 This is a high level policy that sets out general principles that are built on in subsequent policies. These requirements are considered under the relevant policies as set out below.

Policy ST 4 Building a strong, competitive economy

8.8 This is a general policy that does not impact on viability.

Policy ST 5 Delivering a wide choice of high-quality homes

8.9 Whilst this is a high level policy that refers to subsequent policies setting out detail it does include some specific requirements:

4. Provide dwellings that meet minimum space standards M4(2) on 75% of all dwellings and the accessible standards M4(3) on the remaining 25% of dwellings;

8.10 Lifetime Homes Standards have been superseded and the scope for councils to introduce additional standards are constrained to those within the optional Building Regulations. The additional costs of the further standards (as set out in the draft Approved Document M amendments included at Appendix B4⁸⁸) are set out below. The key features of the 3 level

⁸⁸ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

standard (as summarised in the DCLG publication *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015)⁸⁹, reflect accessibility as follows:

- Category 1 – Dwellings which provide reasonable accessibility.
- Category 2 – Dwellings which provide enhanced accessibility and adaptability (Part M4(2)).
- Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair (Part M4(3)).

8.11 The cost of a wheelchair adaptable dwelling based on the Wheelchair Housing Design Guide for a 3 bed house, is taken to be £10,111 per dwelling⁹⁰. The cost of Category 2 is taken to be £521⁹¹ (this compares with the £1,097 cost for the Lifetime Homes Standard). These costs have been indexed⁹² by 45% to £14,660 per dwelling and £755 per dwelling respectively.

8.12 As set out in Chapter 2 above, in July 2022, the Government announced the outcome of the 2020 consultation on raising accessibility standards of new homes⁹³ saying *‘that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes’*. The Government will now consult further on the technical changes to the Building Regulations to mandate the higher M4(2) accessibility standard. No timescale has been announced.

8.13 In this regard, through the technical consultation, a regional developer⁹⁴ commented:

It is not considered appropriate to have private homes as M4(2): there is no certainty that consultation will occur on all homes being to M4(2), or that this will be implemented. It is therefore considered appropriate to model on the basis of all affordable/social rent with an appropriate amount as M4(3).

8.14 Whilst this is noted, it is necessary to develop local policies in the context of wider national policies, so this cost is tested.

⁸⁹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/418414/150327_-_HSR_IA_Final_Web_Version.pdf

⁹⁰ Paragraph 153 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

⁹¹ Paragraph 157 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

⁹² BCIS Index March 2014 316.3, March 2024 458.1.

⁹³ [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

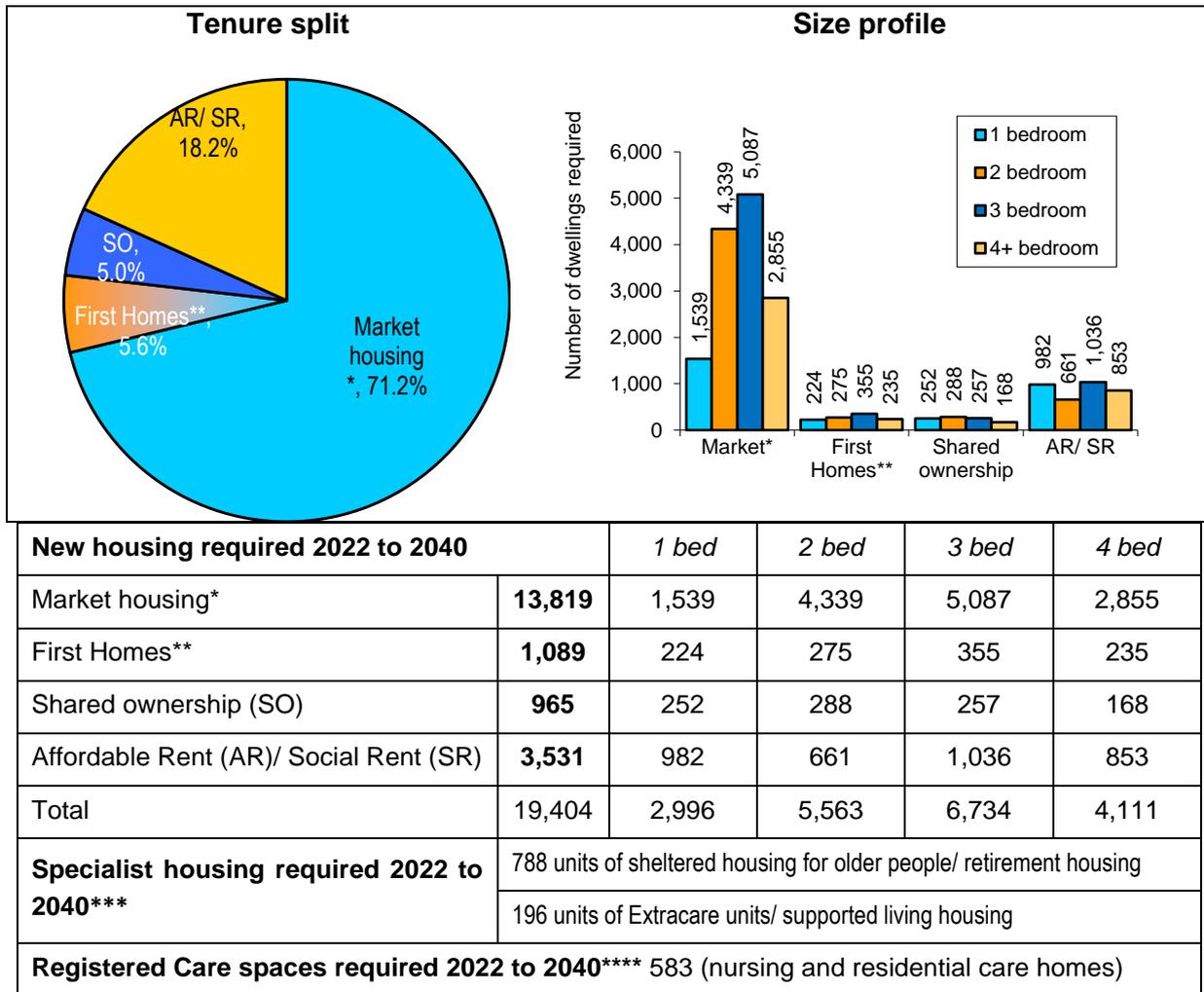
⁹⁴ Steve Baughen of Fernham Homes re various sites.

8.15 In line with the Government’s announcement, it is assumed that all new homes are to be designed to be Accessible and Adaptable (M4(2)). In addition, 1.5% of all new homes are assumed to be designed to be Wheelchair Adaptability M4(3).

5. Achieve the mix of housing types needed as reflected in the findings of the Strategic Housing Market Assessment or similar needs assessment, and for affordable homes to use the information from the Council’s Housing Register to ascertain specific needs at that time;

8.16 The Council’s emerging housing evidence suggests the following tenure and size mix:

Figure 8.1 Minimum Requirement for New Housing in Swale over the Plan Period



Source: Emerging SHMA Update *Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered. ***These form part of the new homes to be delivered. ****These are provided to house those in institutional accommodation and are in addition to the total requirement for 19,404 new homes.

8.17 The above tenure mix is then refined to take into account First Homes:

Table 8.1 Derivation of Recommended Affordable

<i>Tenure</i>	<i>Original distribution</i>	<i>Revised distribution*</i>
First Homes	19.5%	25.0%
Shared ownership	17.3%	11.8%
Affordable Rent/ Social Rent	63.2%	63.2%

Source: SHMA Update (HDH, August 2022) *Revised to take account of the Government guidance indicating that 'a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes.'

- 8.18 The following housing mix is used within each tenure to inform the housing mix in the modelling. This is not applied rigidly as regard is also had to the nature of the scheme.

Table 8.2 Size Mix by Tenure

New housing required 2022 to 2040	1 bed	2 bed	3 bed	4 bed
Market housing*	11%	31%	37%	21%
First Homes**	21%	25%	33%	22%
Shared ownership (SO)	26%	30%	27%	17%
Affordable Rent (AR)/ Social Rent (SR)	28%	19%	29%	24%
Total	15%	29%	35%	21%

Source: SHMA Update (HDH, August 2022)

- 8.19 A regional developer⁹⁵ commented that '*Table 8.2 is unrealistic in assuming 3 or 4 bed homes*'. Whilst this is noted, it is important to appreciate that the above housing mix is based on the analysis of the Council's housing need so this is what would be sought by the Council. No alternative housing mix was suggested.

- 8.20 A landowner⁹⁶ commented:

In planning and developing large strategic sites it is important to have flexibility in affordable housing tenures to help build social cohesion and adapt to changing needs over time.

The Whole Plan Viability Update has assumed 30% affordable housing, with a split of 63% Affordable/Social Rent and 37% Intermediate. With emerging new policy on affordable housing we consider flexibility to provide a range of tenures is important, as is the case for private dwellings.

- 8.21 Whilst this is noted, the purpose of this assessment is to test the emerging policies which should be clear and unambiguous. The base testing is informed by the emerging policies.

⁹⁵ Steve Baughen of Fernham Homes re various sites.

⁹⁶ Richard Ashdown of ULL Property for the Duchy of Cornwall.

8.22 The draft Plan does not seek Nationally Described Space Standard (NDSS) technical requirements. In March 2015, the Government published *Nationally Described Space Standard – technical requirements*. This says:

This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height.

8.23 The following unit sizes are set out⁹⁷:

Table 8.3 National Space Standards. Minimum Gross Internal Floor Areas and Storage (sqm)

number of bedrooms	number of bed spaces	1 storey dwellings	2 storey dwellings	3 storey dwellings	built-in storage
1b	1p	39 (37)*			1
	2p	50	58		1.5
2b	3p	61	70		2
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4
	8p	125	132	138	

Source: Table 1, Technical housing standards – nationally described space standard (March 2015)

8.24 In this study the units are assumed to be in line with the NDSS or larger.

⁹⁷

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf

Policy ST 6 Good Design

- 8.25 This is a general policy that does not introduce standards over and above those set out in the National Design Guide so does not impact on viability.
- 8.26 If the Council were to introduce local design guidelines it would be necessary to assess their impact on the viability of development.

Policy ST 7 Health and Wellbeing

- 8.27 This is a high level policy that refers to subsequent policies setting out detail. It does also include a requirement to undertake and implement a Health Impact Assessment for relevant proposals that are:
- a. required to undertake Environmental Impact Assessments; or
 - b. within Swale's most deprived wards; or
 - c. identified as required by the Local Plan.
- 8.28 Whilst this is a requirement that goes over and above the absolute minimum requirements, the professional fees assumptions, as set out in Chapter 7, are sufficient to cover this.

Policy ST 8 Planning for Infrastructure

- 8.29 This is a critical policy in relation to the delivery of development. It includes a requirement that:

Development proposals, including those allocated in this plan, which give rise to the need for infrastructure improvements will be expected to mitigate their impact either individually or cumulatively and at a rate and scale to meet the needs that arise from that development or a phase of that development. As such development may require to be phased to ensure the co-ordination with delivery of necessary infrastructure. Where appropriate, developers will be expected to collaborate on the provision of infrastructure needed to serve more than one site.

- 8.30 SBC has not adopted Community Infrastructure Levy so no allowance for CIL is made in this assessment. SBC collects financial planning obligations which are based on one of the following:
- a. A request from KCC / CCG (ICB) based on their own commissioning plans.
 - b. Sports / Play contributions based on the adopted SPD and £593 per dwelling if these are appropriate and required. These are assumed to apply on the brownfield sites that do not have capacity or on-site open provision.

c. SPA mitigation in accordance with the SAMMS (Birdwise) and the current annual tariff figure (£328.27 per dwelling⁹⁸).

8.31 Any other site-specific mitigation will be dependent on the proposal and on a case-by-case basis.

8.32 SBC is not a unitary authority, the majority of infrastructure (education, health, social care, highways & transport etc) is the remit of other bodies such as KCC. KCC undertook a consultation on updating its Developer Contributions Guide between December 2022 and February 2023 and has now adopted the KCC Developer Contributions Guide (2023). This sets out the following requirements:

⁹⁸ [Planning and Planning Policy - Strategic Access Management and Monitoring Strategy \(SAMMS\) \(swale.gov.uk\)](https://www.swale.gov.uk/planning-and-planning-policy-strategic-access-management-and-monitoring-strategy-samms)

Table 8.4 Summary of KCC Developer Contributions

Service Area	Threshold for Seeking S106 Contributions	Expected Contribution
Adult Social Care	10 dwellings and above or a site size of 0.5Ha or more.	£180.88 per dwelling
Community Learning and Skills	10 dwellings and above or a site size of 0.5Ha or more.	£34.21 per dwelling
Education – Primary – New Build	10 dwellings and above or a site size of 0.5Ha or more.	£7,081.20per applicable* House and £1,770.30 per applicable* Flat
Education – Primary – Expansion	10 dwellings and above or a site size of 0.5Ha or more.	£5,412.74 per applicable* House and £1,353.18 per applicable* Flat
Education – Secondary – New Build	10 dwellings and above or a site size of 0.5Ha or more.	£5,587.19 per applicable* House £1,396.80 per applicable* Flat
Education – Secondary – Expansion	10 dwellings and above or a site size of 0.5Ha or more.	£5,329.27 per applicable* House and £1,332.32 per applicable* Flat
Special Educational Needs and Disabilities	10 dwellings and above or a site size of 0.5Ha or more.	£559.83 per applicable* House and £139.96 per applicable* Flat
Education Land	10 dwellings and above or a site size of 0.5Ha or more.	To Be Advised
Flood Risk Management and Sustainable Drainage	Strategic Development	To Be Advised
Heritage and Archaeology – Community Archaeology Provision	Sites which are strategic in size or sited in areas of significant archaeological potential	To Be Advised
Highways and Transportation	Any development impacting upon the highway	Highway works required to mitigate impacts demonstrated within the applications Transport Statement/Assessment via s278, S38 Agreements. Highway Works and/or Travel Plan interventions via s106 contributions and/or commuted sums for maintenance. What about sustainable transport? – s106?
Integrated Children’s Services – Youth and Earl Help Services	10 dwellings and above or a site size of 0.5Ha or more.	£74.05 per dwelling
Libraries, Registration & Archives	10 dwellings and above or a site size of 0.5Ha or more.	£62.63 per dwelling
S106 Monitoring Fee	All S106 agreements	£500 per payment trigger

Public Rights of Way (PRoW)	Assessed on a case-by-case basis	To Be Advised
Way (PRoW)	by-case basis	
Waste Disposal and Recycling	10 dwellings and above or a site size of 0.5Ha or more.	£194.13 per dwelling (maximum - dependent on projects required for the locality)

Source: Table 1 KCC Developer Contributions Guide (2023)

8.33 The above come to about £22,720 per house and £6,540 per flat. As set out in Chapter 2 above, payments requested under the s106 regime must still be (as set out in CIL Regulation 122):

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

8.34 It is unlikely that all the contributions will be required from each site. As set out in Chapter 5 above, recent planning applications have been researched and are set out in **Appendix 9** below. This shows that of sites that made a s106 contribution, and many did not, the payments varied from £3,600 per unit to just under £18,000 per unit, with the average being about £9,000 per unit.

7.68 In the pre-consultation draft of this report, an assumption of £10,000 per unit was applied to all sites. In this iteration an assumption of £10,000 per unit is applied to the typologies and £25,000 per unit to the potential Strategic Sites in the base appraisals. Sensitivity testing up to £50,000 per unit will be carried out. In this regard, through the technical consultation, a site promoter⁹⁹ confirmed this approach ‘seemed sensible’.

7.69 Alternatively, an agent commented¹⁰⁰:

This appears to be based on the planning applications researched in Appendix 10 of the report, as stated in paragraph 8.29. It is highlighted that the majority of these applications were approved prior to the adoption of KCC’s Developer’s Contribution Guide in July 2023, which introduced higher rates for each service area. In addition, earlier applications will not reflect indexation which has risen significantly in recent years. An assumption of £10,000 per unit is therefore optimistic and in our experience can be significantly more.

8.35 Similarly, a regional developer¹⁰¹ commented:

⁹⁹ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

¹⁰⁰ Danielle Lawrence MRICS of DHA Planning.

¹⁰¹ Steve Baughen of Fernham Homes re various sites.

FH's experience at Lady Dane Farm, Faversham and School Lane Newington and is that Development Contributions of £10,000 per unit is far too low. It has been £15,000 - 19,000 a unit (including both private and affordable homes) without indexation, respectively. With indexation factored in it is £22,000 - £24,000 a plot.

8.36 The testing includes costs within this range.

8.37 National Highways¹⁰² also commented through the technical consultation, saying:

Currently the Viability work does not include any references to the Swale evidence base with regards the potential location and form of Strategic Road Network (SRN) infrastructure required as a result of Local Plan policies and/or proposals.

Given the often-significant costs and timelines for SRN improvements, this need to be rectified.

While the M2J5 is being upgraded via RIS and two A249 junction are/will be improved via HIF, there are still links and junctions on the SRN within and beyond Swale that are likely to require improvements via the Local Plan.

8.38 They went on to say:

We suggest that LPAs produce (possibly in the background) spreadsheet based IDPs that clearly set out the where, what, when, how, who promotes, who pays (apportionment or in whole), who delivers and why of infrastructure including SRN improvements. Ideally this is mirrored by allocation/ large site mini IDPs. That way it is simpler to assess when all forms of infrastructure will be required and hence whether development or other funding mechanisms will be in place at the right time to ensure their delivery.

8.39 At this stage, the Council is in the process of completing the Infrastructure Delivery Plan (IDP). It is assumed that highways costs are within the wider developer contribution assumptions. Sensitivity testing on payments of up to £40,000 per unit is carried out.

Policy ST 9 Promoting Sustainable Transport and Active Travel

8.40 This is a high level policy that sets out general principles that are built on in other policies. In itself, this policy does not include provisions that will add to the cost of development.

Policy ST 10 Conserving and enhancing the natural environment

8.41 This is a high level policy that sets out general principles that are built on in other policies. In itself, this policy does not include provisions that will add to the cost of development.

Policy ST 11 Conserving and enhancing the historic environment

8.42 This is a high level policy that sets out general principles that are built on in other policies. In itself, this policy does not include provisions that will add to the cost of development.

¹⁰² Kevin Brown, National Highways, Kent & Sussex Planning Lead.

Land allocations for new development

- 8.43 The testing in this assessment is based on typologies. The policies in this section¹⁰³, on the whole, relate to specific sites. As appropriate, if the Council allocates Strategic Sites, such sites will be tested individually in due course (as and when they have been identified). In this regard, through the technical consultation, a site promoter¹⁰⁴ welcomed this approach.
- 8.44 The section¹⁰⁵ then goes on to set out the details of various regeneration sites for development. These set out general principles of development in these areas rather than set out requirements that may adversely impact on viability.

Development management policies

Policy DM 1 General development criteria

- 8.45 This is a general policy that does not impact directly on viability.

Policy DM 2 Good Design

- 8.46 This is a general policy that does not impact directly on viability, beyond the requirements set out in policies that are subsequently referred to, with the following specific requirements:

Private gardens will be located at the rear of a house and will be a minimum of 10.5m in length;

Communal gardens for houses may be provided in addition to private gardens and in which case the minimum private garden size may be foregone;

For two-or-more-bedroom flats communal residents' gardens will be provided on the basis of a minimum area of 25m² per flat. They will be screened by above-eye-level walls or hedges from the public realm and will contain a sitting-out-area that receives sunshine during at least part of the day. Unusable strips of space between car parks or roads and buildings will not be counted as part of the communal garden provision; and

For town centre blocks of flats and one-bedroomed flats where there is access to good local open space or access to a green roof terrace or balconies the provision may be foregone.

¹⁰³ Policy A 1 Saved allocations for housing and mixed use, Policy A 1a Allocations on sites within existing settlements, Policy A 2 Kent Science Park, Policy A 3a Ridham and Kemsley, Sittingbourne, Policy A 3b Neatscourt, Queenborough, Isle of Sheppey, Policy A 3c Land South of Kemsley Mill, Policy A 3d Land at West Minster, Sheerness, Policy A 3e Land at Cowstead Corner, Queenborough, Policy A 3f Land at Selling Road, Faversham, Policy A 3g Land at Graveney Road, east of Faversham, Policy MU 1 East of Faversham Expansion, Policy AO 1 Teynham Area of Opportunity, Policy A 4 Land at Neames Forstal, Selling, Policy A 5 Lamberhurst Farm, Yorkletts.

¹⁰⁴ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

¹⁰⁵ Policy Regen 1 The Port of Sheerness Regeneration Area, Policy Regen 2 Sittingbourne Town Centre, Policy Regen 3A Queenborough and Rushenden Regeneration Area, Policy Regen 3B Rushenden South Area

8.47 Whilst these requirements are unlikely to impact on the overall site cost assumptions set out, in this assessment it is assumed that these requirements can be met on-site within the wider density assumptions.

Policy DM 3 Mitigating and adapting to climate change through sustainable design and construction

8.48 Since the pre-consultation draft of this report was prepared, the Government has launched a consultation on how national standards in this regard may be implemented. This section has been comprehensively updated. To some extent this draft policy has been superseded by changes in national requirements. Essentially, the policy seeks *'Development proposals should demonstrate a commitment to both mitigate and adapt to climate change in accordance with the Council's net-zero by 2030 target'*. Whilst this will apply to development in the longer term, it will not apply before the new Plan is due to be reviewed.

8.49 In the shorter term, the draft Plan seeks:

All new developments will demonstrate a commitment to reducing operational carbon, for instance by the use of air source heat pumps and moving away from a reliance on fossil fuels. A 50% reduction of operational carbon compared to 2013 Building Regulations is expected of all development. This requirement will rise to 75% from 2025 and 100% from 2030.

8.50 This goes a little beyond national requirements, but is less onerous in 2025, by when National Standards will have been increased.

8.51 This is an area of policy that the Council is investigating and considering seeking standards over and above national standards. In any event, as set out in Chapter 2 above, this is an area of increasing national standards.

8.52 The Department of Levelling up, Communities and Housing published revisions to Conservation of Fuel and Power, Approved Document L of the Building Regulations as a 'stepping stone' on the pathway to Zero Carbon homes that sets the target of an interim 31% reduction in CO₂ emissions over 2013 standards for dwellings that apply to new homes that submit plans after June 2022 or have not begun construction before June 2023. It is assumed to apply to all new homes in this assessment.

8.53 The costs will depend on the specific changes made and are considered in Chapter 3 of the 2019 Government Consultation¹⁰⁶. This suggests that the costs, having been indexed, would add about 3%¹⁰⁷ to the base cost of construction, however these have now been in place for a while, and are not fully reflected in the BCIS costs (the BCIS costs are based on past

¹⁰⁶ The Future Homes Standard 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings (MHCLG, October 2019).

¹⁰⁷ BCIS April 2024 459.0 BCIS Oct 2018 354.2 = 30%. £3,134+30%=£4,075. £4,075/90 sqm = £45/sqm. £45/sqm / BCIS Estate Housing £1,517 = 2.9%

schemes). In this assessment the base cost of construction has been lifted by 2% to reflect these higher costs of construction.

8.54 The revisions to Approved Document L are a step towards the introduction of the Future Homes Standard in 2025. Since the consultation draft report was drafted, the Government published, in December 2023, a further consultation on the details of the implementation of the Future Homes Standard. At the same time the Housing Minister, Lee Rowley, made a Written Parliamentary Statement¹⁰⁸ set out the Government's position in this regard as follows:

... Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

Where plan policies go beyond current or planned building regulations, those policies should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible

8.55 Whilst this direction does not preclude the introduction of policies that go beyond national standards, this does suggest that such policies will need to be well justified and subject to greater scrutiny.

8.56 Paragraph 6.10 of *The Future Homes Standard 2023 consultation on the energy efficiency requirements of the Building Regulations affecting new and existing dwellings. Consultation-Stage Impact Assessment* sets out the following costs:

6.6 A summary of the impacts considered under this Impact assessment (IA) is provided below in Table 3, relative to the counterfactual – the counterfactual is the 2021 notional building specification, which has a gas boiler, lower efficiency solar panels and wastewater heat recovery, or a heat pump (see Routes to Compliance (para 5.23 - 5.25) section). This is with the exception of mid-high rise, which is an ASHP and gas boiler hybrid communal heat network. Broadly, Option 1 is a home with a heat pump and more efficient solar panels. Option 2 meets our public commitments through the use of heat pumps only. All figures are Net Present Values (NPV) over 10 years of policy and a subsequent 60-year life of the buildings. Negative NPVs are given in parenthesis and represent costs. The figures represent the aggregate impact across the building mix...

6.10. ... In 2022 prices, on a per-home basis (3-bed semi-detached), Option 1 leads to a ~£6,200 (4%) increase in upfront capital costs, whereas Option 2 only leads to a ~£1,000 (1%) increase....

¹⁰⁸ [Written statements - Written questions, answers and statements - UK Parliament](#)

Additional Capital Costs

6.16. The increase in capital costs from the proposed 2025 standards, compared with the continuation of existing 2021 standards (gas boiler and solar pv home), are shown in Table 5. Further breakdown of the costs of the different elements is provided in Appendix C.

Table 5: Additional Capital Costs relative to 2021 Gas Boiler and Solar PV Counterfactual (£)*

	Option 1	Option 2
<i>Detached house</i>	£6,390	£-200**
<i>Semi-detached house</i>	£6,170	£950
<i>Mid-Terraced house</i>	£5,960	£740
<i>Low Rise Flats (<11m)</i>	£4,460	£2,760
<i>Mid Rise Flats (>11m) (same for both option)</i>	£190	£190
<i>Weighted Average (based on assumed build mix)</i>	£4,360	£640
<i>*Gross Undiscounted Costs in 2022 prices, excluding gas asset value cost in counterfactual. If included this would lead to the costs presented in table 5 falling. ** a minus equals a cost saving.</i>		

6.17. Over the longer-term, Currie & Brown estimate that the costs associated with both heat pumps and solar PV will fall, as supply chains mature and become more integrated, and learning rates take effect. By the end of the policy appraisal period (10 years), it is assumed that the cost of a heat pump will be around 70% of the initial cost, whilst for Solar PV they will be around 60% of the initial cost.

8.57 Separately, the *Future Homes Hub, Ready for Zero, Evidence to inform the 2025 Future Homes Standard – Task Group Report* (February 2023) was published before the Government consultation, so is based on testing a wider sets of options than are being considered at a national level. The following costs are estimated:

Table 8.5 Additional Costs for Options Towards Zero Carbon

		Arcadis Cost uplift compared with Ref 2021	Arcadis Cost uplift compared with Ref 2025	Energy bills variance from Ref 2021 (£700/yr)*
CS1	to be consistent with the expectation that the FHS home should reduce carbon emissions by a minimum of 75% from 2013	2%	-3%	Circa 190/yr more
CS2	to align closely with the current Part L 2021 but electrify the heating	7%	2%	Circa £260/yr less
CS2a	As for CS2a but with Batteries on PV and Infra-red heating	10%	5%	Circa £50/yr less (Significant under-estimate)**
CS3	to be mainstream recognised low energy techniques and technologies for a very low energy specification, whilst allowing design flexibility	15%	9%	Circa £360/yr less
CS4	to minimise space and water heating, drawing on UK and European low energy building best practice	19%	13%	Circa £450/yr less
CS5	to improve the fabric efficiency to the level that a comfortable temperature is maintained without a heating system	17%	11%	Circa £410/yr less

Source: Future Homes Hub, Ready for Zero, Evidence to inform the 2025 Future Homes Standard – Task Group Report (February 2023)

- 8.58 These costs are somewhat greater than those in the more recent Government consultation, however they do predate the Government announcement and are not directly comparable.
- 8.59 SBC has not undertaken specific work to establish the costs of moving beyond Building Regulations, however the current changing policy situation is summarised as follows.

Table 8.6 Overview of the two options currently in the Future Homes Standard consultation:

	Existing Part L 2021	FHS Option 1	FHS Option 2	Zero Carbon
Fabric	Baseline: Improved insulation & glazing than Part L 2013.	Further improvement from Part L 2021 (improvement to airtightness). No change to insulation or glazing.	No improvement from Part L 2021.	Significant improvements from Part L 2021. Mild improvement on FHS Option 1.
Heating	Gas boiler	Heat pump	Heat pump	Heat pump
PV	40% of ground floor area	40% of ground floor area. Greater efficiency than in Part L 2021.	None – removed.	To match 100% of energy demand – typically ~50-70% of ground floor area
Ventilation	Natural	Mechanical	Natural	Mechanical with heat recovery
Wastewater heat recovery?	Yes	Yes	No	No
Cost uplift from Part L 2021	N/A – baseline	4%	1%	4 – 7% depending on home type

Source: January 2024

- 8.60 The additional costs, over and above the current BCIS costs are summarised as follows:
- a. The 2021 changes to Part L of Building Regulations (31% CO₂ saving) to add 2% to the BCIS base costs.
 - b. The Future Home Standard Option 2 is expected to add 3% (i.e. 2%+1%) to the current BCIS base costs.
 - c. The Future Home Standard Option 1 is expected to add 6% (i.e. 2%+4%) to the current BCIS base costs.
 - d. The cost of Zero Carbon would add 8% to the costs of construction. This is taken to be the base assumption.

8.61 As well as the above, a further scenario has been tested with an additional cost of 10%.

8.62 The performance of non-residential development has normally been assessed using the BREEAM system¹⁰⁹, however, in parallel to the consultation on the Future Homes Standard, a similar process is being undertaken in relation the Future Buildings Standard. Within the supporting documentation the following additional costs are set out.

Table 8.7 Estimates of additional capital costs

Building type	Increase in capital costs			
	Option 1		Option 2	
	(£/m ² GIFA, 2022 prices)		(£/m ² GIFA, 2022 prices)	
Deep-plan, air-conditioned office	74	2.1%	67	1.9%
Shallow-plan, naturally ventilated office	96	3.9%	84	3.4%
Hospital	63	1.4%	58	1.3%
Hotel	111	3.7%	99	3.3%
Secondary school	93	3.1%	72	2.4%
Retail Warehouse	113	6.3%	53	3.0%
Distribution Warehouse	109	6.0%	49	2.7%
Average (based on build mix)	99	4.1%	61	2.5%

Sources: Table 7, The Future Buildings Standard 2023 consultation on the energy efficiency requirements of the Building Regulations affecting New Non-Domestic Buildings. Consultation-Stage Impact Assessment Currie & Brown provided cost estimates; Adroit Economics provided new build estimates.

8.63 The additional cost of building to BREEAM Very Good standard is negligible as outlined in research¹¹⁰ by BRE. The additional costs of BREEAM Excellent standard ranges from just under 1% and 5.5%, depending on the nature of the scheme, with offices being a little under 2%. If it is assumed that new non-residential development will be to BREEAM Excellent, and this increases the construction costs by 2% or so.

8.64 The additional costs, over and above the current BCIS costs are summarised as follows:

- a. The Future Building Standard Option 2 is expected to add 3.5% to the cost of offices and 3% to the cost of industrial and distribution uses.
- b. The Future Building Standard Option 1 is expected to add 4% to the cost of offices and 6% to the cost of industrial and distribution uses.

¹⁰⁹ Building Research Establishment Environmental Assessment Method (BREEAM) was first published by the Building Research Establishment (BRE) in 1990 as a method of assessing, rating, and certifying the sustainability of buildings.

¹¹⁰ *Delivering sustainable buildings: Savings and payback*. Yetunde Abdul, BRE and Richard Quartermaine, Sweett Group. Published by IHS BRE Press, 7 August 2014.

- c. The cost of 'Zero Carbon' would add 6% to the cost of offices and 8% to the cost of industrial and distribution uses.
- 8.65 It is timely to note that building to higher standards that result in lower running costs does result in higher values¹¹¹, although no premium is assumed in this study (for either residential or non-residential development).
- 8.66 In this regard, through the technical consultation, it was noted¹¹² that *'there may be economies of scale/ innovation in such costs for schemes delivered over a long period (for instance, Savill's¹¹³ state that 'as these technologies become more widely used, the costs are expected to reduce'*. This is agreed, however, taking a cautious approach, the current estimates of costs are used.
- 8.67 In this regard, through the technical consultation, a regional developer¹¹⁴ commented that *'whilst it is prudent to model on the basis of the 2025 Part L, this could change, and therefore perhaps appropriate to "sensitivity" test'*. Testing has been carried out on this basis.
- 8.68 It is timely to note that building to higher standards that result in lower running costs does result in higher values¹¹⁵, although no premium is assumed in this study (for either residential Policy DM 4 Sustainable energy production, distribution and storage
- 8.69 This policy seeks:
- ... All development over 100 dwellings or 3,000m² will be accompanied by an Energy Masterplan. This will set out how energy will be generated, distributed and stored across the site and, where appropriate, connect to existing or planned heat networks. ... 3. Heat networks are encouraged as a low-carbon heating method ...*
- 8.70 Currently there are no significant heat sources within Swale that can be useful sources of renewable energy, particularly from the incineration of waste and from bio-sources. New District Heating Schemes, within the towns, would therefore require the construction of a central heat plant as well as the distribution network infrastructure.

¹¹¹ See *EPCs & Mortgages, Demonstrating the link between fuel affordability and mortgage lending* as prepared for Constructing Excellence in Wales and Grwp Carbon Isel / Digarbon Cymru (funded by the Welsh Government) and completed by BRE and *An investigation of the effect of EPC ratings on house prices* for Department of Energy & Climate Change (June 2013.)

¹¹² Francis Truss of Carter Jonas, for Shaptor Capital, re Winterbourne Fields.

¹¹³ [Savills UK | The cost and premium for new eco-homes](#)

¹¹⁴ Steve Baughen of Fernham Homes re various sites.

¹¹⁵ See *EPCs & Mortgages, Demonstrating the link between fuel affordability and mortgage lending* as prepared for Constructing Excellence in Wales and Grwp Carbon Isel / Digarbon Cymru (funded by the Welsh Government) and completed by BRE and *An investigation of the effect of EPC ratings on house prices* for Department of Energy & Climate Change (June 2013.)

- 8.71 There are few published costs of District Heating Schemes in modern estate housing. There are savings to be made from not installing gas and boilers in each unit, but these are more than offset by the costs of laying the heat pipes through the site, heat metering etc. Informal discussions with suppliers suggest that the additional costs may be in the range of £3,000 to £7,000 per unit, which is supported by the limited published data¹¹⁶, depending on the size and shape of the project. This has not been included in the base appraisals, but this additional cost will be tested.

Policy DM 5 Proposals for Main Town Centre Uses

- 8.72 This is a general Development Management policy that does not impact directly on viability.

Policy DM 6 Shopfronts, signs and advertisements

- 8.73 This is a general Development Management policy that does not impact directly on viability.

Policy DM 7 Loss of employment floorspace and land

- 8.74 This is a general Development Management policy that does not impact directly on viability.

Policy DM 8 The rural economy

- 8.75 This is a general enabling policy that does not impact directly on viability.

Policy DM 9 New holiday parks or extensions to existing parks and the occupancy of holiday parks

- 8.76 This is a general Development Management policy that does not impact directly on viability.

Policy DM 10 Managing transport demand and impact

- 8.77 This policy seeks:

All developments that have the potential to generate significant amounts of movement by any mode should be supported by a Transport Statement or Transport Assessment. Where recommended as mitigation, a draft Travel Plan should be submitted, and a Full Travel Plan secured by planning condition.

- 8.78 It goes on to set out the detail of what is required. The preparation of a Transport Statement or Transport Assessment is a normal requirement and would be covered in the general allowances for fees.

¹¹⁶ *Assessment of the Costs, Performance, and Characteristics of UK Heat Networks* (DoE&CC, 2015) provides some guidance for infrastructure to distribute heat, but not generation.

- 8.79 It is assumed that any requirements are covered under the payments set out under Policy ST 8 Planning for Infrastructure above.

Policy DM 11 Vehicle Parking

- 8.80 This is a general Development Management policy that does not impact directly on viability. It is assumed that this requirement will not impinge of the Council's wider site capacity and density assumptions.

Policy DM 12 Rural Lanes

- 8.81 This is a general Development Management policy that does not impact directly on viability.

Policy DM 13 Broadband Infrastructure Provision

- 8.82 The requirements to provide gigabit capable broadband have, to a large extent, been superseded by the 2022 updated Building Regulations Part R Infrastructure for electronic communications. On this basis, it is assumed that the costs are covered in the wider cost assumptions and do not add to the overall costs of development.

Policy DM 14 Small and medium sites for housing development

- 8.83 This is a general enabling policy that does not impact directly on viability.

Policy DM 15 Affordable Housing

- 8.84 This is a core policy for the purpose this assessment, as affordable housing is one of the principal policy costs. The draft wording seeks:

Affordable Housing

1. *Residential development proposals will be required to make affordable housing provision as follows:*
 - i. *on sites of 15 or more dwellings on brownfield land within settlement confines, 20% of the total dwellings will be in the form of affordable housing;*
 - ii. *on sites of 10 or more on greenfield land, 30% of the total dwellings will be in the form of affordable housing.*
2. *For sites of 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate.*
3. *In exceptional circumstances, and in accordance with the Housing Supplementary Planning Document to be prepared by the Borough Council, where proposals fall short of the policy target as a result of viability considerations, an open-book approach will be taken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution. If on-site affordable housing provision cannot be delivered, affordable housing provision may be commuted to a financial contribution to be used off-site, singly or in combination with other contributions.*
4. *Where no registered provider or appropriate alternative provider is available, the full affordable housing provision requirement will be cascaded to another provider and/or site or via a commuted sum, its calculation having regard to the full amount of market housing that has been achieved on the site.*

5. *The Council will seek an appropriate tenure mix of affordable housing to include social rented, affordable rent, intermediate rent and shared ownership affordable units in line with the identified needs of the area.*

2.87 This is tested. The NPPF (paragraph 65) sets out a policy for a minimum of 10% affordable home ownership units on larger sites (10 plus) and the PPG sets out that '*First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations*'. These requirements are assumed to apply.

8.85 As set out under Policy ST 5, delivering a wide choice of high-quality homes above the housing mix is informed by the SHMA.

8.86 Through the technical consultation it was noted¹¹⁷ that this, updated policy, seeks a greater level of affordable housing on the Strategic Sites than earlier Local Plans. Whilst this may be the case, it is appropriate to test the emerging policies as drafted, and if necessary, advise as to whether or not they are appropriate in terms of viability.

8.87 A range of tenure mixes will be tested.

Policy DM 16 Rural exception housing

8.88 This is a general enabling policy that does not impact directly on viability.

Policy DM 17 Open space, sport and recreation provision

8.89 This policy sets out the following requirements on sites of 10 units and larger:

¹¹⁷ Francis Truss of Carter Jonas, for Shaptor Capital, re Winterbourne Fields.

Table 8.8 Open space and recreation standards

Type of space	Quantity to maintain existing levels of provision (ha per 1000 population)	Proposed need (ha)	Distance from new development (1) (2) (3)
Parks and gardens	1.36	22.79	2km of a destination site. 800m of a local site. 400m of a neighbourhood site.
Natural and semi-natural greenspace	4.20	70.39	2km of a destination site. 800m of a local site. 400m of a neighbourhood site.
Amenity greenspace	0.49	8.21	400m
Provision for children and young people	0.06	1.01	400m
Allotments	0.18	3.02	800m

Source: Table 7.0.2 Local Plan Review 2021, Pre-Submission Document (Regulation 19) February 2021

8.90 These areas are incorporated into the modelling of greenfield sites. On brownfield sites it is assumed that open space is provided off-site through a commuted sum.

Policy DM 18 Park homes

8.91 This is a general Development Management policy that does not impact directly on viability.

Policy DM 19 Gypsy, Traveller and Travelling Showpeople accommodation

8.92 This is a general enabling and Development Management policy that does not impact directly on viability.

Policy DM 20 Dwellings for rural workers

8.93 This is a general enabling and Development Management policy that does not impact directly on viability.

Policy DM 21 Extensions to, and the replacement of, dwellings in the countryside

8.94 This is a general enabling and Development Management policy that does not impact directly on viability.

Policy DM 22 Alterations and extensions

8.95 This is a general Development Management policy that does not impact directly on viability.

Policy DM 23 Extending the garden of a dwelling in the countryside

8.96 This is a general Development Management policy that does not impact directly on viability.

Policy DM 24 Biodiversity and geodiversity conservation and biodiversity net gain

- 8.97 This is an area of policy that has progressed at a national level since the *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021 was drafted. The national requirement for 10% Biodiversity Net Gain, as required by the Environment Act, is assumed to apply in the base appraisals. Under this policy the Council is seeking 20% Biodiversity Net Gain.
- 8.98 The requirement is that developers ensure habitats for wildlife are enhanced and left in a measurably better state than they were pre-development. They must assess the type of habitat and its condition before submitting plans, and then demonstrate how they are improving biodiversity – such as through the creation of green corridors, planting more trees, or forming local nature spaces.
- 8.99 Green improvements on-site would be preferred (and expected), but in the rare circumstances where they are not possible, developers will need to pay a levy for habitat creation or improvement elsewhere.
- 8.100 The costs of this type of intervention are modest and will be achieved through the use of more mixed planting plans, that use more locally appropriate native plants. To a large extent, the costs of grass seeds and plantings will be unchanged. More thought and care will however go into the planning of the landscaping. There will be an additional cost of establishing the baseline ‘pre-development’ situation, as a survey will need to be carried out.
- 8.101 The Government’s impact assessment¹¹⁸ suggests an average cost of scenarios including where all the provision is on-site and where all is off-site.

¹¹⁸ Table 14 and 15 Biodiversity net gain and local nature recovery strategies: impact Assessment. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf

Table 8.9 Cost of Biodiversity Net Gain – South East - 2017 based costs

	Scenario A 100% on-site	Scenario C 100% off-site
Cost per ha of residential development	£3,456/ha	£63,841/ha
Cost per ha of non-residential development	£3,150/ha	£47,885/ha
Cost per greenfield housing unit	£162/unit	£3,305/unit
Cost per brownfield housing unit	£56/unit	£660/unit
Residential greenfield delivery costs as proportion of build costs	0.1%	2.4%
Residential brownfield delivery costs as proportion of build costs	<0.1%	0.5%
% of industrial land values	0.3%	3.0%
% of commercial land values (office edge of city centre)	0.2%	2.3%
% of commercial land values (office out of town - business park)	0.2%	2.6%

Source: Tables 14 to 23 : Biodiversity net gain and local nature recovery strategies – Impact Assessment

- 8.102 It is assumed provision will be on-site on greenfield sites and off-site on brownfield sites. The percentage uplift costs are used as the costs per ha/unit are a little historic.
- 8.103 There are few other published studies in this regard, however Kent County Council recently published *Viability Assessment of Biodiversity Net Gain in Kent FINAL REPORT SQW* (June 2022)¹¹⁹. This used a different methodology to that in the Government’s impact assessment set out above, however suggests the following costs, in addition to achieving 10% BNG:

¹¹⁹ [Viability-Assessment-of-Biodiversity-Net-Gain-in-Kent-June-2022.pdf \(kentnature.org.uk\)](https://kentnature.org.uk/Viability-Assessment-of-Biodiversity-Net-Gain-in-Kent-June-2022.pdf)

Table 8.10 KCC comparison of BNG costs £ per dwelling

Typology	15% onsite per dwelling	20% onsite per dwelling	15% offsite per dwelling	20% offsite per dwelling
5,000 unit greenfield - houses	+£55.79	+£92.29	+£631.85	+£778.69
500 unit greenfield houses	+£85.56 Additional land	+£216.31 Additional land	+£1,062.85	+£1,167.95
100 unit greenfield houses	+£943.00 Additional land	+£1,071.57 Additional land	+£394.70	+£458.54
25 unit greenfield houses	+£5,549.96 Additional land	+£5,913.31 Additional land	+£874.76	+£1,077.59
500 unit brownfield houses	+£12.00	+£27.00	+£100.37	+£124.22
100 unit brownfield - houses flats	+£4.50	+£9.00	+£10.17	+£13.59
25 unit brownfield flats	+£0.00	+£42.00	+£506.30	+£508.58

Source: Table 1: Viability Assessment of Biodiversity Net Gain in Kent FINAL REPORT SQW (June 2022)

8.104 The above suggests that that, on the whole, on-site provision of additional BNG, over and above the national requirement of 10%, is modest. The report also considered non-residential development:

We tested three commercial scenarios as part of our modelling. Using the baseline inputs we found industrial development to be viable in some cases and marginally unviable in others. For smaller industrial typology depending on the build cost development becomes viable when rents are between £11 - £13 psf (at the baseline yield) or if yields are between 5.25 – 6.5% (at the baseline rent). For the larger industrial typology depending on the build cost development becomes viable when rents are between £7.50 - £9.50 psf (at the baseline yield) or if yields are between 4.75 – 6.00% (at the baseline rent).

Office development is unviable in our baseline scenario. Sensitivity testing shows that there would have to be substantial decreases to build costs and increases to capital values (most importantly yield compression) to render development viable.

8.105 20% provision has been tested, assuming the cost of providing 20% BNG is 150% of the cost of 10% BNG. As above, it is assumed provision will be on-site on greenfield sites and off-site on brownfield sites.

Policy DM 25 Conserving and enhancing valued landscapes

8.106 This is a general Development Management policy that does not impact directly on viability.

Policy DM 26 Kent Downs AONB strategy

8.107 This is a general Development Management policy that does not impact directly on viability.

Policy DM 27 The separation of settlements - Important Local Countryside Gaps

8.108 This is a general Development Management policy that does not impact directly on viability.

Policy DM 28 Local Green Spaces

8.109 This is a general Development Management policy that does not impact directly on viability.

Policy DM 29 Woodland, orchards, trees and hedgerows

8.110 This is a general enabling and Development Management policy that does not impact directly on viability.

Policy DM 30 Agricultural land

8.111 This is a general Development Management policy that does not impact directly on viability.

Policy DM 31 The Coast

8.112 This is a general Development Management policy that does not impact directly on viability.

Policy DM 32 Coastal change management

8.113 This is a general Development Management policy that does not impact directly on viability.

Policy DM 33 Air Quality

8.114 This is a general Development Management policy that does not impact directly on viability beyond the costs covered elsewhere in this assessment.

Policy DM 34 Pollution and Land Instability

8.115 This is a general Development Management policy that does not impact directly on viability.

Policy DM 35 Water Quality and Water Resources

8.116 In the base assumptions, it is assumed that measures to reduce the use of water, in line with the enhanced building regulations, will be introduced. The costs are modest, likely to be less than £5/dwelling¹²⁰. This cost was based in 2014 so has been indexed¹²¹ to £7/dwelling.

8.117 The Council is also considering going further than this. It is assumed that this would be achieved through features such as rainwater harvesting. There are few published costs,

¹²⁰ Paragraph 285 Housing Standards Review, Final Implementation Impact Assessment, March 2015. Department for Communities and Local Government.

¹²¹ BCIS Index March 2014 316.3, December 2023 452.0.

although figures of £2,000 to £3,000 are sometimes quoted¹²². The provision of rainwater harvesting requires the capture of rainfall. This is normally done through an underground tank. A second cold water system is then installed. As this is not at 'mains' pressure, this normally utilises a pump and pressure cylinder.

8.118 This cost is not incorporated into the base assumptions, but will be tested as a scenario.

Policy DM 36 Flood Risk

8.119 This is a general Development Management policy that does not impact directly on viability.

Policy DM 37 Sustainable Drainage

8.120 Sustainable Urban Drainage Systems (SUDS) are often a requirement. SUDS aim to limit the waste of water, reduce water pollution and flood risk relative to conventional drainage systems. In this study, it is anticipated that new development will be required to incorporate Sustainable Urban Drainage Schemes (SUDS). SUDS and the like can add to the costs of a scheme – although in larger projects these can be incorporated into public open space. It is assumed that the costs of SUDS are included within the additional costs on brownfield sites, however on the larger greenfield sites it is assumed that SUDS will be incorporated into the green spaces (subject to local ground conditions), and be delivered through soft landscaping within the wider site costs.

Policy DM 38 Development Involving Listed Buildings

8.121 This is a general Development Management policy that does not impact directly on viability.

Policy DM 39 Development affecting a conservation area

8.122 This is a general Development Management policy that does not impact directly on viability.

Policy DM 40 Historic landscapes including parks and gardens

8.123 This is a general Development Management policy that does not impact directly on viability.

Policy DM 41 Area of high townscape value

8.124 This is a general Development Management policy that does not impact directly on viability.

Policy DM 42 Development affecting a locally listed heritage asset

8.125 This is a general Development Management policy that does not impact directly on viability.

¹²² For example by the UK Rainwater Harvesting Association.

Policy DM 43 Archaeological Heritage

8.126 This is a general Development Management policy that does not impact directly on viability.

Policy DM 44 The keeping and grazing of horses

8.127 This is a general Development Management policy that does not impact directly on viability.

Neighbourhood plans

8.128 As it stands (at February 2023) the only adopted Neighbourhood Plan is the Faversham Creek Neighbourhood Plan. This and other emerging Neighbourhood Plans are reviewed.

Boughton-under-Blean and Dunkirk

8.129 A neighbourhood plan is currently being prepared to cover the Parishes of Boughton-under-Blean and Dunkirk.

8.130 The draft policies include a requirement for 40% affordable housing on sites of 5 or larger. It also seeks to ensure that First Homes are reserved for people with a local connection for at least 6 months. The Draft Neighbourhood Plan also seeks that *'New developments will be carbon neutral and contribute to energy reduction'*. These policies are tested as part of the wider testing in this report.

8.131 The document then goes on to seek that *'new developments will require that purchasers and occupiers of homes within the areas identified for new development, should be: i Individuals or families with a proven local connection. ii People whose health dictates a move within the parishes'*.

8.132 Similar clauses for Local Occupancy Restrictions have been used in the Lake District National Park for 20 years or so. In the Lake District the requirement is that the occupier has been living or working locally for at least 3 years. The Yorkshire Dales National Park Authority has a similar scheme, although the time frame is more flexible. The North York Moors National Park Authority (YDNPA) also has a scheme whereby new homes outside the main settlements are subject to a Local Occupancy Clause.

8.133 The YDNPA estimates that the LOC reduces the value of a home by 15% to 20%¹²³ and the NYMNP Authority estimates that the LOC reduces the value of a home by 20% to 25%¹²⁴.

8.134 Introducing a policy that restricts the range of buyers that may purchase a house will reduce demand and that in turn will reduce values which will have an adverse impact on viability. It is difficult to predict what the impact will be, this will depend on the conditions that may be

¹²³ [Occupancy-restriction-statement-March-2018.doc \(live.com\)](#)

¹²⁴ [Housing policies \(northyorkmoors.org.uk\)](#)

applied. In this assessment a scenario is tested where the market homes are subject to a Local Occupancy Clause that reduces the value by up to 30%, however it would be expected that the impact of a Primary Residence Condition would be less than a Local Occupancy Clause.

Faversham Town Council

- 8.135 Faversham Town Council made an application to Swale Borough Council to designate a neighbourhood area in Spring 2020. It is understood that this remains at an early stage.

Faversham Creek

- 8.136 The Draft Plan includes draft *Policy NP 1 Faversham Creek Neighbourhood Plan*. The Faversham Creek neighbourhood plan was 'made' in 2017.
- 8.137 Generally, this concerns design issues that seek high quality design rather than specific requirements.
- 8.138 Policy HO2 requires 35% affordable housing. This policy is tested as part of the wider testing in this report.

Hernhill

- 8.139 Hernhill Parish Council made an application to Swale Borough Council to designate a neighbourhood area in Autumn 2019. It is understood that this remains at an early stage.

Minster, Isle of Sheppey

- 8.140 Minster Parish Council has made an application to Swale Borough Council to designate land in Minster, Isle of Sheppey, a neighbourhood plan area. It is understood that this remains at an early stage.

Borden

- 8.141 Borden Parish Council submitted an application to designate the whole parish of Borden as a neighbourhood area on 03 March 2021, with additional information provided on 09 March 2021. It is understood that this remains at an early stage.

9. Modelling

9.1 In the previous chapters, the general assumptions to be inputted into the development appraisals are set out. In this chapter, the modelling is set out. It is stressed that this is a high-level study that is seeking to capture the generality rather than the specific.

Residential Development

9.2 SBC is considering which sites to allocate, which will be informed by a *Housing and Employment Land Availability Assessment* (HELAA). A call for sites has been completed and the sites are currently being sifted and assessed for their suitability. This is still a relatively early stage so remains an ongoing process. In this assessment the analysis is based on the long list of sites as at December 2023.

9.3 In the Council’s historic published SHLAA the modelling is based on the following high level assumptions:

Table 9.1 Residential Density Assumptions

Situation	Density Assumption
Central Urban Areas	60 dwelling per ha
Wider Urban Areas	50 dwellings per ha
Greenfield Sites	30 to 40 dwellings per ha

Source: SBC

Table 9.2 Net Developable Area Assumptions

Site Size	Net Developable Area
0.15ha to 0.4ha	100%
0.4ha to 2.0ha	80%
2.0ha and above	70%

Source: SBC

9.4 In this regard, through the technical consultation, a site promoter¹²⁵ commented:

In particular, when taking into account the Councils desire for 20% Biodiversity Net Gain (BNG)) and the requirement to seek to achieve this on site, delivering 100%, 80% and 70% net developable would be very ambitious when sites are expected to deliver 20% BNG on site. The council should engage with Kent County Council to see how the implementation of the 20% BNG requirement on site has affected net developable areas before concluding on this,

¹²⁵ David Morris for Foxchurch Land (a JV between Catesby Estates and Appin Land) re a potential Strategic Site at Bobbing.

otherwise any SHLAA exercise would potentially overestimate the delivery of dwellings from each site.

9.5 Similarly, a regional developer¹²⁶ commented:

BNG: FH's experience is that 10% on site BNG reduces developable area by up to 30% on grassland greenfield sites. 20% BNG will be greater. A requirement for 20% BNG will undoubtedly reduce housing yields.

9.6 Whilst this is noted, it is understood that the Council has considered the capacity of sites in the round, taking such factors into consideration. They also noted:

PDL densities are unlikely, particularly for wider urban areas given character of Sittingbourne and Faversham.

Range of net developable area assumptions should be increased for greenfield sites to take into account on-site BNG (65 – 70% NDA for 0.4 ha and above).

9.7 The SHELAA database includes (excluding those sites that have been ruled out) about 200 sites. These range up to about 800ha and have a capacity of up to about 24,000 units. It is however important to note that many of these sites have not yet been assessed for their suitability for development. This long list has been used to inform the modelling:

Table 9.3 Distribution of Draft HELAA Sites by Site Type

	Sites		Area (ha)		Capacity (Units)	
Brownfield	29	14.15%	84.78	2.38%	2,543	2.38%
Greenfield	160	78.05%	2,962.01	83.22%	88,841	83.21%
Mixed	16	7.80%	512.68	14.40%	15,380	14.41%
All	205	100.00%	3,559.47	100.00%	106,764	100.00%
	Sites		Area (ha)		Capacity	
Rural	42	20.49%	939.57	26.40%	28,187	26.40%
Urban	44	21.46%	180.64	5.07%	5,419	5.08%
Urban fringe	119	58.05%	2,439.26	68.53%	73,158	68.52%
All	205	100.00%	3,559.47	100.00%	106,764	100.00%

Source: Draft SHELAA Dataset (SBC January 2024)

¹²⁶ Steve Baughen of Fernham Homes re various sites.

Table 9.4 Distribution of Draft HELAA Sites by Parish

	Brownfield			Greenfield			Mixed			ALL		
	Count	Area (ha)	Capacity	Count	Area (ha)	Capacity	Count	Area (ha)	Capacity	Count	Area (ha)	Capacity
Bapchild	0			2	17.26	518	0			2	17.26	518
Bobbing	0			6	27.63	829	1	0.41	12	7	28.04	841
Bobbing/ Iwade	0			4	403.82	12,114	0			4	403.82	12,114
Borden	0			7	63.50	1,905	0			7	63.50	1,905
Borden/ Tunstall	0			3	29.63	889	0			3	29.63	889
Boughton-under-Blean	0			2	1.06	32	2	2.68	80	4	3.74	112
Boughton-under-Blean/ Hernhill	0			1	5.21	156	0			1	5.21	156
Boughton-under-Blean/ Selling	0			1	6.32	190	0			1	6.32	190
Dunkirk	0			4	141.97	4,259	0			4	141.97	4,259
Eastchurch	0			2	39.16	1,175	0			2	39.16	1,175
Eastchurch/ Minster-on-Sea	0			1	17.27	518	0			1	17.27	518
Faversham	8	7.47	224	11	51.37	1,541	2	5.59	168	21	64.44	1,933
Faversham/ Graveney with Goodnestone	0			2	135.29	4,059	0			2	135.29	4,059
Faversham/ Norton/ Luddenham	0			1	36.17	1,085	0			1	36.17	1,085
Faversham/ Ospringe	0			1	40.83	1,225	0			1	40.83	1,225
Faversham/ Selling/ Boughton-under-Blean	0			1	130.72	3,922	0			1	130.72	3,922
Hartlip	0			4	12.36	371	0			4	12.36	371
Iwade	0			1	0.19	6	1	0.46	14	2	0.65	19
Iwade/ Lower Halstow	0			1	136.79	4,104	0			1	136.79	4,104
Leysdown	3	9.72	291	1	2.86	86	1	2.58	77	5	15.15	455
Lower Halstow	0			5	1.73	52	0			5	1.73	52
Lynsted with Kingsdown	0			16	59.51	1,785	1	1.46	44	17	60.96	1,829
Minster-on-Sea	1	7.79	234	12	49.82	1,495	0			13	57.61	1,728
Newington	0			12	45.55	1,366	0			12	45.55	1,366
Newington/ Hartlip	1	1.53	46	0			0			1	1.53	46
Norton	0			1	9.06	272	0			1	9.06	272
Oare	0			1	3.25	98	0			1	3.25	98
Ospringe	0			2	9.24	277	1	3.50	105	3	12.75	382
Queenborough	5	23.38	702	3	5.40	142	1	149.04	4,471	9	177.82	5,315
Queenborough/ Sheerness	0			0			1	30.92	928	1	30.92	928
Rodmersham/ Tonge/ Bapchild/ Tunstall/ Sittingbourne/ Teynham/ Milstead/ Bredgar	0			1	800.69	24,021	0			1	800.69	24,021
Selling	0			2	1.63	49	0			2	1.63	49
Sheerness	2	22.84	685	8	54.78	1,643	1	1.51	45	11	79.13	2,374
Sheerness/ Minster-on-Sea	0			3	171.55	5,147	0			3	171.55	5,147
Sheldwich/ Faversham/ Ospringe/ Selling	0			0			1	309.04	9,271	1	309.04	9,271
Sittingbourne	9	12.04	361	7	25.14	754	0			16	37.18	1,116
Sittingbourne/ Bobbing	0			1	61.21	1,836	0			1	61.21	1,836
Sittingbourne/ Iwade	0			2	68.39	2,052	0			2	68.39	2,052
Sittingbourne/ Rodmersham	0			1	26.01	780	0			1	26.01	780
Sittingbourne/ Tonge	0			1	50.92	1,528	0			1	50.92	1,528
Teynham	0			8	63.70	1,911	1	1.86	56	9	65.55	1,967
Tonge	0			3	26.11	783	1	1.99	60	4	28.10	843
Tonge/ Bapchild	0			1	91.68	2,750	0			1	91.68	2,750
Tunstall	0			1	3.52	106	0			1	3.52	106
Upchurch	0			12	27.10	813	1	1.66	50	13	28.76	863
Warden	0			1	6.62	199	0			1	6.62	199
ALL	29	84.78	2,543	160	2,962.01	88,841	16	512.68	15,380	205	3,559.47	106,764

Source: Draft SHELAA Dataset (SBC January 2024)

9.8 There are several changes to Building Regulations that have been announced. These included proposed Changes to Approved Document B, sprinklers in care homes, and second

staircases in residential buildings. The proposed changes to the regulations around second staircases¹²⁷ will apply to buildings of over 18m (about 6 storeys) from September 2026.

9.9 In this regard, through the technical consultation, it was noted¹²⁸ that '*wider policy requirements (green space, Biodiversity Net Gain) means that the net developable area for strategic schemes is often below the 70% noted for +2.0ha sites and the resultant density (on the net developable area) can flex to maximise housing numbers in this context*'. It is understood that the Council anticipate taking BNG into account as the site capacity assumptions are refined through the plan-making progress, to ensure on-site provision.

9.10 The modelling is summarised as follows:

a. Brownfield Typologies

- Policy compliant housing mix from the SHMA
- Site Density as per Table 9.1
- Net Gross assumption as per Table 9.2
- Assumes open space is provided off-site.

b. Greenfield Typologies

- Policy compliant housing mix from SHMA
- Site Density as per Table 9.1
- Net Gross assumption as per Table 9.2 – where the calculation is insufficient to accommodate the minimum open space requirements then the open space is increased to allow on-site provision. This has the effect of reducing the net developable area.

c. Strategic Sites

- Based on the gross site area from HELAA dataset as supplied by the Council.
- Assumed 60% net developable area. This is sufficient to allow for on-site open space and the provision of infrastructure.
- Assumed policy compliant housing mix from SHMA

9.11 It is important to note that this modelling derives a site capacity that is less than the assumptions on the Council's HELAA. The HELAA dataset is based on 30 units per gross ha. This approach does allow for the on-site provision of open space, on greenfield sites, as per the emerging policy requirements.

¹²⁷ [Government proposes second staircases to make buildings safer - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-proposes-second-staircases-to-make-buildings-safer)

¹²⁸ Francis Truss of Carter Jonas, for Shaptor Capital, re Winterbourne Fields.

9.12 Based on the HELAA, a set of typologies has been developed. These include a range of site density assumptions.

Table 9.5 Modelled Typologies and Potential Strategic Sites

1	Large Brown 300	Units	300	Large PDL site. SHMA mix, houses and flats. 70% net developable - Open space (4.34ha), in part offsite
		Gross	8.571	
		Net	6.000	
		Density	50.0	
2	Brown 90	Units	90	PDL site. SHMA mix, houses and flats. 80% net developable - Open space (1.302ha), in part off -site
		Gross	2.250	
		Net	1.800	
		Density	50.0	
3	Brown 30	Units	30	PDL site. SHMA mix, houses and flats. 80% net developable - Open space (0.434ha), in part off-site
		Gross	0.750	
		Net	0.600	
		Density	50.0	
4	Brown 15	Units	15	PDL site. SHMA mix, houses and flats. 100% net developable - Open space (0.0.217ha), in part off-site
		Gross	0.300	
		Net	0.300	
		Density	50.0	
5	Brown 9	Units	9	PDL site. 100% net developable. Below POS thresholds.
		Gross	0.225	
		Net	0.225	
		Density	40.0	
6	Brown 6	Units	6	PDL site. 100% net developable. Below POS thresholds. Modelled with affordable housing.
		Gross	0.150	
		Net	0.150	
		Density	40.0	
7	Central 60	Units	60	Town centre PDL site. Terraced and flats, 80% net developable. POS off-site (0.868ha).
		Gross	1.250	
		Net	1.000	
		Density	60.0	
8	Central 24	Units	24	Town centre PDL site. Terraced and flats, 80% net developable. POS off-site (0.362ha).
		Gross	0.500	
		Net	0.400	
		Density	60.0	

Central 9 9	Units	9	Town centre PDL site. Terraced and flats, 100% net developable. Below POS thresholds.
	Gross	0.150	
	Net	0.150	
	Density	60.0	
Brown 90 HD 10	Units	90	PDL site. Flatted scheme. 80% net developable. POS off-site (1.302ha).
	Gross	1.607	
	Net	1.286	
	Density	70.0	
Brown 24 HD 11	Units	24	PDL site. Flatted scheme. 100% net developable. POS off-site (0.347ha).
	Gross	0.343	
	Net	0.343	
	Density	70.0	
Large Green 400 LD 12	Units	400	Lower density large greenfield. SHMA mix, mostly housing, POS onsite (5.787ha), 69% net developable.
	Gross	19.048	
	Net	13.333	
	Density	30.0	
Large Green 400 HD 13	Units	400	Higher density large greenfield. SHMA mix, mostly housing, POS on -site (5.787ha), 63% net developable.
	Gross	14.286	
	Net	10.000	
	Density	40.0	
Green 150 14	Units	150	Greenfield. SHMA mix, mostly housing, POS on-site (2.170ha), 66% net developable.
	Gross	6.122	
	Net	4.286	
	Density	35.0	
Green 30 15	Units	30	Greenfield. SHMA mix, mostly housing, POS on-site (0.434ha), 70% net developable.
	Gross	1.250	
	Net	1.000	
	Density	30.0	
Green 12 16	Units	12	Greenfield. SHMA mix, mostly housing, POS on-site (0.174ha), 70% net developable.
	Gross	0.400	
	Net	0.400	
	Density	30.0	
Green 6 17	Units	6	Greenfield. 100% net developable - below POS Threshold
	Gross	0.200	
	Net	0.200	
	Density	30.0	

18	South and West of Iwade (Site B)	Units	1,381	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (19.979ha) provided on-site.
	Gross	1,381		
	Net	65.760		
	Density	39.456		
19	West of Bobbing village	Units	4,173	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (60.371ha) provided on-site.
	Gross	198.720		
	Net	119.232		
	Density	35.0		
20	Land at Stickfast Lane	Units	2,411	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (34.880ha) provided on-site.
	Gross	114.820		
	Net	68.892		
	Density	35.0		
21	Fax Farm	Units	1,201	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (17.375ha) provided on-site.
	Gross	57.210		
	Net	34.326		
	Density	35.0		
22	Winterbourne Fields	Units	1,742	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (20.202ha) provided on-site.
	Gross	82.960		
	Net	49.776		
	Density	35.0		
23	SE Faversham	Units	2,745	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (39.712ha) provided on-site.
	Gross	130.720		
	Net	78.432		
	Density	35.0		
24	East of Faversham Expansion	Units	2,665	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (38.555ha) provided on-site.
	Gross	126.890		
	Net	76.134		
	Density	35.0		
25	Iwade - Solar Farm	Units	2,873	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (41.564ha) provided on-site.
	Gross	136.790		
	Net	82.074		
	Density	35.0		
26	Rushenden South	Units	3,130	Potential Strategic Site. Mixed uses, but mainly agricultural. 60% net developable, 35units per ha assumed. Open space requirement (41.564ha) provided on-site.
	Gross	149.040		
	Net	89.424		
	Density	35.0		

South East Sittingbourne 27	Units	16,814	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (243.248ha) provided on-site.
	Gross	800.690	
	Net	480.414	
	Density	35.0	
Land at South-West Minster 28	Units	2,235	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (32.334ha) provided on-site.
	Gross	106.430	
	Net	63.858	
	Density	35.0	
Ashford Road, North Street 29	Units	6,490	Potential Strategic Site. Mixed uses, but mainly agricultural. 60% net developable, 35units per ha assumed. Open space requirement (93.891ha) provided on-site.
	Gross	309.040	
	Net	185.424	
	Density	35.0	
Between A2 Bapchild and Northern Relief Road 30	Units	1,925	Potential Strategic Site. Agricultural use. 60% net developable, 35units per ha assumed. Open space requirement (27.849ha) provided on-site.
	Gross	91.680	
	Net	55.008	
	Density	35.0	

Source: HDH (April 2024)

Table 9.6 Summary of Modelled Typologies and Potential Strategic Sites

		Current Use	Units	Area Ha			Density Units/ha		Density m2/ha	
				Total	Gross	Net	%	Gross		Net
1	Large Brown 300	Brown PDL	300	8.571	8.571	6.000	70.0%	35.00	50.00	4,049
2	Brown 90	Brown PDL	90	2.250	2.250	1.800	80.0%	40.00	50.00	4,034
3	Brown 30	Brown PDL	30	0.750	0.750	0.600	80.0%	40.00	50.00	4,037
4	Brown 15	Brown PDL	15	0.300	0.300	0.300	100.0%	50.00	50.00	4,010
5	Brown 9	Brown PDL	9	0.225	0.225	0.225	100.0%	40.00	40.00	3,541
6	Brown 6	Brown PDL	6	0.150	0.150	0.150	100.0%	40.00	40.00	3,227
7	Central 60	Brown PDL	60	1.250	1.250	1.000	80.0%	48.00	60.00	5,253
8	Central 24	Brown PDL	24	0.500	0.500	0.400	80.0%	48.00	60.00	4,658
9	Central 9	Brown PDL	9	0.150	0.150	0.150	100.0%	60.00	60.00	4,199
10	Brown 90 HD	Brown PDL	90	1.607	1.607	1.286	80.0%	56.00	70.00	4,943
11	Brown 24 HD	Brown PDL	24	0.343	0.343	0.343	100.0%	70.00	70.00	5,024
12	Large Green 400 LD	Agricultural	400	19.120	19.048	13.333	69.7%	21.00	30.00	2,537
13	Large Green 400 HD	Agricultural	400	15.787	14.286	10.000	63.3%	28.00	40.00	3,331
14	Green 150	Agricultural	150	6.456	6.122	4.286	66.4%	24.50	35.00	2,974
15	Green 30	Agricultural	30	1.434	1.250	1.000	69.7%	24.00	30.00	2,540
16	Green 12	Agricultural	12	0.574	0.400	0.400	69.7%	30.00	30.00	3,140
17	Green 6	Paddock	6	0.287	0.200	0.200	69.7%	30.00	30.00	3,030
18	South and West of Iwade (Site B)	Agricultural	1,381	65.760	65.760	39.456	60.0%	21.00	35.00	2,959
19	West of Bobbing village	Agricultural	4,173	198.720	198.720	119.232	60.0%	21.00	35.00	2,960
20	Land at Stickfast Lane	Agricultural	2,411	114.820	114.820	68.892	60.0%	21.00	35.00	2,959
21	Fax Farm	Agricultural	1,201	57.210	57.210	34.326	60.0%	20.99	35.00	2,959
22	Winterbourne Fields	Agricultural	1,742	82.960	82.960	49.776	60.0%	21.00	35.00	2,959
23	SE Faversham	Agricultural	2,745	130.720	130.720	78.432	60.0%	21.00	35.00	2,959
24	East of Faversham Expansion	Agricultural	2,665	126.890	126.890	76.134	60.0%	21.00	35.00	2,959
25	Iwade - Solar Farm	Agricultural	2,873	136.790	136.790	82.074	60.0%	21.00	35.00	2,960
26	Rushenden South	Mixed	3,130	149.040	149.040	89.424	60.0%	21.00	35.00	2,960
27	South East Sittingbourne	Agricultural	16,814	800.690	800.690	480.414	60.0%	21.00	35.00	2,959
28	Land at South-West Minster	Agricultural	2,235	106.430	106.430	63.858	60.0%	21.00	35.00	2,960
29	Ashford Road, North Street	Mixed	6,490	309.040	309.040	185.424	60.0%	21.00	35.00	2,959
30	Between A2 Bapchild and Northern	Agricultural	1,925	91.680	91.680	55.008	60.0%	21.00	35.00	2,959

Source: HDH (April 2024)



Older People's Housing

9.13 A private Sheltered/retirement and an Extracare scheme have been modelled as follows. These assumptions have been updated based on comments made through the technical consultation¹²⁹.

- A 60 unit private Sheltered/retirement scheme of 60% 1 bed units of 52 sqm and 40% 2 bed units of 72sqm. A further 25% non-saleable service and common areas is assumed.
- A 60 unit Extracare scheme of 60% 1 bed units of 55sqm and 40% 2 bed units of 75sqm to give a net saleable area (GIA) of 4,260sqm. A further 35% non-saleable service and common areas is assumed.
- A 120 unit Integrated Retirement Community (IRC) made up of level access flats and houses. 40 x 1 bed units of 70sqm with 20% circulation space, 60 x 2 bed units of 90sqm with 20% circulation space and 50 bungalows of 120sqm with 20% circulation space.

9.14 A density of 80 per ha is assumed for the Extracare scheme, 90 per ha for the Sheltered scheme, and 45 per ha is assumed for the IRC.

Employment Uses

9.15 For the purpose of this study a wider range of development types has been assessed. The modelling is based on the following development types:

- a. **Large offices.** These are more than 250sqm, will be of steel frame construction, be over several floors and will be located on larger business parks.

Typical larger units in the Council area likely to be around 2,000sqm – this will be used as the basis of the modelling, assuming 25% coverage. An office typology is also modelled in central Sittingbourne and Faversham, based on a higher (4 storey) format and 70% coverage, but also based on 2,000sqm.

A smaller format of 500sqm (25% coverage) has been modelled in the business park situation.

- b. **Industrial.** Modern industrial units of over 500sqm. There is relatively little new space being constructed.

A 4,000 sqm and a 400 sqm typology are modelled, each assuming 40% site coverage.

- c. **Distribution.** These will normally be on a business park and be of simple steel frame construction, the walls will be of block work and insulated cladding and there will be a

¹²⁹ Natasha Styles of the Planning Bureau, for McCarthy Stone.

small office area. Typical units in the area are assumed to be around 5,000sqm – this is the basis of the modelling allowing for 40% site coverage.

- 9.16 The plethora of other types of commercial and employment development beyond office and industrial/storage uses has not been investigated in this study, as they do not form part of the Council's planned development.



10. Residential Appraisals

- 10.1 At the start of this chapter, it is important to stress that the results of the appraisals do not, in themselves, determine the deliverability of development. The results of this study are one of several factors that Swale Borough Council will consider when selecting sites for allocation. Council will also consider the track record through the development management process, the availability of external funding (such as through the Housing Infrastructure Fund), the progress of sites through the planning process, and a plethora of other factors.
- 10.2 The appraisals use the residual valuation approach, they assess the value of a site after considering the costs of development, the likely income from sales and/or rents and a developers' return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. For the proposed development to be viable, it is necessary for this Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).
- 10.3 As set out above, for each development type the Residual Value is calculated. The results are set out and presented for each site and per gross hectare to allow comparison between sites. In the tables in this chapter, the results are colour coded using a traffic light system:
- a. **Green** **Viable** – where the Residual Value per hectare exceeds the BLV per hectare (being the EUV plus the appropriate uplift to provide a landowners' premium).
 - b. **Amber** **Marginal** – where the Residual Value per hectare exceeds the EUV but not the BLV. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.
 - c. **Red** **Not-viable** – where the Residual Value does not exceed the EUV.
- 10.4 A report of this type applies relatively simple assumptions that are broadly reflective of an area to assess viability. The fact that a typology is shown as viable does not necessarily mean that, that type of development will come forward and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is happening on the ground in terms of development.

Base Appraisals

- 10.5 The initial appraisals are based on the current policy requirement, but with 30% affordable housing, updated to take into account the developing areas of national policy. The base modelling is from the following starting point:
- a. Affordable Housing 30% as 63% Affordable Rent 37% Affordable Home Ownership. 25% of affordable homes as First Homes.

- b. Design 75% Part M4(2), 25% Part M4(3), Water efficiency, 20% Biodiversity Net Gain, Zero Carbon.
- c. Developer Contributions s106 typologies £10,000/unit / potential Strategic Sites £25,000/unit.

10.6 As set out in Chapter 4 above, the analysis is based on 4 sub-areas:

- a. **Isle of Sheppey** – being all the Isle of Sheppey
- b. **Sittingbourne and West** – being the town of Sittingbourne, the sites to the southwest and west of the town and in the rural areas to the west of the town. This includes sites associated with Rainham.
- c. **Sittingbourne East** – being the sites to the north, northeast and south of the town and the areas to the east of the town. This excludes the sites associated with Faversham.
- d. **Faversham and East** – being the town of Faversham, sites associated with the town and the area to the east, towards Canterbury.

10.7 The base appraisals are included in **Appendix 12**.

Table 10.1a Residual Values – Isle of Sheppey

							Area (ha)		Units	Residual Value (£)		
							Gross	Net		Gross ha	Net ha	Site
Site 1	Large Brown 300	IoS	Brown	PDL			8.57	6.00	300	369,899	528,427	3,170,560
Site 2	Brown 90	IoS	Brown	PDL			2.25	1.80	90	200,318	250,398	450,716
Site 3	Brown 30	IoS	Brown	PDL			0.75	0.60	30	220,737	275,922	165,553
Site 4	Brown 15	IoS	Brown	PDL			0.30	0.30	15	651,257	651,257	195,377
Site 5	Brown 9	IoS	Brown	PDL			0.23	0.23	9	595,334	595,334	133,950
Site 6	Brown 6	IoS	Brown	PDL			0.15	0.15	6	837,189	837,189	125,578
Site 7	Central 60	IoS	Brown	PDL			1.25	1.00	60	-628,645	-785,806	-785,806
Site 8	Central 24	IoS	Brown	PDL			0.50	0.40	24	425,630	532,038	212,815
Site 9	Central 9	IoS	Brown	PDL			0.15	0.15	9	650,867	650,867	97,630
Site 10	Brown 90 HD	IoS	Brown	PDL			1.61	1.29	90	-1,461,370	-1,826,713	-2,348,631
Site 11	Brown 24 HD	IoS	Brown	PDL			0.34	0.34	24	-1,902,673	-1,902,673	-652,345
Site 12	Large Green 400 LD	IoS	Green	Agricultural			19.05	13.33	400	468,365	671,640	8,955,194
Site 13	Large Green 400 HD	IoS	Green	Agricultural			14.29	10.00	400	596,382	941,496	9,414,964
Site 14	Green 150	IoS	Green	Agricultural			6.12	4.29	150	377,935	569,301	2,439,861
Site 15	Green 30	IoS	Green	Agricultural			1.25	1.00	30	379,544	544,269	544,269
Site 16	Green 12	IoS	Green	Agricultural			0.40	0.40	12	627,831	900,317	360,127
Site 17	Green 6	IoS	Green	Paddock			0.20	0.20	6	917,481	917,481	183,496
Site 26	Rushenden South	IoS Sheerness	Mixed	Agricultural			149.04	89.42	3,130	-4,589	-7,649	-683,972
Site 28	Land at South-West Minster	IoS Minster on Sea	Green	Agricultural			106.43	63.86	2,235	20,998	34,996	2,234,782

Source: HDH (April 2024)



Table 10.1b Residual Values – Sittingbourne and West

							Area (ha)		Units	Residual Value (£)		
							Gross	Net		Gross ha	Net ha	Site
Site 1	Large Brown 300	Sittingbourne West	Brown	PDL			8.57	6.00	300	500,553	715,075	4,290,453
Site 2	Brown 90	Sittingbourne West	Brown	PDL			2.25	1.80	90	349,778	437,223	787,002
Site 3	Brown 30	Sittingbourne West	Brown	PDL			0.75	0.60	30	383,404	479,256	287,553
Site 4	Brown 15	Sittingbourne West	Brown	PDL			0.30	0.30	15	860,344	860,344	258,103
Site 5	Brown 9	Sittingbourne West	Brown	PDL			0.23	0.23	9	775,937	775,937	174,586
Site 6	Brown 6	Sittingbourne West	Brown	PDL			0.15	0.15	6	1,012,402	1,012,402	151,860
Site 7	Central 60	Sittingbourne West	Brown	PDL			1.25	1.00	60	-427,515	-534,394	-534,394
Site 8	Central 24	Sittingbourne West	Brown	PDL			0.50	0.40	24	615,033	768,792	307,517
Site 9	Central 9	Sittingbourne West	Brown	PDL			0.15	0.15	9	888,413	888,413	133,262
Site 10	Brown 90 HD	Sittingbourne West	Brown	PDL			1.61	1.29	90	-1,461,370	-1,826,713	-2,348,631
Site 11	Brown 24 HD	Sittingbourne West	Brown	PDL			0.34	0.34	24	-1,902,673	-1,902,673	-652,345
Site 12	Large Green 400 LD	Sittingbourne West	Green	Agricultural			19.05	13.33	400	468,365	671,640	8,955,194
Site 13	Large Green 400 HD	Sittingbourne West	Green	Agricultural			14.29	10.00	400	596,382	941,496	9,414,964
Site 14	Green 150	Sittingbourne West	Green	Agricultural			6.12	4.29	150	377,935	569,301	2,439,861
Site 15	Green 30	Sittingbourne West	Green	Agricultural			1.25	1.00	30	379,544	544,269	544,269
Site 16	Green 12	Sittingbourne West	Green	Agricultural			0.40	0.40	12	627,831	900,317	360,127
Site 17	Green 6	Sittingbourne West	Green	Paddock			0.20	0.20	6	917,481	917,481	183,496
Site 18	South and West of Iwade (Site B)	Iwade	Green	Agricultural			65.76	39.46	1,381	51,473	85,788	3,384,835
Site 19	West of Bobbing village	Bobbing	Green	Agricultural			198.72	119.23	4,173	-18,554	-30,924	-3,687,141
Site 20	Land at Stickfast Lane	Bobbing	Green	Agricultural			114.82	68.89	2,411	16,339	27,231	1,875,994
Site 25	Iwade - Solar Farm	Iwade	Green	Agricultural			136.79	82.07	2,873	138,770	231,284	18,982,402

Source: HDH (April 2024)



Table 10.1c Residual Values – Sittingbourne East

Site	Description	Green	Use	Area (ha)		Units	Residual Value (£)		Site
				Gross	Net		Gross ha	Net ha	
Site 12	Large Green 400 LD	Green	Agricultural	19.05	13.33	400	652,422	935,579	12,474,387
Site 13	Large Green 400 HD	Green	Agricultural	14.29	10.00	400	816,739	1,289,370	12,893,700
Site 14	Green 150	Green	Agricultural	6.12	4.29	150	583,926	879,594	3,769,690
Site 15	Green 30	Green	Agricultural	1.25	1.00	30	574,773	824,230	824,230
Site 16	Green 12	Green	Agricultural	0.40	0.40	12	885,957	1,270,472	508,189
Site 17	Green 6	Green	Paddock	0.20	0.20	6	1,300,377	1,300,377	260,075
Site 27	South East Sittingbourne	Green	Agricultural	800.69	480.41	16,814	-43,658	-72,763	-34,956,315
Site 30	Between A2 Bapchild and Norther	Green	Agricultural	91.68	55.01	1,925	183,242	305,404	16,799,659

Source: HDH (April 2024)



Table 10.1d Residual Values – Faversham and East

Site	Description	Use	Area (ha)	Units	Residual Value (£)		
					Gross ha	Net ha	Site
Site 1	Large Brown 300	Brown	8.57	300	629,286	898,981	5,393,884
Site 2	Brown 90	Brown	2.25	90	499,239	624,048	1,123,287
Site 3	Brown 30	Brown	0.75	30	542,900	678,625	407,175
Site 4	Brown 15	Brown	0.30	15	1,064,302	1,064,302	319,291
Site 5	Brown 9	Brown	0.23	9	955,162	955,162	214,911
Site 6	Brown 6	Brown	0.15	6	1,184,469	1,184,469	177,670
Site 7	Central 60	Brown	1.25	60	-231,089	-288,862	-288,862
Site 8	Central 24	Brown	0.50	24	802,342	1,002,928	401,171
Site 9	Central 9	Brown	0.15	9	1,123,524	1,123,524	168,529
Site 10	Brown 90 HD	Brown	1.61	90	-1,461,370	-1,826,713	-2,348,631
Site 11	Brown 24 HD	Brown	0.34	24	-1,902,673	-1,902,673	-652,345
Site 12	Large Green 400 LD	Green	19.05	400	712,822	1,022,194	13,629,255
Site 13	Large Green 400 HD	Green	14.29	400	889,039	1,403,508	14,035,083
Site 14	Green 150	Green	6.12	150	651,630	981,580	4,206,771
Site 15	Green 30	Green	1.25	30	638,502	915,618	915,618
Site 16	Green 12	Green	0.40	12	971,999	1,393,857	557,543
Site 17	Green 6	Green	0.20	6	1,424,887	1,424,887	284,977
Site 21	Fax Farm	Green	57.21	1,201	275,831	459,719	15,780,313
Site 22	Winterbourne Fields	Green	82.96	1,742	234,966	391,611	19,492,820
Site 23	SE Faversham	Green	130.72	2,745	188,964	314,940	24,701,370
Site 24	East of Faversham Expansion	Green	126.89	2,665	192,406	320,677	24,414,459
Site 29	Ashford Road, North Street	Mixed	309.04	6,490	91,718	152,863	28,344,493

Source: HDH (April 2024)

10.8 The results vary across the typologies, although this is largely due to the different assumptions around the nature of each typology, as well as by the price areas. The Residual Value is not an indication of viability by itself, simply being the maximum price a developer may bid for a parcel of land, and still make an adequate return. In the following tables the Residual Value



is compared with the BLV. The BLV being an amount over and above the EUV that is sufficient to provide the willing landowner to sell the land for development as set out in Chapter 6 above:

Table 10.2a Residual Value v BLV – Isle of Sheppey

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	369,899
Site 2	Brown 90		1,100,000	1,320,000	200,318
Site 3	Brown 30		1,100,000	1,320,000	220,737
Site 4	Brown 15		1,100,000	1,320,000	651,257
Site 5	Brown 9		1,100,000	1,320,000	595,334
Site 6	Brown 6		1,100,000	1,320,000	837,189
Site 7	Central 60		1,100,000	1,320,000	-628,645
Site 8	Central 24		1,100,000	1,320,000	425,630
Site 9	Central 9		1,100,000	1,320,000	650,867
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	468,365
Site 13	Large Green 400 HD		25,000	375,000	596,382
Site 14	Green 150		25,000	375,000	377,935
Site 15	Green 30		25,000	375,000	379,544
Site 16	Green 12		74,000	424,000	627,831
Site 17	Green 6		74,000	424,000	917,481
Site 26	Rushenden South	IoS Sheerness	25,000	250,000	-4,589
Site 28	Land at South-West Minster	IoS Minster on Sea	25,000	250,000	20,998

Source: HDH (April 2024)

Table 10.2b Residual Value v BLV – Sittingbourne and West

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	500,553
Site 2	Brown 90		1,100,000	1,320,000	349,778
Site 3	Brown 30		1,100,000	1,320,000	383,404
Site 4	Brown 15		1,100,000	1,320,000	860,344
Site 5	Brown 9		1,100,000	1,320,000	775,937
Site 6	Brown 6		1,100,000	1,320,000	1,012,402
Site 7	Central 60		1,100,000	1,320,000	-427,515
Site 8	Central 24		1,100,000	1,320,000	615,033
Site 9	Central 9		1,100,000	1,320,000	888,413
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	468,365
Site 13	Large Green 400 HD		25,000	375,000	596,382
Site 14	Green 150		25,000	375,000	377,935
Site 15	Green 30		25,000	375,000	379,544
Site 16	Green 12		74,000	424,000	627,831
Site 17	Green 6		74,000	424,000	917,481
Site 18	South and West of Iwade (Site B)	Iwade	25,000	250,000	51,473
Site 19	West of Bobbing village	Bobbing	25,000	250,000	-18,554
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	16,339
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	138,770

Source: HDH (April 2024)

Table 10.2c Residual Value v BLV – Sittingbourne East

			EUV	BLV	Residual Value
Site 12	Large Green 400 LD		25,000	375,000	652,422
Site 13	Large Green 400 HD		25,000	375,000	816,739
Site 14	Green 150		25,000	375,000	583,926
Site 15	Green 30		25,000	375,000	574,773
Site 16	Green 12		74,000	424,000	885,957
Site 17	Green 6		74,000	424,000	1,300,377
Site 27	South East Sittingbourne	Sittingbourne SE	25,000	250,000	-43,658
Site 30	Between A2 Bapchild and Northern Relief Road	Bapchild	25,000	250,000	183,242

Source: HDH (April 2024)

Table 10.2d Residual Value v BLV – Faversham and East

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	629,286
Site 2	Brown 90		1,100,000	1,320,000	499,239
Site 3	Brown 30		1,100,000	1,320,000	542,900
Site 4	Brown 15		1,100,000	1,320,000	1,064,302
Site 5	Brown 9		1,100,000	1,320,000	955,162
Site 6	Brown 6		1,100,000	1,320,000	1,184,469
Site 7	Central 60		1,100,000	1,320,000	-231,089
Site 8	Central 24		1,100,000	1,320,000	802,342
Site 9	Central 9		1,100,000	1,320,000	1,123,524
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	712,822
Site 13	Large Green 400 HD		25,000	375,000	889,039
Site 14	Green 150		25,000	375,000	651,630
Site 15	Green 30		25,000	375,000	638,502
Site 16	Green 12		74,000	424,000	971,999
Site 17	Green 6		74,000	424,000	1,424,887
Site 21	Fax Farm	Dunkirk	25,000	250,000	275,831
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	234,966
Site 23	SE Faversham	Faversham SE	25,000	250,000	188,964
Site 24	East of Faversham Expansion	Faversham E	25,000	250,000	192,406
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	91,718

Source: HDH (April 2024)

- 10.9 As set out in Chapter 4 above, the value assumptions vary across the Borough. This is reflected in the results of the appraisal which are broadly similar across the areas. The results do vary significantly between the greenfield sites. The brownfield sites are modelled with abnormal costs and higher contingency costs than the greenfield sites and this is reflected in the Residual Value.
- 10.10 Based on 30% affordable housing, within the towns, where most sites are likely to be brownfield sites, the Residual Value is less than the BLV across all the typologies, indicating that most brownfield development is likely to be unviable. This is to be expected and the current draft policy seeks 20% affordable housing on ‘*brownfield land within settlement confines*’.
- 10.11 The greenfield typologies generate a residual value that is greater than the BLV across the areas, suggesting that such sites are, on the whole, likely to be viable. This is broadly reflective of the Council’s experience through the development management process, where most greenfield planning consents are policy compliant.

10.12 The potential Strategic Sites are included to inform the site selection process. The results are less good than on the greenfield typologies, with lower Residual Values. This is largely due to the lower net developable area assumption and the higher allowance for strategic infrastructure and mitigation (i.e. s106) costs. In this regard, it is necessary to note that the delivery of any large site is challenging. Regardless of these results, it is recommended that the Council engages with the owners in line with the advice set out in the Harman Guidance (page 23):

Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.

10.13 In this context paragraph 10-006 of the PPG is highlighted:

... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....

PPG 10-006-20180724

10.14 In relation to the potential Strategic Sites, these are modelled on the basis that the site is acquired by the developer in a single tranche at the start of the project. Such a scenario is unlikely on very large sites, where the site is typically purchased in phases or tranches. Such an approach not only benefits the developer in terms of cashflow but can be beneficial to the landowner in terms of taxation.

10.15 The Council is exploring various options so further sets of appraisals have been run to establish the costs of the additional policy requirements. Before doing this, further appraisals have been run to understand an issue that was highlighted through the technical consultation, being the level of the developer's return assumptions.

Developers' Return

10.16 In the initial iteration of this assessment the developers' return was taken as 17.5% of market housing and 6% of affordable housing. Based on comments made through the consultation process, this was changed to 20% across the mainstream housing schemes and 6% for affordable housing. A range of assumptions are tested in the 15% to 20% range (as per paragraph 10-018-20190509 of the updated PPG) and are set out in **Appendix 13** below.

10.17 This analysis shows that where a lower developers' return than 20% / 6% is used, the proportion of typologies that generate a Residual Value that exceeds the BLV is somewhat more, with several of the typologies shown as being unviable moving into the viable category.

Varied Benchmark Land Value

10.18 Through the consultation process the appropriate Benchmark Land Value was questioned, although no alternative evidence was submitted, or alternative assumptions put forward. The following BLV assumptions are used (these are applied on a gross site area):

- a. Brownfield/Urban Sites: EUV Plus 20% (where the EUV is £1.1m)
- b. Greenfield Sites: Generally EUV Plus £350,000 per ha
Strategic Sites EUV x 10.

10.19 Whilst this is considered to be appropriate, a range of BLV assumptions of up to £2,000,000 per ha have been tested and are set out in **Appendix 13** below.

10.20 When the BLV is increased, more typologies do show as being unviable, however the difference is relatively small. Whilst the BLV assumption was questioned, the analysis shows that if a BLV assumption that was higher than the one used, the results would be less good, having said that, the assumptions used are soundly based and broadly reflective of the Council's experience of delivery across the Council area.

BCIS Median or BCIS Lower Quartile?

10.21 In the initial iteration of this assessment the construction costs on the larger sites of 200 units and larger was based on the BCIS Lower Quartile costs. Several consultees suggested that this approach was not appropriate, and these sites should be modelled based on the BCIS Median costs. As a result of these comments, the analysis through this report is based on the BCIS Median costs. **Appendix 13** also includes appraisal results based on both the Median and the Lower Quartile for comparison.

10.22 The results show that most of the potential Strategic Sites produce a Residual Value that is less than the BLV when the median is used – suggesting these sites will be unviable. However, most of the potential Strategic Sites produce a Residual Value that is more than the BLV when the lower quartile is used – suggesting these sites will be viable.

Varied Policy Requirements

10.23 The above analysis is based on a 30% affordable housing requirement as this is a convenient starting point. The Council is exploring various options, including seeking higher environmental standards and greater accessibility standards. Sets of appraisals have been run to establish the costs of the additional policy requirements. The results are included in **Appendix 14**.

10.24 The starting point for the above analysis is Zero Carbon. Further appraisals have been run at the current standard, the options set out in the Future Homes Standard consultation, and an enhanced Zero Carbon standard. In addition, varied levels of Biodiversity Net Gain, and varied levels of Accessible and Adaptable standards under Part M of Building Regulations are tested. The figures in the following table are an indication of the amount the Residual Value will fall

(or rise) for the various policy requirements relative to be base assumption. The reduction in the amount of the Residual Value is the reduced amount in the maximum price a developer can pay a landowner.

Table 10.3 Costs of Policy Requirements – Environmental Standards (Change in Residual Value as £ per ha)

Isle of Sheppey							
	Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Large Brownfield	285,497	608,133	96,446	0	-97,994	217,828	-250,066
Brownfield	371,924	811,331	125,338	0	-126,131	296,626	-332,119
Central	451,229	526,061	152,211	0	-153,146	-106,259	-409,514
Flats	573,718	-1,203,923	191,239	0	-192,395	-2,014,205	-524,755
Large Greenfield	183,205	685,044	61,068	0	-61,076	434,255	-161,249
Greenfield	235,111	771,658	78,384	0	-78,384	464,146	-190,400
Rushenden South							
Rushenden South	128,956	103,471	43,443	0	-46,061	-76,027	-118,446
Land at South-West Minster							
Land at South-West Minster	139,551	137,653	47,434	0	-48,834	-54,717	-125,822
Sittingbourne and West							
	Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Large Brownfield	283,576	736,866	94,525	0	-95,623	350,853	-247,694
Brownfield	369,220	984,172	123,120	0	-124,664	474,656	-328,246
Central	447,432	731,624	149,623	0	-151,077	105,798	-406,227
Flats	573,718	-1,203,923	191,239	0	-192,395	-2,014,205	-524,755
Large Greenfield	183,205	685,044	61,068	0	-61,076	434,255	-161,249
Greenfield	235,111	771,658	78,384	0	-78,384	464,146	-190,400
South and West of Iwade (Site 1)							
South and West of Iwade (Site 1)	151,346	177,594	50,449	0	-50,556	-28,259	-134,865
West of Bobbing village							
West of Bobbing village	126,936	87,758	43,577	0	-44,758	-87,774	-115,755
Land at Stickfast Lane							
Land at Stickfast Lane	136,737	130,311	45,679	0	-48,862	-59,304	-125,220
Iwade - Solar Farm							
Iwade - Solar Farm	128,495	246,177	43,461	0	-43,461	71,841	-110,804
Sittingbourne East							
	Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Large Greenfield	183,205	887,251	61,068	0	-61,068	637,066	-158,582
Greenfield	232,769	1,030,233	77,590	0	-78,019	725,071	-189,571
South East Sittingbourne							
South East Sittingbourne	85,738	28,233	29,670	0	-29,783	-89,928	-76,874
Between A2 Bapchild and North Sittingbourne							
Between A2 Bapchild and North Sittingbourne	141,925	301,966	47,871	0	-47,871	109,508	-121,606

Faversham and East							
	Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Large Brownfield	283,576	865,600	94,525	0	-94,525	482,598	-243,403
Brownfield	368,210	1,156,203	123,120	0	-123,120	650,509	-323,790
Central	445,482	936,884	148,905	0	-149,133	315,774	-400,845
Flats	573,718	-1,203,923	191,239	0	-192,395	-2,014,205	-524,755
Large Greenfield	183,205	953,601	61,068	0	-61,068	703,417	-158,582
Greenfield	232,769	1,115,729	77,590	0	-77,590	811,250	-188,669
Fax Farm	152,478	402,897	50,826	0	-50,826	197,552	-129,106
Winterbourne Fields	139,351	351,092	46,450	0	-46,450	162,759	-120,222
SE Faversham	129,502	297,273	43,621	0	-43,621	121,784	-110,967
East of Faversham Expansion	131,027	301,753	43,739	0	-43,739	125,039	-112,166

Source: HDH (April 2024)

Table 10.4 Costs of Policy Requirements – Biodiversity Net Gain and Rainwater Harvesting (Change in Residual Value as £ per ha)

Isle of Sheppey			
	10% BNG	20% BNG	Rainwater Harvesting
Large Brownfield	11,785	0	-76,036
Brownfield	15,534	0	-101,604
Central	19,235	0	-127,434
Flats	25,093	0	-166,003
Large Greenfield	1,476	0	-48,757
Greenfield	1,509	0	-45,062
Rushenden South			
	1,094	0	-35,245
Land at South-West Minster			
	1,146	0	-37,389
Sittingbourne and West			
	10% BNG	20% BNG	Rainwater Harvesting
Large Brownfield	11,368	0	-73,664
Brownfield	15,227	0	-100,430
Central	18,839	0	-125,451
Flats	25,093	0	-166,003
Large Greenfield	1,476	0	-48,757
Greenfield	1,509	0	-45,062
South and West of Iwade (Site)			
	1,219	0	-38,857
West of Bobbing village			
	1,082	0	-34,461
Land at Stickfast Lane			
	1,142	0	-37,464
Iwade - Solar Farm			
	1,050	0	-33,465
Sittingbourne East			
	10% BNG	20% BNG	Rainwater Harvesting
Large Greenfield	1,476	0	-48,757
Greenfield	1,498	0	-44,879
South East Sittingbourne			
	720	0	-22,936
Between A2 Bapchild and Nor			
	1,157	0	-36,867

Faversham and East			
	10% BNG	20% BNG	Rainwater Harvesting
Large Brownfield	11,368	0	-73,344
Brownfield	15,227	0	-99,306
Central	18,708	0	-124,170
Flats	25,093	0	-166,003
Large Greenfield	1,476	0	-48,757
Greenfield	1,498	0	-44,800
Fax Farm	1,228	0	-39,140
Winterbourne Fields	1,123	0	-35,763
SE Faversham	1,054	0	-33,590
East of Faversham Expansion	1,057	0	-33,684
Ashford Road, North Street	863	0	-27,663

Source: HDH (April 2024)

**Table 10.5 Costs of Policy Requirements – Accessible and Adaptable Standards
(Change in Residual Value as £ per ha)**

Isle of Sheppey					
Part M4(2)	0%	100%	95%	90%	75%
Part M4(3)a	0%	0%	5%	10%	25%
Part M4(3)b	0%	0%	0%	0%	0%
Large Brownfield	160,739	131,426	105,894	79,605	0
Brownfield	210,797	172,364	138,696	103,795	0
Central	250,306	204,525	164,650	123,546	0
Flats	286,859	233,913	187,797	140,315	0
Large Greenfield	101,326	82,624	66,335	49,563	0
Greenfield	127,454	103,930	83,440	62,343	0
Rushenden South	71,631	58,462	46,992	35,182	0
Land at South-West Minster	77,883	63,910	51,340	38,359	0
Sittingbourne and West					
Part M4(2)	0%	100%	95%	90%	75%
Part M4(3)a	0%	0%	5%	10%	25%
Part M4(3)b	0%	0%	0%	0%	0%
Large Brownfield	158,819	129,505	103,973	77,685	0
Brownfield	208,232	169,799	136,323	101,855	0
Central	247,014	201,555	161,960	121,192	0
Flats	286,859	233,913	187,797	140,315	0
Large Greenfield	101,326	82,624	66,335	49,563	0
Greenfield	127,454	103,930	83,440	62,343	0
South and West of Iwade (Site	83,396	68,003	54,596	40,792	0
West of Bobbing village	71,380	58,422	47,086	35,413	0
Land at Stickfast Lane	75,419	61,526	49,426	36,967	0
Iwade - Solar Farm	71,684	58,583	47,034	35,142	0
Sittingbourne East					
Part M4(2)	0%	100%	95%	90%	75%
Part M4(3)a	0%	0%	5%	10%	25%
Part M4(3)b	0%	0%	0%	0%	0%
Large Greenfield	101,326	82,624	66,335	49,563	0
Greenfield	126,180	102,891	82,606	61,720	0
South East Sittingbourne	48,431	39,785	32,060	24,083	0
Between A2 Bapchild and Nor	79,143	64,536	51,812	38,712	0

Faversham and East					
Part M4(2)	0%	100%	95%	90%	75%
Part M4(3)a	0%	0%	5%	10%	25%
Part M4(3)b	0%	0%	0%	0%	0%
Large Brownfield	158,819	129,505	103,973	77,685	0
Brownfield	207,995	169,767	136,323	101,855	0
Central	246,295	200,836	161,241	120,473	0
Flats	286,859	233,913	187,797	140,315	0
Large Greenfield	101,326	82,624	66,335	49,563	0
Greenfield	126,180	102,891	82,606	61,720	0
Fax Farm	84,028	68,519	55,010	41,102	0
Winterbourne Fields	76,788	62,615	50,270	37,560	0
SE Faversham	72,114	58,804	47,210	35,274	0
East of Faversham Expansion	72,306	58,960	47,336	35,368	0
Ashford Road, North Street	57,781	47,120	37,834	28,273	0

Source: HDH (April 2024)

- 10.25 The amount the Residual Value falls is related to the density of the type of development. For example, seeking rainwater harvesting on brownfield sites is likely to reduce the Residual Value by about £100,000/ha, whilst the impact is about £50,000/ha on the large, lower density, greenfield sites. These differences are largely due to the density assumptions used in the modelling.
- 10.26 The increase from the 2025 Future Home Standard Option 1 to Zero Carbon is significant, whilst the move from 10% to 20 BNG is less so.

Varied Affordable Housing

- 10.27 A core purpose of this study is to consider an appropriate affordable housing target and the tenure mix. The analysis above is based on 30% affordable housing. The Council's SHMA suggests currently seeks 63% Affordable Rent or Social Rent and the balance as Affordable Home Ownership, however, in line with paragraph 66 of the NPPF, a minimum of 10% affordable home ownership units are assumed, and in line with Paragraph 70-001-21210524 of the PPG, it is assumed that 25% of the affordable homes are First Homes.
- 10.28 The tables included in **Appendix 15** show the results of the appraisals where the total amount of affordable housing is varied. In this analysis the affordable housing is assumed to be in line with the requirements of the NPPF that 10% of all the housing should be Affordable Home Ownership delivered. It is assumed that beyond this affordable housing for rent, as Affordable Rent, capped at the Local Housing Allowance (LHA) cap, is maximised. All other matters are as in the base appraisals at the start of this chapter.

Table 10.6 Costs of Providing Affordable Housing (Change in Residual Value as £ per ha)

Isle of Sheppey						
AFFORDABLE HOUSING	0%	5%	10%	20%	30%	40%
Large Brownfield	0	-73,286	-146,572	-381,728	-528,292	-816,059
Brownfield	0	-95,332	-190,664	-476,538	-669,500	-1,013,905
Central	0	-424,236	-868,720	-994,398	-1,911,886	-1,628,993
Flats	0	-103,960	-207,919	-464,293	-672,208	-955,674
Large Greenfield	0	-54,593	-109,185	-267,411	-376,591	-560,472
Greenfield	0	-64,275	-128,550	-309,895	-439,795	-650,085
Rushenden South						
Rushenden South	0	-34,104	-68,208	-169,716	-239,028	-365,533
Land at South-West Minster						
Land at South-West Minster	0	-37,372	-74,744	-184,981	-260,668	-396,941
Sittingbourne and West						
AFFORDABLE HOUSING	0%	5%	10%	20%	30%	40%
Large Brownfield	0	-76,238	-152,477	-405,695	-558,161	-866,463
Brownfield	0	-99,459	-199,321	-506,930	-708,478	-1,078,298
Central	0	-427,774	-869,632	-1,024,405	-1,946,433	-1,701,231
Flats	0	-103,960	-207,919	-464,293	-672,208	-955,674
Large Greenfield	0	-54,593	-109,185	-267,411	-376,591	-560,472
Greenfield	0	-64,275	-128,550	-309,895	-439,795	-650,085
South and West of Iwade (Site)						
South and West of Iwade (Site)	0	-41,108	-82,217	-204,018	-286,231	-432,432
West of Bobbing village						
West of Bobbing village	0	-33,177	-66,355	-164,296	-231,860	-355,145
Land at Stickfast Lane						
Land at Stickfast Lane	0	-36,872	-73,744	-182,821	-256,561	-391,002
Iwade - Solar Farm						
Iwade - Solar Farm	0	-38,442	-76,883	-197,265	-274,822	-420,975
Sittingbourne East						
AFFORDABLE HOUSING	0%	5%	10%	20%	30%	40%
Large Greenfield	0	-60,030	-120,061	-306,276	-426,330	-646,952
Greenfield	0	-72,065	-144,130	-360,027	-504,150	-758,951
South East Sittingbourne						
South East Sittingbourne	0	-23,199	-46,399	-119,434	-167,061	-260,573
Between A2 Bapchild and North						
Between A2 Bapchild and North	0	-42,407	-84,814	-218,386	-304,236	-466,416

Faversham and East						
AFFORDABLE HOUSING	0%	5%	10%	20%	30%	40%
Large Brownfield	0	-79,190	-158,381	-429,661	-588,030	-918,030
Brownfield	0	-104,114	-208,228	-537,626	-747,757	-1,144,173
Central	0	-432,972	-875,043	-1,055,780	-1,983,395	-1,774,465
Flats	0	-103,960	-207,919	-464,293	-672,208	-955,674
Large Greenfield	0	-62,018	-124,036	-319,932	-443,962	-677,232
Greenfield	0	-74,758	-149,516	-377,316	-526,824	-796,117
Fax Farm	0	-47,397	-94,804	-248,374	-343,940	-527,675
Winterbourne Fields	0	-43,983	-87,966	-228,542	-316,503	-485,407
SE Faversham	0	-40,071	-80,143	-208,195	-289,140	-444,928
East of Faversham Expansion	0	-40,367	-80,734	-210,819	-292,228	-448,711
Ashford Road, North Street	0	-32,047	-64,093	-166,292	-230,849	-354,834

Source: HDH (April 2024)

- 10.29 This analysis shows that providing 30% affordable housing on flatted schemes is likely to cost about £670,000 per ha, but on greenfield sites, is about £375,000 per ha. Providing 30% affordable housing, rather than 20% affordable housing will have the effect of reducing the Residual Value by £100,000 per ha or so, on greenfield sites.
- 10.30 Also included in **Appendix 15**, show the results of the appraisals where the type of affordable housing for rent is varied between Affordable Rent and Social Rent. In this analysis the affordable housing is assumed to be delivered in line with the requirements of the NPPF that 10% of all the housing should be Affordable Home Ownership and 25% of the affordable homes are First Homes. All other matters are as in the base appraisals at the start of this chapter.
- 10.31 This analysis shows that, on average, assuming 30% affordable housing, across the typologies, the Residual Value is about £500,000 per ha less on brownfield sites and £300,000 per ha less on greenfield sites, where the affordable housing for rent is provided as Social Rent rather than Affordable Rent. The consequence of this is that should the Council seek that all the affordable housing for rent is as Social Rent, the developer could typically afford to pay a landowner about £500,000 per ha less on brownfield sites and £300,000 per ha less on greenfield sites than where the affordable housing for rent is as Affordable Rent. This is a significant difference that has the impact of reducing the scope for affordable housing provision by 15% or so, although the impact varies considerably across the different typologies.
- 10.32 First Homes are required to be subject to a minimum discount of 30%. Paragraph 70-004-20210524 of the PPG gives councils scope (subject to conditions) to set an alternative discount of 40% or 50% or a cap reduced below the £250,000 set out in the PPG. A further set of appraisals has been run with the First Homes being subject to a range of discounts and caps, the results of which are also set out in **Appendix 15**.

Table 10.7 Costs of seeking greater First Homes Discounts (Change in Residual Value as £ per ha)

Isle of Sheppey						
First Homes Discount	40%	50%	30%	30%	30%	30%
First Homes Cap	£250,000	£250,000	£225,000	£200,000	£175,000	£150,000
Large Brownfield	-39,859	-87,074	-14,072	-36,208	-66,926	-99,279
Brownfield	-54,606	-110,472	-9,146	-29,791	-57,709	-87,298
Central	-63,276	-126,552	0	-2,280	-10,196	-64,062
Flats	-81,370	-162,917	0	0	-25,450	-77,865
Large Greenfield	-26,066	-56,098	-8,370	-22,223	-41,734	-62,323
Greenfield	-31,083	-63,079	-3,128	-9,261	-32,550	-59,106
Rushenden South	-16,072	-37,099	-8,850	-19,252	-32,688	-46,123
Land at South-West Minster	-10,288	-23,744	-5,669	-12,331	-20,930	-29,528
Sittingbourne and West						
First Homes Discount	40%	50%	30%	30%	30%	30%
First Homes Cap	£250,000	£250,000	£225,000	£200,000	£175,000	£150,000
Large Brownfield	-37,485	-84,751	-16,722	-38,504	-69,820	-102,115
Brownfield	-54,888	-111,697	-13,452	-34,215	-63,257	-92,366
Central	-63,542	-127,741	0	-3,777	-11,556	-73,692
Flats	-81,370	-162,917	0	0	-25,450	-77,865
Large Greenfield	-26,066	-56,098	-8,370	-22,223	-41,734	-62,323
Greenfield	-31,083	-63,079	-3,128	-9,261	-32,550	-59,106
South and West of Iwade (Site	-41,090	-82,180	0	0	-30,817	-67,505
West of Bobbing village	-19,964	-43,376	-6,782	-17,614	-32,596	-48,389
Land at Stickfast Lane	-17,383	-37,749	-5,911	-15,391	-28,461	-42,215
Iwade - Solar Farm	-15,276	-36,848	-9,324	-20,463	-34,025	-47,588
Sittingbourne East						
First Homes Discount	40%	50%	30%	30%	30%	30%
First Homes Cap	£250,000	£250,000	£225,000	£200,000	£175,000	£150,000
Large Greenfield	-24,950	-56,671	-13,271	-29,017	-49,606	-70,195
Greenfield	-31,932	-65,668	-5,815	-17,614	-43,913	-70,435
South East Sittingbourne	-17,664	-38,836	-5,972	-15,548	-28,939	-43,419
Between A2 Bapchild and Nor	-12,241	-29,499	-7,437	-16,340	-27,203	-38,067

Faversham and East						
First Homes Discount	40%	50%	30%	30%	30%	30%
First Homes Cap	£250,000	£250,000	£225,000	£200,000	£175,000	£150,000
Large Brownfield	-36,389	-84,375	-19,823	-43,544	-74,859	-106,175
Brownfield	-55,375	-112,518	-17,827	-39,891	-68,392	-96,893
Central	-64,607	-129,373	0	-5,357	-22,323	-83,741
Flats	-81,370	-162,917	0	0	-25,450	-77,865
Large Greenfield	-23,573	-55,810	-13,853	-30,589	-51,178	-71,767
Greenfield	-31,746	-65,819	-6,133	-20,897	-47,196	-73,494
Fax Farm	-18,755	-41,526	-6,242	-16,343	-30,953	-46,345
Winterbourne Fields	-18,128	-43,686	-11,095	-24,375	-40,574	-56,773
SE Faversham	-16,424	-39,552	-9,987	-21,933	-36,497	-51,061
East of Faversham Expansion	-15,243	-36,730	-9,263	-20,350	-33,876	-47,401
Ashford Road, North Street	-18,666	-41,611	-6,364	-16,556	-31,186	-46,710

Source: HDH (April 2024)

10.33 This analysis shows that, assuming 30% affordable housing, across the typologies, the Residual Value is a little less than £30,000 per ha less where the First Homes are subject to a 40% discount rather than the minimum 30% discount. Also, assuming 30% affordable housing, across the typologies, the Residual Value is a little less than £70,000 per ha less where the First Homes are subject to a 50% discount rather than the minimum 30% discount.

10.34 If the Council were to seek a 50% discount for First Homes, the cost, when considered in isolation, would be equivalent to seeking 5% affordable housing, or seeking Zero Carbon. It is necessary to consider different policy requirements together, however seeking a discount that is greater than 30% is likely to lead to a reduced overall affordable housing requirement.

Developer Contributions

10.35 The above analysis considered the impact of affordable housing on development viability, taking into account the anticipated requirements for developer contributions, in addition to the current Birdwise payments and open space payments on brownfield sites, of £10,000 per unit on the typologies and £25,000 per unit on the potential Strategic Sites. A range of developer contribution costs up to £50,000 per unit has been tested, initially this is against a zero affordable housing requirement. The tables included in **Appendix 16** show the results of the appraisals.

Table 10.8 Costs of Developer Contributions (Change in Residual Value as £ per ha)

Isle of Sheppey						
	0%	0%	0%	0%	0%	0%
	£5,000	£10,000	£20,000	£30,000	£40,000	£50,000
Large Brownfield	-146,688	-293,376	-586,752	-889,725	-1,193,867	-1,515,601
Brownfield	-196,410	-393,385	-789,297	-1,190,159	-1,601,003	-2,014,616
Central	-241,703	-483,406	-971,726	-1,464,974	-1,970,805	-2,479,479
Flats	-321,556	-651,598	-1,311,682	-1,974,655	-2,639,375	-3,304,454
Large Greenfield	-97,514	-195,028	-390,056	-588,301	-789,915	-991,529
Greenfield	-113,386	-226,772	-453,543	-682,458	-912,194	-1,147,619
Rushenden South	-62,613	-125,226	-252,308	-381,011	-513,832	-653,975
Land at South-West Minster	-68,528	-137,056	-276,651	-417,694	-561,379	-709,840
Sittingbourne and West						
	£5,000	£10,000	£20,000	£30,000	£40,000	£50,000
Large Brownfield	-146,688	-293,376	-586,752	-884,112	-1,188,254	-1,496,098
Brownfield	-196,410	-392,820	-787,176	-1,183,914	-1,589,960	-2,002,130
Central	-241,703	-483,406	-968,860	-1,458,627	-1,957,865	-2,465,084
Flats	-321,556	-651,598	-1,311,682	-1,974,655	-2,639,375	-3,304,454
Large Greenfield	-97,514	-195,028	-390,056	-588,301	-789,915	-991,529
Greenfield	-113,386	-226,772	-453,543	-682,458	-912,194	-1,147,619
South and West of Iwade (Site	-75,387	-150,774	-303,876	-459,304	-614,732	-774,013
West of Bobbing village	-61,740	-123,479	-247,768	-374,803	-504,623	-642,206
Land at Stickfast Lane	-67,994	-135,988	-271,976	-411,195	-551,468	-699,637
Iwade - Solar Farm	-63,357	-126,714	-255,554	-385,459	-517,667	-651,526
Sittingbourne East						
	£5,000	£10,000	£20,000	£30,000	£40,000	£50,000
Large Greenfield	-97,514	-195,028	-390,056	-585,084	-782,148	-983,762
Greenfield	-113,386	-226,772	-453,543	-680,315	-907,208	-1,136,775
South East Sittingbourne	-40,264	-81,114	-163,384	-247,240	-333,190	-425,192
Between A2 Bapchild and Nor	-71,473	-142,946	-285,893	-428,839	-575,034	-722,503

Faversham and East						
	£5,000	£10,000	£20,000	£30,000	£40,000	£50,000
Large Brownfield	-146,688	-293,376	-586,752	-880,129	-1,182,641	-1,486,783
Brownfield	-196,410	-392,820	-785,912	-1,181,262	-1,580,913	-1,991,086
Central	-241,703	-483,406	-966,811	-1,454,875	-1,947,468	-2,452,144
Flats	-321,556	-651,598	-1,311,682	-1,974,655	-2,639,375	-3,304,454
Large Greenfield	-97,514	-195,028	-390,056	-585,084	-780,134	-981,173
Greenfield	-113,386	-226,772	-453,543	-680,315	-907,087	-1,135,169
Fax Farm	-76,013	-152,026	-304,053	-457,579	-614,138	-770,698
Winterbourne Fields	-69,596	-139,192	-278,385	-419,800	-562,854	-708,144
SE Faversham	-63,765	-128,008	-258,565	-389,121	-522,446	-656,806
East of Faversham Expansion	-64,908	-130,424	-261,457	-392,948	-527,683	-663,166
Ashford Road, North Street	-51,443	-102,887	-207,135	-312,612	-420,249	-530,712

Source: HDH (April 2024)

10.36 Averaged across the typologies, a £5,000 per unit developer contribution has the impact of reducing the Residual Value by about £180,000 per ha, and a £20,000 per unit developer contribution has the impact of reducing the Residual Value by about £740,000 per ha. On the potential Strategic Sites, a £5,000 per unit developer contribution has the impact of reducing the Residual Value by about £65,000 per ha, and a £20,000 per unit developer contribution has the impact of reducing the Residual Value by about £260,000 per ha.

Cumulative Costs of Policy Requirements

10.37 The above analysis considered the impact of higher policy standards individually. The effect of affordable housing and developer contributions is now tested in three scenarios.

Table 10.9 Policy Scenarios for Policy Testing

	Lower Requirements	Mid Requirements	Higher Requirements
Biodiversity Net Gain	10%	20%	20%
Carbon and Energy	Future Homes Standard Option 1	Zero Carbon	Enhanced Zero Carbon
Accessibility	100% M4(2) Accessible & Adaptable	95% M4(2) Accessible & Adaptable, 5% M4(3)a Wheelchair Adaptable	75% M4(2) Accessible & Adaptable, 25% M4(3)a Wheelchair Adaptable
Water Standard	Enhanced Building Regulations	Enhanced Building Regulations	Enhanced Building Regulations
Developer Contributions	Birdwise and open space payments on brownfield sites	Birdwise and open space payments on brownfield sites	Birdwise and open space payments on brownfield sites

Source: April 2024

10.38 The appraisal results are summarised below. In the following analysis, the small sites (less than 10 units) are modelled with affordable housing, although these are under the affordable housing threshold included in paragraph 65 of the NPPF.

10.39 In the following tables the typologies that are able to bear at least £10,000 per unit in developer contributions are shaded green.

Table 10.10a Maximum Levels of Developer Contributions as £/unit. Lower Policy Requirements

AFFORDABLE HOUSING		0%	5%	10%	15%	20%	25%	30%	35%	40%
Isle of Sheppey										
Large Brownfield		£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield		£17,500	£15,000	£7,500	£7,500	£5,000	£0	Unviable	Unviable	Unviable
Central		£15,000	£12,500	£10,000	£5,000	£0	£0	Unviable	Unviable	Unviable
Flats		Unviable								
Large Greenfield		£40,000	£40,000	£37,500	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000
Greenfield		£37,500	£35,000	£32,500	£27,500	£25,000	£22,500	£17,500	£12,500	£10,000
Sittingbourne and West										
Large Brownfield		£10,000	£7,500	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable
Brownfield		£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500	£0	£0
Central		£2,000	£17,500	£15,000	£10,000	£7,500	£5,000	£0	£0	£0
Flats		Unviable								
Large Greenfield		£40,000	£40,000	£37,500	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000
Greenfield		£37,500	£35,000	£32,500	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000
Sittingbourne East										
Large Greenfield		£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500
Greenfield		£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£27,500	£22,500	£17,500
Faversham and East										
Large Brownfield		£17,500	£12,500	£10,000	£7,500	£2,500	£0	Unviable	Unviable	Unviable
Brownfield		£25,000	£22,500	£17,500	£15,000	£15,000	£10,000	£2,500	£0	£0
Central		£25,000	£22,500	£20,000	£15,000	£15,000	£10,000	£5,000	£0	Unviable
Flats		Unviable	£0	Unviable						
Large Greenfield		£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500
Greenfield		£40,000	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£25,000	£22,500

Source: HDH (April 2024)



Table 10.10b Maximum Levels of Developer Contributions as £/unit. Mid Policy Requirements

AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
Iste of Sheppey									
Large Brownfield	£0	£0	Unviable						
Brownfield	£12,500	£10,000	£7,500	£5,000	£0	£0	Unviable	Unviable	Unviable
Central	£10,000	£75,000	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£35,000	£32,500	£30,000	£25,000	£22,500	£17,500	£15,000	£10,000
Greenfield	£32,500	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000	£7,500
Sittingbourne and West									
Large Brownfield	£5,000	£5,000	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£15,000	£12,500	£7,500	£7,500	£5,000	£5,000	£0	Unviable	Unviable
Central	£15,000	£12,500	£10,000	£7,500	£2,500	£0	£0	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£35,000	£32,500	£30,000	£25,000	£22,500	£17,500	£15,000	£10,000
Greenfield	£32,500	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000	£5,000
Sittingbourne East									
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£37,500	£35,000	£27,500	£22,500	£20,000
Greenfield	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500	£22,500	£20,000	£15,000
Faversham and East									
Large Brownfield	£12,500	£10,000	£7,500	£2,500	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£17,500	£15,000	£12,500	£10,000	£5,000	£2,500	£0	£0	Unviable
Central	£22,500	£17,500	£15,000	£12,500	£7,500	£5,000	£0	£0	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£30,000	£27,500	£22,500
Greenfield	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£25,000	£22,500	£17,500

Source: HDH (April 2024)



Table 10.10c Maximum Levels of Developer Contributions as £/unit. Higher Policy Requirements

AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
Iste of Sheppey									
Large Brownfield	Unviable								
Brownfield	£5,000	£2,500	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable
Central	£2,500	£0	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000	£10,000	£7,500	£5,000
Greenfield	£25,000	£22,500	£20,000	£17,500	£12,500	£10,000	£5,000	£2,500	£0
Sittingbourne and West									
Large Brownfield	£0	Unviable							
Brownfield	£10,000	£7,500	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable
Central	£10,000	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000	£10,000	£7,500	£5,000
Greenfield	£25,000	£22,500	£20,000	£17,500	£12,500	£10,000	£7,500	£5,000	£0
Sittingbourne East									
Large Greenfield	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500	£20,000	£17,500	£12,500
Greenfield	£37,500	£35,000	£32,500	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
Faversham and East									
Large Brownfield	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£10,000	£7,500	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable
Central	£15,000	£15,000	£12,500	£7,500	£2,500	£0	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£25,000	£20,000	£15,000
Greenfield	£40,000	£40,000	£37,500	£32,500	£27,500	£25,000	£20,000	£15,000	£10,000

Source: HDH (April 2024)

10.40 The appraisals for the potential Strategic Sites are also run. It is important to note that this analysis is based on high level assumptions, and without the benefit of site-specific inputs for strategic infrastructure and mitigation. In the following table the potential Strategic Sites that are able to bear at least £25,000 per unit in developer contributions are shaded green.



Table 10.11 Maximum Levels of Developer Contributions as £/unit. Potential Strategic Sites

LOWER POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£40,000	£37,500	£35,000	£30,000	£27,500	£20,000	£10,000	£15,000	£12,500
West of Bobbing village	£32,500	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500
Land at Stickfast Lane	£35,000	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£10,000	£7,500
Fax Farm	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£25,000
Winterbourne Fields	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£30,000	£25,000	£22,500
SE Faversham	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500
East of Faversham Expansio	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500
Iwade - Solar Farm	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£20,000	£15,000
Rushenden South	£32,500	£30,000	£27,500	£22,500	£20,000	£17,500	£12,500	£7,500	£5,000
South East Sittingbourne	£20,000	£17,500	£15,000	£10,000	£5,000	£2,500	£0	£0	£0
Land at South-West Minster	£37,500	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£12,500	£7,500
Ashford Road, North Street	£40,000	£40,000	£35,000	£30,000	£25,000	£22,500	£17,500	£12,500	£7,500
Between A2 Bapchild and Nc	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£27,500	£22,500	£20,000
MID POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£35,000	£32,500	£30,000	£25,000	£22,500	£20,000	£15,000	£10,000	£7,500
West of Bobbing village	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500	£0
Land at Stickfast Lane	£32,500	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500
Fax Farm	£40,000	£40,000	£40,000	£40,000	£37,500	£35,000	£30,000	£25,000	£20,000
Winterbourne Fields	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£25,000	£22,500	£17,500
SE Faversham	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£17,500	£15,000
East of Faversham Expansio	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£20,000	£15,000
Iwade - Solar Farm	£40,000	£40,000	£37,500	£32,500	£27,500	£25,000	£20,000	£15,000	£10,000
Rushenden South	£27,500	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0
South East Sittingbourne	£15,000	£12,500	£10,000	£5,000	£0	£0	£0	£0	£0
Land at South-West Minster	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£10,000	£7,500	£5,000
Ashford Road, North Street	£37,500	£35,000	£32,500	£27,500	£22,500	£17,500	£12,500	£7,500	£5,000
Between A2 Bapchild and Nc	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500	£15,000
HIGHER POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£27,500	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0
West of Bobbing village	£20,000	£17,500	£15,000	£10,000	£7,500	£5,000	£0	£0	£0
Land at Stickfast Lane	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0	£0
Fax Farm	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500	£15,000
Winterbourne Fields	£40,000	£40,000	£37,500	£32,500	£30,000	£2,500	£20,000	£15,000	£10,000
SE Faversham	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
East of Faversham Expansio	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
Iwade - Solar Farm	£35,000	£32,500	£30,000	£25,000	£20,000	£17,500	£12,500	£7,500	£5,000
Rushenden South	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0	£0	£0
South East Sittingbourne	£7,500	£5,000	£2,500	£0	£0	£0	£0	£0	£0
Land at South-West Minster	£25,000	£22,500	£20,000	£15,000	£12,500	£10,000	£5,000	£0	£0
Ashford Road, North Street	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£5,000	£2,500	£0
Between A2 Bapchild and Nc	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500

Source: HDH (April 2024)

Suggested Residential Policy Requirements

10.41 The early results of this report were discussed with the Council, in making these suggestions the following have been considered:

- a. The delivery of affordable housing is important, and the Council is unlikely to want to reduce the targets below the current levels to meet other policy requirements.

There is a requirement for both Affordable Rent and Social Rent, however seeking Social Rent would have an adverse impact on viability. At present, the Council does not mandate a particular tenure mix. The Council is comfortable with affordable housing for rent, under the Affordable Rent (capped at the LHA) tenure.

The adopted policy currently seeks affordable housing on sites of 15 and more. It would be sensible to align this with national policy. The analysis suggests that smaller greenfield sites do have capacity to bear affordable housing.

The NPPF (paragraph 65) sets out a policy for a minimum of 10% affordable home ownership units on larger sites (10 plus) and the PPG sets out that '*First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations*'. These requirements are assumed to be included within policy, and for affordable housing for rent to be maximised.

- b. That it is likely that the new national policy requirements for further increases to Part M of Building Regulations (with all new homes to be built to Accessible and Adaptable – Part M4(2) standards) will be adopted around the time that the new Local Plan is implemented. It would be prudent to assume that these are a requirement. Having said this, there is uncertainty over the direction of Government policy, so the Council should keep this under review.

The cost of providing wheelchair adaptable housing is significant and the Council has a need for such accommodation – so it is necessary to incorporate some in the housing mix.

- c. The Council declared a climate emergency in 2019 and a move towards Zero Carbon development is important, but not at the significant expense of the provision of affordable housing.

The December 2023 Written Parliamentary Statement set out the Government's position in this regard saying '*... planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale ...*'. Whilst this direction does not preclude the introduction of policies that go beyond national standards, this does suggest that such policies will need to be well justified and subject to greater scrutiny.

The precise details of the Future Homes Standard are currently (at April 2024) uncertain, and bearing in mind the timetable for the introduction of the new Local Plan, it would be prudent to assume that the 'Option 1' is a requirement. Again, having said this, there is uncertainty over the direction of Government policy, so the Council should keep this under review.

The Council's preference would be for Zero Carbon development.

- d. The viability testing includes the testing of District Heating. District Heating is not a particular priority of the Council. The key to a successful District Heating Scheme is a readily available heat source and the Council will further investigate extending the existing network, rather than mandating connection.
- e. The viability testing includes the testing of Rainwater Harvesting. Mandatory Rainwater Harvesting is expensive and would impinge on the ability to provide other requirements. It is not considered a priority.
- f. Where on-site provision is practical, the cost of seeking 20% BNG is modest and a priority of Kent County Council.
- g. The viability testing includes a range of greenfield sites, and these have the greatest capacity to bear planning obligations such as affordable housing and developer contributions. Whilst directing development away from the existing built-up area and into the rural areas may achieve greater levels of planning obligations, this does not sit well with wider planning considerations.
- h. Brownfield sites do not comprise a major part of the potential land supply for future development, although brownfield sites are likely to be available within the main town centres of Sittingbourne and Faversham, and within the Isle of Sheppey coastal towns. Brownfield site development, and in particular flatted schemes, are the least viable so the Council should be cautious about relying on such sites to deliver development. It is likely that it will be necessary to consider viability on brownfield sites at the development management stage.
- i. There is a need for infrastructure funding. The analysis suggests that most types of greenfield development have capacity to bear developer contributions. The infrastructure requirements of the potential strategic sites are not yet known. It will be necessary for the Council to establish the costs of strategic infrastructure and mitigation associated with the potential strategic sites and test each site's ability to bear those costs before selecting sites to be included in the Plan. It is recommended that the Council completes the updating of the IDP prior to making a decision in this regard.

10.42 The above results were discussed with the Council's officers. Further sets of appraisals were then run based on the following policy requirements.

- a. Affordable Housing

Greenfield Sites	30%.
Brownfield Sites	10% (threshold 10)
Potential Strategic Sites	25%

Affordable housing mix in line with the requirements for 10% AHO and 25% of affordable homes to be First Homes (30% discount) and the balance of AHO as shared ownership. The balance as Affordable Rent.
- b. Design

95% Part M4(2) Accessible and Adaptable and 5% Part M4(3) Wheelchair Accessible.
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Zero Carbon, Water Efficiency, 20% Biodiversity Net Gain.

- c. Developer Contributions Birdwise payments on all sites and open space payments on brownfield sites, plus allowance of 10,000 per unit on typologies and £25,000 per unit on the potential Strategic Sites.

10.43 The appraisal results are set out in **Appendix 17** and subject to sensitivity testing in terms of changes in costs and values.

10.44 If the Council were to follow this advice it would be necessary to be cautious in relying on brownfield sites in the five-year land supply and overall housing trajectory, as the delivery of these is likely to continue to be challenging. It will be necessary to have regard to the progress of brownfield sites through the development management process and / or commitments from site promoters. This may influence the selection of sites for allocation, although a small proportion of the possible allocations are brownfield sites.

10.45 The modelling includes the potential Strategic Sites. These are included to inform the site selection process. As set out earlier, the delivery of any large site is challenging. It is recommended that the Council engages with the owners of all the potential Strategic Sites in line with the advice set out in the Harman Guidance, and only includes sites in the new Local Plan if they can be demonstrated to be viable.

10.46 Having said this, it is necessary to highlight an assumption at this stage as it may not be representative for large sites. The potential Strategic Sites are modelled on the basis that a site is acquired by the developer in a single tranche at the start of the project. Such a scenario is relatively unlikely on very large sites, where the site is typically purchased in phases. Such an approach benefits the developer in terms of cashflow and this will have a material impact on viability.

Impact of Change in Values and Costs

10.47 Whatever policies are adopted, the Plan should not be unduly sensitive to future changes in prices and costs. In this report, the analysis is based on the build costs produced by BCIS. As well as producing estimates of build costs, BCIS also produce various indices and forecasts to track and predict how build costs may change over time. The BCIS forecasts an increase in prices of 9% over the next 3 years¹³⁰. A range of scenarios are tested with varied increases in build costs.

10.48 As set out in Chapter 4, there is uncertainty in the property market. Several price change scenarios are also tested. In this analysis, it has been assumed all other matters in the base appraisals remain unchanged and the policy requirements are as per the Suggested Policy

¹³⁰ BCIS General Building Cost Index April 2024 – 459.0 (Forecast), April 2024 – 500.6 (Forecast).

Requirements heading above. In the appraisals (see **Appendix 17**), only the costs of construction and the value of the market housing are altered.

- 10.49 The analysis demonstrates that a relatively small fall in values will adversely impact on viability. Conversely, a modest increase in value could have a significant impact in improving viability.

Review

- 10.50 The direction of the market, as set out in Chapter 4 above, is improving, although this remains uncertain. Bearing in mind SBC's wish to deliver housing, and the requirements to fund infrastructure, it is recommended that the Council keeps viability under review; should the economics of development change significantly it should consider undertaking a limited review of the Plan to adjust the affordable housing requirements or levels of developer contribution.

- 10.51 In this regard it is timely to highlight paragraph 10-009-20180724 of the PPG.

How should viability be reviewed during the lifetime of a project?

Plans should set out circumstances where review mechanisms 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 to ensure policy compliance and optimal public benefits through economic cycles. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies.

Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.

Paragraph: 009 Reference ID: 10-009-20190509

- 10.52 It is recommended that, on sites where the policy requirements are flexed, the Council includes review mechanisms.

Self and Custom Build

- 10.53 As set out in Chapter 3 above, the Council is not planning to introduce a self and custom build policy. In response to a comment made through the technical consultation, a 5% requirement on sites of 20 units and larger has been considered. It is assumed that such a requirement would be implemented on a 'whole plot' basis, so sites over 40 units would be required to provide 2 plots, and so on.

- 10.54 If a developer is to sell a plot as a serviced self-build plot, they would not receive the profit from building the unit, they would however receive the price for the plot. If they were to provide the plot as a custom-build plot (i.e. where the developer designs and builds to the buyer's design and specifications) they would receive a payment for the land, the costs of construction and the price paid would incorporate the developer's return. The impact on viability is

therefore the balance between the profit foregone and the receipt for the serviced plot. The developer's return per market house is generally in the £60,000 to £75,000 range.

- 10.55 There are a few serviced development sites being publicly marketed in the area at the time of this report. Having made enquiries with local agents, the general consensus is that reasonably sized, and well serviced, single plots are likely to fetch in excess £100,000 in the current market, although the price for larger plots, with land for gardens and appropriate for larger family homes are likely to achieve a price that is significantly more.
- 10.56 The modelling in this viability update is based on at least 30 units per net ha with allowance for open space. On this basis, a self-build plot is likely to be about 0.03ha or so. A conservative plot price of £100,000 would lead to a land value of over £3,000,000/ha. This is substantially above the BLV and allows scope for the services to be laid on to the plot or plots. It is also well above the developer's return that would be forgone from developing the unit.
- 10.57 Based on the above analysis it is unlikely that a requirement for self-build plots will adversely impact on viability.

Build to Rent

- 10.58 The Council does not expect to allocate sites specifically for Build to Rent development however a flatted scheme and a housing scheme have been modelled, each on greenfield and brownfield sites. As per paragraphs 60-002-20180913 to 10-007-20180913 of the PPG, in this analysis the affordable element is assumed to be Affordable Private Rent, with a value of 80% of market value.
- 10.59 The appraisals were then run to align with the suggested policy option set out above and with a s106 contributions of £2,500 per unit.
- 10.60 The results are set out in **Appendix 18** and show Build to Rent flatted development is unlikely to be viable even without affordable housing. The results suggest that Build to Rent housing development is likely to be viable, with 30% affordable housing on greenfield sites, but is likely to be unviable without affordable housing on brownfield sites. To a large extent, this aligns with the findings in relation to mainstream housing development set out earlier in this chapter.
- 10.61 When considering these results, it is timely to note that paragraph 10-007-20180724 of the updated PPG specifically anticipates that the viability of Build to Rent schemes will be considered at the development management stage. It is therefore not considered proportionate to develop a specific set of policies in this regard. As set out above, the Council does not expect to allocate sites specifically for Build to Rent development. In any event, such development is unlikely to be viable, even without affordable housing. The Council should be cautious about relying on Build to Rent schemes to deliver development, unless there is clear evidence that such development would be forthcoming.

Older People's Housing

- 10.62 The Sheltered and Extracare sectors have been tested separately, as has an Integrated Retirement Community.
- 10.63 As for mainstream housing, appraisals have been run at the policies suggested as set out earlier in this chapter. The results for affordable housing from 0% to 30% are presented in **Appendix 18** below. An allowance is made for s106 contributions of £2,500 per unit.
- a. Sheltered housing is shown as being viable with 30% affordable housing on greenfield sites, but only 10% on brownfield sites.
 - b. Extracare housing is shown as being viable with 5% affordable housing on greenfield sites, but unviable on brownfield sites.
 - c. The IRC typology is shown as being viable with 30% affordable housing on greenfield sites, and 20% affordable housing on brownfield sites.
- 10.64 Based on this analysis, specialist older people's housing is unlikely to be able to bear affordable housing across all types of site, however depending on the site's characteristics it may be able to. When considering these results, it is timely to note that paragraph 10-007-20180724 of the PPG specifically anticipates that the viability of specialist housing schemes will be considered at the development management stage. It is therefore not considered proportionate to develop a specific set of policies in this regard.
- 10.65 The Council does not expect to allocate sites specifically for specialist older people's housing, however, it may anticipate seeking such housing as part of the Strategic Sites. It will be necessary for the Council to consider the impact this may have on overall site viability when considering the deliverability of such sites and it may need to be flexible with regard to such requirements.

11. Non-Residential Appraisals

- 11.1 Based on the assumptions set out previously, a set of financial appraisals have been run for the non-residential development types.
- 11.2 As with the residential appraisals, the Residual Valuation approach has been used. Appraisals have been run to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. For the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use. To assess viability, the same methodology has been used regarding the Benchmark Land Value (EUV 'plus').
- 11.3 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to assess viability. The fact that a site is shown as viable does not necessarily mean that it will come forward, and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is happening on the ground in terms of development, and what planning applications are being determined – and on what basis.
- 11.4 In the appraisal the costs are based on the BCIS costs, adjusted for Zero Carbon. The detailed appraisal results are set out in **Appendix 19** and summarised in the following sections.

Employment Uses

- 11.5 Firstly, the main employment uses are considered. The table below summarises the results, comparing the Residual Value with the Benchmark Land Value.

Table 11.1 Employment Appraisal Results

GREENFIELD		Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
	£/m2						
CIL			£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site		-486,982	-2,018,973	1,749,340	-121,926	14,486,308
Existing Use Value	£/ha		74,000	74,000	25,000	74,000	25,000
Benchmark Land Value	£/ha		424,000	424,000	375,000	424,000	375,000
Residual Value	2025 FBS		-4,869,822	-7,571,148	1,749,340	-1,219,258	10,140,415
BROWNFIELD		Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
	£/m2						
CIL		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site	-3,699,946	-839,347	-3,441,640	652,131	-288,875	13,482,822
Existing Use Value	£/ha	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Benchmark Land Value	£/ha	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Residual Value	2025 FBS	-51,799,246	-8,393,474	-12,906,150	652,131	-2,888,754	9,437,976

Source: HDH (April 2024)

- 11.6 The above results are reflective of the current market in across much of England. The main employment uses are not shown as viable, except for large format industrial and logistics uses.
- 11.7 Whilst the Council area has some major employers, such as Consort Medical, St Regis Paper, Peel Ports and Shepherd Neame, it is not a prime employment location, and such development is not being brought forward to on a speculative basis by the development industry. Much of the office and industrial development tends to be from existing businesses and / or for operational reasons, for example, existing businesses moving to more appropriate and better located town edge properties.



- 11.8 The analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. The assumption is that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. The Guidance, as set out in Chapters 2 and 3 above, does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long-term view as to the direction of the market based on the prospects of an area and wider economic factors. It is understood that the limited development that is coming forward in the county area is 'user-led' being brought forward by businesses, or for specific end users, that will use the eventual space for operational uses, rather than for investment purposes.
- 11.9 The delivery of employment uses is challenging in the current market. The above appraisals assume that development is carried out to the Future Buildings Standard. A further set of appraisals has been run to test the impact of higher costs that may arise due to higher environmental standards. The costs will vary considerably from development type and the specifics of each building so additional construction costs of 5%, 10%, 15% and 20% are applied to the appraisals.

Table 11.2 Effect of Greater Construction Costs on Employment Uses

GREENFIELD		Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
CIL			£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site		-486,982	-2,018,973	1,749,340	-121,926	14,486,308
Existing Use Value	£/ha		74,000	74,000	25,000	74,000	25,000
Benchmark Land Value	£/ha		424,000	424,000	375,000	424,000	375,000
Residual Value	Zero Carbon		-4,869,822	-7,571,148	1,749,340	-1,219,258	10,140,415
	BCIS +0%		-3,976,735	-6,202,448	2,122,290	-625,660	10,396,977
	BCIS +5%		-4,720,974	-7,343,031	1,889,196	-996,659	10,236,626
	BCIS +10%		-5,465,213	-8,483,615	1,656,102	-1,367,658	10,076,275
	BCIS +15%		-6,209,451	-9,624,198	1,423,009	-1,738,656	9,915,924
	BCIS +20%		-6,953,690	-10,764,782	1,189,915	-2,109,655	9,755,573
BROWNFIELD							
CIL			£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site		-3,699,946	-3,441,640	652,131	-288,875	13,482,822
Existing Use Value	£/ha		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Benchmark Land Value	£/ha		1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Residual Value	Zero Carbon		-51,799,246	-12,906,150	652,131	-2,888,754	9,437,976
	BCIS +0%		-33,510,273	-8,007,318	1,653,273	-1,295,306	10,111,449
	BCIS +5%		-38,082,516	-9,232,026	1,402,988	-1,693,668	9,943,081
	BCIS +10%		-42,654,759	-10,456,734	1,152,702	-2,092,030	9,774,712
	BCIS +15%		-47,227,002	-11,681,442	902,416	-2,490,392	9,606,344
	BCIS +20%		-51,799,246	-12,906,150	652,131	-2,888,754	9,437,976

Source: HDH (April 2024)

11.10 This analysis shows that there is very limited scope to seek higher environmental standards with the exception of the large scale industrial and distribution uses. Caution is suggested in relation to setting policy requirements for employment uses that would unduly impact on viability.



12. Findings and Recommendations

- 12.1 This chapter brings together the findings of this report and provides a non-technical summary of the overall assessment that can be read on a standalone basis. Having said this, a viability assessment of this type is, by its very nature, a technical document that is prepared to address the specific requirements of the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), so it is recommended the report is read in full. As this is a summary chapter, some of the content of earlier chapters is repeated.
- 12.2 HDH Planning & Development Ltd was appointed to update the Council's viability evidence and produce a Whole Plan Viability Assessment as required by the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). It was originally anticipated that a technical consultation would be held in April 2023. The timetable was delayed, in part due to the May 2023 elections and the subsequent 're-think' of the plan-making process. The pre-consultation draft was refreshed in October 2023.
- 12.3 A technical consultation was carried out in January 2024. Representatives of the main developers, development site landowners, their agents, planning agents and consultants working in the area and housing associations were invited to comment on an early draft of this report.
- 12.4 As part of its preparation, the new Local Plan needs to be tested to ensure the planned development is deliverable in line with tests set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (PPG). This includes:
- assessing the cumulative impact of the emerging policies, including affordable housing.
 - testing the deliverability of the key development site allocations that may come forward over the course of the Local Plan period.
 - considering the ability of development to accommodate developer contributions alongside other policy requirements.
- 12.5 This viability work is being undertaken to inform the development of policy and explore the impact, on the economics of development, of the options that are under consideration. This document sets out the methodology used, and the key assumptions adopted. It contains an assessment of the effect of the policy options, in the context of national policies and requirements, in relation to the planned development. This will allow the Council to further engage with stakeholders, to ensure that the new Plan is effective.
- 12.6 The Viability Assessment sets out the methodology used, and the key assumptions adopted. It contains an assessment of the effect of the policy options, in the context of national policies and requirements, in relation to the planned development. This will allow the Council to further engage with stakeholders, to ensure that the new Plan is effective.

Compliance

- 12.7 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors (RICS). HDH confirms that the relevant RICS Guidance has been followed.

Uncertainty

- 12.8 This update is being carried out during a period of uncertainty, due to the continued impact of COVID-19, the war in Ukraine, conflict in the Middle East and significant levels of inflation. As a result, there are uncertainties around the values of property and the costs of construction. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. It is recommended that the Council keeps the assessment under review.

Viability Testing under the NPPF and Updated PPG

- 12.9 The effectiveness of plans was important under the 2012 NPPF, but a greater emphasis is put on deliverability in the updated NPPF. The overall requirement is that *'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.'*
- 12.10 This study is based on typologies that are representative of the type of development expected to come forward under the adopted Local Plan. In addition, the seven potential strategic sites are tested individually.
- 12.11 The updated PPG sets out that viability should be tested using the Existing Use Value Plus (EUV Plus) approach:

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).

- 12.12 The Benchmark Land Value (BLV) is the amount the Residual Value must exceed for the development to be considered viable.
- 12.13 The December 2023 updated NPPF does make some significant changes to the planning system, however, does not change the place of viability testing in the plan-making process. The methodology used in this report is consistent with the updated NPPF, the CIL Regulations (as amended) and the updated PPG.
- 12.14 The *Levelling-up and Regeneration Act* became law in October 2023. The Act will have a significant impact on the overall plan-making process, but does not alter the place of viability in the current Local Plan process. The Act includes reference to a new national Infrastructure

Levy that would be set, having regard to viability, and makes reference to the *Infrastructure Levy Regulations*. In March 2023, the Department for Levelling Up Housing & Communities published *Open consultation, Technical consultation on the Infrastructure Levy* (March 2023). Under the proposals set out in the consultation, CIL and the delivery of affordable housing would be combined into a single Infrastructure Levy, that would be calculated as a proportion of a scheme's value above a threshold. The Council will need to monitor further announcements in this regard.

Viability Guidance

- 12.15 The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

$$\begin{aligned} & \textbf{Gross Development Value} \\ & \text{(The combined value of the complete development)} \\ & \text{LESS} \\ & \textbf{Cost of creating the asset, including a profit margin} \\ & \text{(Construction + fees + finance charges)} \\ & = \\ & \textbf{RESIDUAL VALUE} \end{aligned}$$

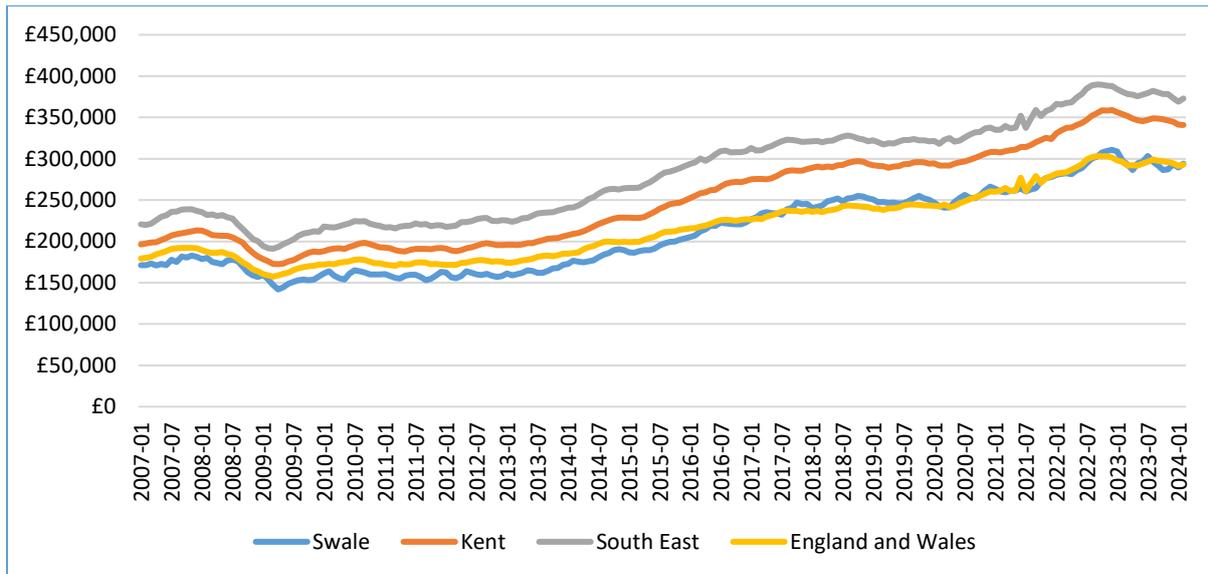
- 12.16 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).
- 12.17 In line with the PPG, this study is based on the EUV Plus (EUV+) methodology, that is to compare the Residual Value generated by financial development appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. It must be set at a level to provide a return to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level, reference is made to the market value of the land both with and without the benefit of planning permission for development.
- 12.18 The NPPF and the PPG are clear that the assessment of viability should be based on existing available evidence. The evidence that is available from the Council has been reviewed. This includes that which has been prepared earlier in the plan-making process, and that which the Council holds, in the form of development appraisals that have been submitted by developers in connection with specific developments to support negotiations around the provision of affordable housing or s106 contributions.

Residential Market

- 12.19 Overall, the market is perceived to be active, with a strong market for the right scheme in the right place, with the Council delivering about 717 new homes per year. Having said this, some areas are challenging and the relatively low house prices in some areas do make the delivery of new housing less easy.

12.20 An assessment of the housing market has been undertaken. The local housing market peaked in November 2007 and then fell considerably in the 2008/2009 recession during what became known as the ‘Credit Crunch’. Since then, house prices have increased steadily, but are now widely perceived to have peaked. Locally, average house prices in the area returned to their pre-recession peak in August 2014 and are now about 63% above the 2007 peak. This substantial increase is in line with the increase across the South East region (64%) and a little more than the increase across England and Wales (59%).

Figure 12.1 Average House Prices (£)



Source: Land Registry (February 2024). Contains public sector information licensed under the Open Government Licence v3.0.

12.21 Based on data published by the Office for National Statistics (ONS), when ranked across England and Wales, the average house price for Swale is 168th (out of 331) at £335,689¹³¹. To set this in context, this is almost in the middle of the rank. the council at the middle of the rank (166th – West Suffolk), has an average price of £337,186. In Swale, the median price is lower than the average, at £335,689¹³².

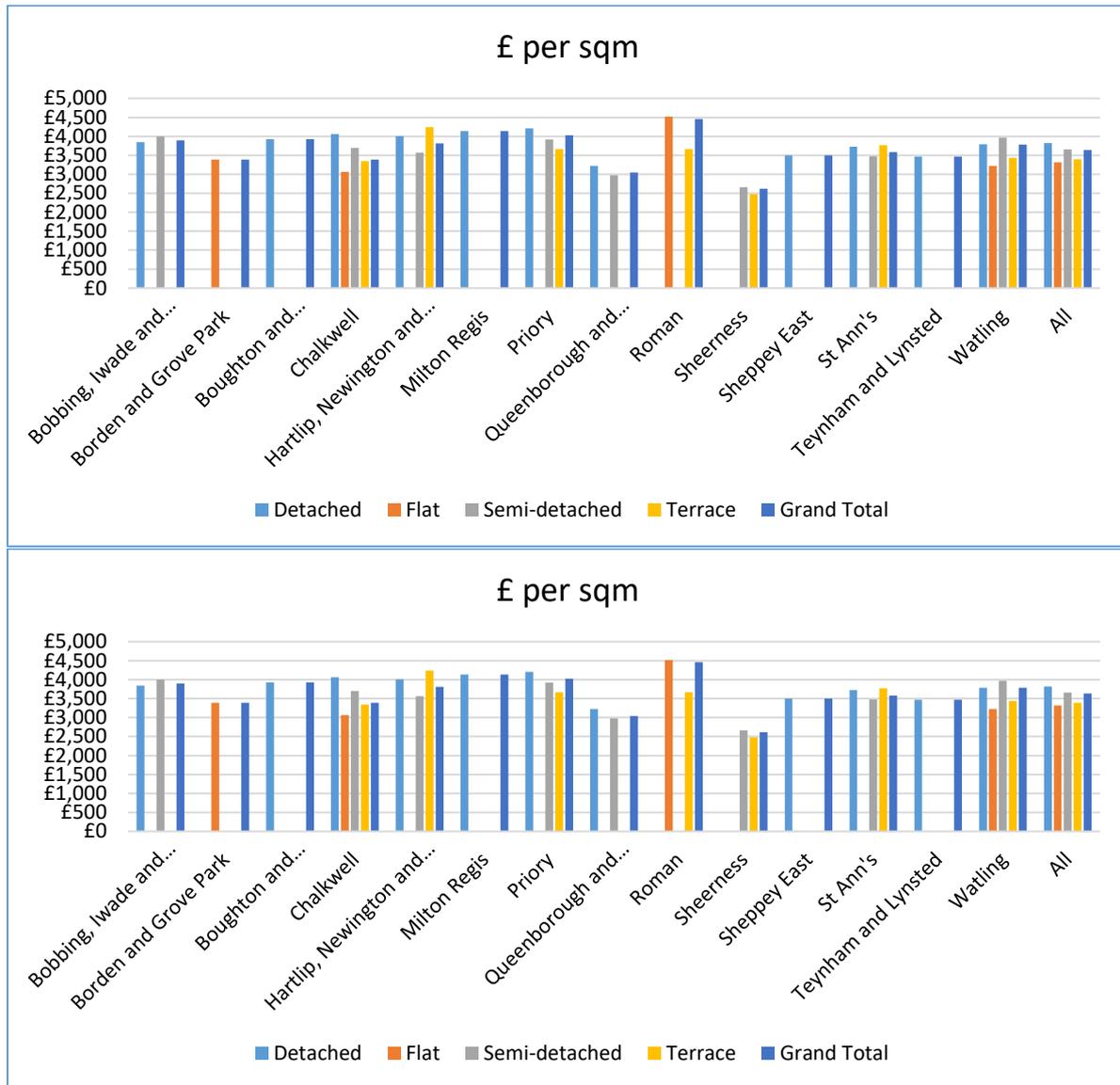
The Local Market

12.22 A survey of asking prices across the Council area was carried out, median asking prices were estimated. Data from Landmark was analysed. This data includes the records of 6,046 sales since the start of 2020. Of these, floor areas are available for 5,567 sales, and the number of bedrooms is available for 2,537 sales. There is a significant delay in the Land Registry updating the dataset, with only 44 sales recorded in 2022 and in 2023.

¹³¹ Mean house prices for administrative geographies: HPSSA dataset 12 (Release 20th September 2023).

¹³² Median house prices for administrative geographies: HPSSA dataset 9 (Release 20th September 2023)

Figure 12.2 Residential Prices Paid – From January 2020 to February 2023 – Newbuild



Source: Landmark (February 2023)

12.23 Following the technical consultation, in April 2024, this data was supplemented with more up-to-date data from the Land Registry recording 395 transactions from 2022 and 57 transactions from 2023. This data is married with the floor area data from the EPC Register to derive the price paid on a £ per sqm basis.

Table 12.1 Average Newbuild Price Paid 2022 to 2024

	Detached	Flats	Semi-detached	Terraced	All
Faversham East	£458,295		£380,000		£454,891
Faversham North	£529,556		£353,389		£441,472
Faversham South	£512,319		£418,572		£493,276
Faversham Town Central		£231,800			£231,800
Faversham West	£444,359		£350,062	£336,995	£374,211
IoS Minster on Sea	£352,450		£325,346	£307,154	£329,590
Rural East			£545,500		£545,500
Sittingbourne East	£427,623		£348,429		£377,226
Sittingbourne Town Central	£462,232	£267,967	£387,495	£375,412	£410,545
Sittingbourne Town W	£470,022	£133,548	£361,322	£343,518	£367,298
All	£472,858	£180,628	£355,826	£341,659	£397,747
	Detached	Flats	Semi-detached	Terraced	All
Faversham East	£4,071		£4,318		£4,082
Faversham North	£4,460		£4,559		£4,509
Faversham South	£4,209		£4,465		£4,261
Faversham Town Central		£3,763			£3,763
Faversham West	£3,946		£4,077	£4,324	£4,112
IoS Minster on Sea	£4,177		£4,011	£4,040	£4,063
Rural East			£3,228		£3,228
Sittingbourne East	£4,183		£4,248		£4,224
Sittingbourne Town Central	£4,265	£3,668	£4,306	£3,832	£4,110
Sittingbourne Town W	£4,244	£2,523	£3,861	£3,443	£3,682
All	£4,222	£3,030	£4,181	£3,697	£4,051

Source: Land Registry and EPC Register (April 2024)

12.24 Based on the asking prices from active developments, and informed by the general pattern of all house prices across the study area, and taking into account the comments made through the consultation process, the following price assumptions are used.

Table 12.2 April 2024, Post-consultation Price Assumptions £ per sqm

	Large Greenfield and Rural	Urban	Flatted Only
Isle of Sheppey	4,000	4,000	3,700
Sittingbourne and West	4,000	4,100	3,700
Sittingbourne East	4,225	4,100	3,700
Faversham and East	4,300	4,200	3,700

Source: HDH (April 2024)

12.25 The following areas are used:

- a. **Isle of Sheppey** – being all the Isle of Sheppey
- b. **Sittingbourne and West** – being the town of Sittingbourne, the sites to the southwest and west of the town and in the rural areas to the west of the town. This includes sites associated with Rainham.
- c. **Sittingbourne East** – being the sites to the north, northeast and south of the town and the areas to the east of the town. This excludes the sites associated with Faversham.
- d. **Faversham and East** – being the town of Faversham, sites associated with the town and the area to the east, towards Canterbury.

Affordable Housing

12.26 In this study, it is assumed that affordable housing is constructed by the site developer and then sold to a Registered Provider (RP). The following values are used:

- a. Social Rent £1,300 per sqm
- b. Affordable Rent £2,400 per sqm
- c. Shared Ownership 70% market value
- d. First Homes 70% market value capped at £250,000.

12.27 In addition, values are derived for Build to Rent housing, and specialist older people’s housing.

Non-Residential Market

12.28 The employment sectors have been surveyed and the following value assumptions have been derived:

Table 12.3 Commercial Value Assumptions. £ per sqm

	Rent £/m2	Yield	Rent free period	Value	Assumption
Offices Central	£215	7.00%	1.0	£2,870	£2,900
Offices Park	£215	6.50%	1.0	£3,106	£3,100
Industrial	£130	5.50%	1.0	£2,240	£2,250
Smaller Industrial	£165	7.00%	1.0	£2,203	£2,200
Logistics	£270	5.25%	1.0	£4,886	£4,880

Source: HDH (April 2024)

Land Values

12.29 In this assessment the following Existing Use Value (EUV) assumptions are used.

Table 12.4 Existing Use Value Land Prices

Previously Developed Land	£1,100,000 per ha
Agricultural	£25,000 per ha
Paddock	£74,000 per ha

Source: HDH (April 2024)

12.30 The updated PPG makes specific reference to Benchmark Land Values (BLV) so it is necessary to address this. The following Benchmark Land Value assumptions are used:

- a. Brownfield/Urban Sites: EUV Plus 20%.
- b. Greenfield Sites:
 - Non-strategic sites EUV Plus £350,000 per ha.
 - Strategic Sites 10 times EUV.

Development Costs

12.31 These are the costs and other assumptions required to produce the financial appraisals.

12.32 The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for Swale. The cost figure for ‘Estate Housing – Generally’ is £1,517 per sqm. The use of the BCIS data is suggested in the PPG, it is necessary to appreciate that the volume housebuilders are likely to be able to achieve significant saving due to their economies of scale.

12.33 In addition to the BCIS build cost, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping, and other external costs). A scale of allowances has been developed for the residential sites, ranging from 5% of build costs for flatted schemes, to 15% for the larger greenfield schemes.

12.34 An additional allowance is made for abnormal costs of 5% of the BCIS costs on brownfield sites. Abnormal costs will be reflected in land value. Those sites that are less expensive to

develop will command a premium price over and above those that have exceptional or abnormal costs.

Fees

- 12.35 For both residential and non-residential development, professional fees are assumed to amount to 10% of build costs. Additional allowances are made for acquisition and disposal fees, planning application fees and Stamp Duty Land Tax.

Contingencies

- 12.36 In line with comments made through the technical consultation, a contingency of 5% has been allowed for across the brownfield typologies and 2.5% across the greenfield typologies.

Financial and Other Appraisal Assumptions

- 12.37 The appraisals assume interest of 7.5% p.a. for total debit balances. No allowance is made for equity provided by the developer.

Developers' return

- 12.38 The updated PPG says '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies*'. The purpose of including a developers' return figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending the costs of construction before selling the property. The use of developers' return in the context of area wide viability testing of the type required by the NPPF, is to reflect that level of risk.
- 12.39 An assumption of 20% is used in relation to market housing and 6% in relation to affordable housing. 15% is assumed for other types of development.

Local Plan Policy Requirements

- 12.40 The *Bearing Fruits 2031: The Swale Borough Local Plan* was adopted in 2017. The Council is now undertaking a Local Plan Review. The Local Plan Review (LPR) will set the framework for the development needs for the whole of the Swale Borough area from 2022 – 2038. In 2021 the Council undertook a consultation on the *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021.
- 12.41 In this report the policies, as set out in the emerging *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021 and options as discussed with the Council and having regard to the changes in national policy, have been reviewed. It is important to note that, at this stage, some of the options that are considered are included for completeness, and that these are simply options that may or may not be progressed into the new Local Plan. In particular, the Council has asked that the policy areas of climate change and developer contributions are considered.

12.42 In the following sections the requirements in *Local Plan Review 2021, Pre-Submission Document (Regulation 19)* February 2021 are reviewed and how they impact on viability (if at all).

Modelling

12.43 The long list of HELAA sites has been reviewed to inform the modelling. A set of typologies has been developed. These are consistent with the main assumptions used in the Council’s most recent HELAA, and take the emerging open space policies into account. In addition, the potential Strategic Sites that are being considered for allocation have been modelled based on the high level information provided by the Council.

Table 12.5 Potential Strategic Sites

		Units	Area Ha
South and West of Iwade (Site B)	Iwade	1,381	65.760
West of Bobbing village	Bobbing	4,173	198.720
Land at Stickfast Lane	Bobbing	2,411	114.820
Fax Farm	Dunkirk	1,201	57.210
Winterbourne Fields	Dunkirk	1,742	82.960
SE Faversham	Faversham SE	2,745	130.720
East of Faversham Expansion	Faversham E	2,665	126.890
Iwade - Solar Farm	Iwade	2,873	136.790
Rushenden South	IoS Sheerness	3,130	149.040
South East Sittingbourne	Sittingbourne SE	16,814	800.690
Land at South-West Minster	IoS Minster-on-Sea	2,235	106.430
Ashford Road, North Street	Faversham S	6,490	309.040
Between A2 Bapchild and Northern Relief Road	Bapchild	1,925	91.680

Source: SBC (April 2024)

12.44 A range of non-residential uses are also modelled.

Residential Appraisals

12.45 The appraisals use the residual valuation approach, they assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents and a developers’ return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. In order for the proposed development to be viable, it is necessary for this Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).

12.46 Sets of appraisals have been run based including a varied affordable housing requirement, varied levels of environmental standards and varied developer contributions.



Base Appraisals

12.47 The initial appraisals are based on the current policy requirement, but with 30% affordable housing, updated to take into account the developing areas of national policy. The base modelling is from the following stating point, and based on the 4 sub areas:

- a. Affordable Housing 30% as 63% Affordable Rent 37% Affordable Home Ownership. 25% of affordable homes as First Homes.
- b. Design 75% Part M4(2), 25% Part M4(3), Water efficiency, 20% Biodiversity Net Gain, Zero Carbon.
- c. Developer Contributions s106 typologies £10,000/unit / potential Strategic Sites £25,000/unit.

12.48 The results vary across the typologies, although this is largely due to the different assumptions around the nature of each typology, as well as by the price areas. The Residual Value is not an indication of viability by itself, simply being the maximum price a developer may bid for a parcel of land, and still make an adequate return. In the following tables the Residual Value is compared with the BLV. The BLV being an amount over and above the EUV that is sufficient to provide the willing landowner to sell the land for development as set out in Chapter 6 above:

Table 12.6a Residual Value v BLV – Isle of Sheppey

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	369,899
Site 2	Brown 90		1,100,000	1,320,000	200,318
Site 3	Brown 30		1,100,000	1,320,000	220,737
Site 4	Brown 15		1,100,000	1,320,000	651,257
Site 5	Brown 9		1,100,000	1,320,000	595,334
Site 6	Brown 6		1,100,000	1,320,000	837,189
Site 7	Central 60		1,100,000	1,320,000	-628,645
Site 8	Central 24		1,100,000	1,320,000	425,630
Site 9	Central 9		1,100,000	1,320,000	650,867
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	468,365
Site 13	Large Green 400 HD		25,000	375,000	596,382
Site 14	Green 150		25,000	375,000	377,935
Site 15	Green 30		25,000	375,000	379,544
Site 16	Green 12		74,000	424,000	627,831
Site 17	Green 6		74,000	424,000	917,481
Site 26	Rushenden South	IoS Sheerness	25,000	250,000	-4,589
Site 28	Land at South-West Minster	IoS Minster on Sea	25,000	250,000	20,998

Source: HDH (April 2024)

Table 12.6b Residual Value v BLV – Sittingbourne and West

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	500,553
Site 2	Brown 90		1,100,000	1,320,000	349,778
Site 3	Brown 30		1,100,000	1,320,000	383,404
Site 4	Brown 15		1,100,000	1,320,000	860,344
Site 5	Brown 9		1,100,000	1,320,000	775,937
Site 6	Brown 6		1,100,000	1,320,000	1,012,402
Site 7	Central 60		1,100,000	1,320,000	-427,515
Site 8	Central 24		1,100,000	1,320,000	615,033
Site 9	Central 9		1,100,000	1,320,000	888,413
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	468,365
Site 13	Large Green 400 HD		25,000	375,000	596,382
Site 14	Green 150		25,000	375,000	377,935
Site 15	Green 30		25,000	375,000	379,544
Site 16	Green 12		74,000	424,000	627,831
Site 17	Green 6		74,000	424,000	917,481
Site 18	South and West of Iwade (Site B)	Iwade	25,000	250,000	51,473
Site 19	West of Bobbing village	Bobbing	25,000	250,000	-18,554
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	16,339
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	138,770

Source: HDH (April 2024)

Table 12.6c Residual Value v BLV – Sittingbourne East

			EUV	BLV	Residual Value
Site 12	Large Green 400 LD		25,000	375,000	652,422
Site 13	Large Green 400 HD		25,000	375,000	816,739
Site 14	Green 150		25,000	375,000	583,926
Site 15	Green 30		25,000	375,000	574,773
Site 16	Green 12		74,000	424,000	885,957
Site 17	Green 6		74,000	424,000	1,300,377
Site 27	South East Sittingbourne	Sittingbourne SE	25,000	250,000	-43,658
Site 30	Between A2 Bapchild and Northern Relief Road	Bapchild	25,000	250,000	183,242

Source: HDH (April 2024)

Table 12.6d Residual Value v BLV – Faversham and East

			EUV	BLV	Residual Value
Site 1	Large Brown 300		1,100,000	1,320,000	629,286
Site 2	Brown 90		1,100,000	1,320,000	499,239
Site 3	Brown 30		1,100,000	1,320,000	542,900
Site 4	Brown 15		1,100,000	1,320,000	1,064,302
Site 5	Brown 9		1,100,000	1,320,000	955,162
Site 6	Brown 6		1,100,000	1,320,000	1,184,469
Site 7	Central 60		1,100,000	1,320,000	-231,089
Site 8	Central 24		1,100,000	1,320,000	802,342
Site 9	Central 9		1,100,000	1,320,000	1,123,524
Site 10	Brown 90 HD		1,100,000	1,320,000	-1,461,370
Site 11	Brown 24 HD		1,100,000	1,320,000	-1,902,673
Site 12	Large Green 400 LD		25,000	375,000	712,822
Site 13	Large Green 400 HD		25,000	375,000	889,039
Site 14	Green 150		25,000	375,000	651,630
Site 15	Green 30		25,000	375,000	638,502
Site 16	Green 12		74,000	424,000	971,999
Site 17	Green 6		74,000	424,000	1,424,887
Site 21	Fax Farm	Dunkirk	25,000	250,000	275,831
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	234,966
Site 23	SE Faversham	Faversham SE	25,000	250,000	188,964
Site 24	East of Faversham Expansion	Faversham E	25,000	250,000	192,406
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	91,718

Source: HDH (April 2024)

- 12.49 The value assumptions do not vary very much between the different price areas. This is reflected in the results of the appraisal which are broadly similar across the areas. The results do vary significantly between the greenfield sites. The brownfield sites are modelled with abnormal costs and higher contingency costs than the greenfield sites and this is reflected in the Residual Value.
- 12.50 Based on 30% affordable housing, within the towns, where most sites are likely to be brownfield sites, the Residual Value is less than the BLV across all the typologies, indicating that most brownfield development is likely to be unviable. This is to be expected and the current draft policy seeks 20% affordable housing on ‘*brownfield land within settlement confines*’.
- 12.51 The greenfield typologies generate a residual value that is greater than the BLV across the areas, suggesting that such sites are, on the whole, likely to be viable. This is broadly reflective of the Council’s experience through the development management process, where most greenfield planning consents are policy compliant.

- 12.52 The potential Strategic Sites are included to inform the site selection process. The results are less good than on the greenfield typologies, with lower Residual Values. This is largely due to the lower net developable area assumption and the higher allowance for strategic infrastructure and mitigation (i.e. s106) costs. In this regard, it is necessary to note that the delivery of any large site is challenging. Regardless of these results, it is recommended that the Council engages with the owners in line with the advice set out in the Harman Guidance.
- 12.53 The Council is exploring various options so further sets of appraisals have been run to establish the costs of the additional policy requirements. Before doing this, further appraisals have been run to understand an issue that was highlighted through the technical consultation, being the level of the developer's return assumptions.

Varied Policy Requirements

- 12.54 The above analysis is based on a 30% affordable housing requirement as this is a convenient starting point. The Council is exploring various options, including seeking higher environmental standards and greater accessibility standards. Sets of appraisals have been run to establish the costs of the additional policy requirements.
- 12.55 The starting point for the above analysis is Zero Carbon. Further appraisals have been run at the current standard, the options set out in the Future Homes Standard consultation, and an enhanced Zero Carbon standard. In addition, varied levels of Biodiversity Net Gain, and varied levels of Accessible and Adaptable standards under Part M of Building Regulations are tested. The figures in the following table are an indication of the amount the Residual Value will fall (or rise) for the various policy requirements relative to be base assumption. The reduction in the amount of the Residual Value is the reduced amount in the maximum price a developer can pay a landowner.
- 12.56 The amount the Residual Value falls is related to the density of the type of development, by way of an example, seeking rainwater harvesting on brownfield sites is likely to reduce the Residual Value by about £100,000/ha, whilst the impact is about £50,000/ha on the large, lower density, greenfield sites. These differences are largely due to the density assumptions used in the modelling.
- 12.57 The increase from the 2025 Future Home Standard Option 1 to Zero Carbon is significant, whilst the move from 10% to 20 BNG is less so.

Varied Affordable Housing

- 12.58 A core purpose of this study is to consider an appropriate affordable housing target and the tenure mix. The analysis above is based on 30% affordable housing. The Council's SHMA currently seeks 63% Affordable Rent or Social Rent and the balance as Affordable Home Ownership. However, in line with paragraph 66 of the NPPF, a minimum of 10% affordable home ownership units are assumed, and in line with Paragraph 70-001-21210524 of the PPG, it is assumed that 25% of the affordable homes are First Homes.

- 12.59 In this analysis the affordable housing is assumed to be in line with the requirements of the NPPF that 10% of all the housing should be Affordable Home Ownership delivered. It is assumed that beyond this affordable housing for rent, as Affordable Rent, capped at the Local Housing Allowance (LHA) cap, is maximised. All other matters are as in the base appraisals at the start of this chapter.
- 12.60 This analysis shows that providing 30% affordable housing on flatted schemes is likely to cost about £670,000 per ha, but on greenfield sites, is about £375,000 per ha. Providing 30% affordable housing, rather than 20% affordable housing will have the effect of reducing the Residual Value by £100,000 per ha or so, on greenfield sites.
- 12.61 Appraisals where the type of affordable housing for rent is varied between Affordable Rent and Social Rent have also been run. In this analysis the affordable housing is assumed to be delivered in line with the requirements of the NPPF that 10% of all the housing should be Affordable Home Ownership and 25% of the affordable homes are First Homes. All other matters are as in the base appraisals at the start of this chapter.
- 12.62 This analysis shows that, on average, assuming 30% affordable housing, across the typologies, the Residual Value is about £500,000 per ha less on brownfield sites and £300,000 per ha less on greenfield sites, where the affordable housing for rent is provided as Social Rent rather than Affordable Rent. The consequence of this is that should the Council seek that all the affordable housing for rent is as Social Rent, the developer could typically afford to pay a landowner about £500,000 per ha less on brownfield sites and £300,000 per ha less on greenfield sites than where the affordable housing for rent is as Affordable Rent. This is a significant difference that has the impact of reducing the scope for affordable housing provision by 15% or so, although the impact varies considerably across the different typologies.
- 12.63 First Homes are required to be subject to a minimum discount of 30%. Paragraph 70-004-20210524 of the PPG gives councils scope (subject to conditions) to set an alternative discount of 40% or 50% or a cap reduced below the £250,000 set out in the PPG. A further set of appraisals has been run with the First Homes being subject to a range of discounts and caps.
- 12.64 This analysis shows that, assuming 30% affordable housing, across the typologies, the Residual Value is a little less than £30,000 per ha less where the First Homes are subject to a 40% discount rather than the minimum 30% discount. Also, assuming 30% affordable housing, across the typologies, the Residual Value is a little less than £70,000 per ha less where the First Homes are subject to a 50% discount rather than the minimum 30% discount.
- 12.65 If the Council were to seek a 50% discount for First Homes, the cost, when considered in isolation, would be equivalent to seeking 5% affordable housing, or seeking Zero Carbon. It is necessary to consider different policy requirements together, however seeking a discount that is greater than 30% is likely to lead to a reduced overall affordable housing requirement.

Developer Contributions

- 12.66 The above analysis considered the impact of affordable housing on development viability, taking into account the anticipated requirements for developer contributions, in addition to the current Birdwise payments and open space payments on brownfield sites, of £10,000 per unit on the typologies and £25,000 per unit on the potential Strategic Sites. A range of developer contribution costs up to £50,000 per unit has been tested, initially this is against a zero affordable housing requirement.
- 12.67 Averaged across the typologies, a £5,000 per unit developer contribution has the impact of reducing the Residual Value by about £180,000 per ha, and a £20,000 per unit developer contribution has the impact of reducing the Residual Value by about £740,000 per ha. On the potential Strategic Sites, a £5,000 per unit developer contribution has the impact of reducing the Residual Value by about £65,000 per ha, and a £20,000 per unit developer contribution has the impact of reducing the Residual Value by about £260,000 per ha.

Cumulative Costs of Policy Requirements

- 12.68 The above analysis considered the impact of higher policy standards individually. The effect of affordable housing and developer contributions is now tested in three scenarios.

Table 12.7 Policy Scenarios for Policy Testing

	Lower Requirements	Mid Requirements	Higher Requirements
Biodiversity Net Gain	10%	20%	20%
Carbon and Energy	Future Homes Standard Option 1	Zero Carbon	Enhanced Zero Carbon
Accessibility	100% M4(2) Accessible & Adaptable	95% M4(2) Accessible & Adaptable, 5% M4(3)a Wheelchair Adaptable	75% M4(2) Accessible & Adaptable, 25% M4(3)a Wheelchair Adaptable
Water Standard	Enhanced Building Regulations	Enhanced Building Regulations	Enhanced Building Regulations
Developer Contributions	Birdwise and open space payments on brownfield sites	Birdwise and open space payments on brownfield sites	Birdwise and open space payments on brownfield sites

Source: April 2024

- 12.69 The appraisal results are summarised below. In the following analysis, the small sites (less than 10 units) are modelled with affordable housing, although these are under the affordable housing threshold included in paragraph 65 of the NPPF.
- 12.70 In the following tables the typologies that are able to bear at least £10,000 per unit in developer contributions are shaded green.

Table 12.8a Maximum Levels of Developer Contributions as £/unit. Lower Policy Requirements

AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
Isle of Sheppey									
Large Brownfield	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£17,500	£15,000	£7,500	£7,500	£5,000	£0	Unviable	Unviable	Unviable
Central	£15,000	£12,500	£10,000	£5,000	£0	£0	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£37,500	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000
Greenfield	£37,500	£35,000	£32,500	£27,500	£25,000	£22,500	£17,500	£12,500	£10,000
Sittingbourne and West									
Large Brownfield	£10,000	£7,500	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable
Brownfield	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500	£0	£0
Central	£2,000	£17,500	£15,000	£10,000	£7,500	£5,000	£0	£0	£0
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£37,500	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000
Greenfield	£37,500	£35,000	£32,500	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000
Sittingbourne East									
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500
Greenfield	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£27,500	£22,500	£17,500
Faversham and East									
Large Brownfield	£17,500	£12,500	£10,000	£7,500	£2,500	£0	Unviable	Unviable	Unviable
Brownfield	£25,000	£22,500	£17,500	£15,000	£15,000	£10,000	£2,500	£0	£0
Central	£25,000	£22,500	£20,000	£15,000	£15,000	£10,000	£5,000	£0	Unviable
Flats	Unviable	£0	Unviable						
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500
Greenfield	£40,000	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£25,000	£22,500

Source: HDH (April 2024)

Table 12.8b Maximum Levels of Developer Contributions as £/unit. Mid Policy Requirements

AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
Isle of Sheppey									
Large Brownfield	£0	£0	Unviable						
Brownfield	£12,500	£10,000	£7,500	£5,000	£0	£0	Unviable	Unviable	Unviable
Central	£10,000	£75,000	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£35,000	£32,500	£30,000	£25,000	£22,500	£17,500	£15,000	£10,000
Greenfield	£32,500	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000	£7,500
Sittingbourne and West									
Large Brownfield	£5,000	£5,000	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£15,000	£12,500	£7,500	£7,500	£5,000	£5,000	£0	Unviable	Unviable
Central	£15,000	£12,500	£10,000	£7,500	£2,500	£0	£0	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£35,000	£32,500	£30,000	£25,000	£22,500	£17,500	£15,000	£10,000
Greenfield	£32,500	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£10,000	£5,000
Sittingbourne East									
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£37,500	£35,000	£27,500	£22,500	£20,000
Greenfield	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500	£22,500	£20,000	£15,000
Faversham and East									
Large Brownfield	£12,500	£10,000	£7,500	£2,500	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£17,500	£15,000	£12,500	£10,000	£5,000	£2,500	£0	£0	Unviable
Central	£22,500	£17,500	£15,000	£12,500	£7,500	£5,000	£0	£0	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£30,000	£27,500	£22,500
Greenfield	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£25,000	£22,500	£17,500

Source: HDH (April 2024)



Table 12.8c Maximum Levels of Developer Contributions as £/unit. Higher Policy Requirements

AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
Iste of Sheppey									
Large Brownfield	Unviable								
Brownfield	£5,000	£2,500	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable
Central	£2,500	£0	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000	£10,000	£7,500	£5,000
Greenfield	£25,000	£22,500	£20,000	£17,500	£12,500	£10,000	£5,000	£2,500	£0
Sittingbourne and West									
Large Brownfield	£0	Unviable							
Brownfield	£10,000	£7,500	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable
Central	£10,000	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£32,500	£30,000	£27,500	£22,500	£17,500	£15,000	£10,000	£7,500	£5,000
Greenfield	£25,000	£22,500	£20,000	£17,500	£12,500	£10,000	£7,500	£5,000	£0
Sittingbourne East									
Large Greenfield	£40,000	£40,000	£40,000	£35,000	£30,000	£27,500	£20,000	£17,500	£12,500
Greenfield	£37,500	£35,000	£32,500	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
Faversham and East									
Large Brownfield	£5,000	£2,500	£0	Unviable	Unviable	Unviable	Unviable	Unviable	Unviable
Brownfield	£10,000	£7,500	£5,000	£2,500	£0	£0	Unviable	Unviable	Unviable
Central	£15,000	£15,000	£12,500	£7,500	£2,500	£0	Unviable	Unviable	Unviable
Flats	Unviable								
Large Greenfield	£40,000	£40,000	£40,000	£40,000	£35,000	£30,000	£25,000	£20,000	£15,000
Greenfield	£40,000	£40,000	£37,500	£32,500	£27,500	£25,000	£20,000	£15,000	£10,000

Source: HDH (April 2024)

12.71 The appraisals for the potential Strategic Sites are also run. It is important to note that this analysis is based on high level assumptions, and without the benefit of site specific inputs. In the following table the potential Strategic Sites that are able to bear at least £25,000 per unit in developer contributions are shaded green.



Table 12.9 Maximum Levels of Developer Contributions as £/unit. Potential Strategic Sites

LOWER POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£40,000	£37,500	£35,000	£30,000	£27,500	£20,000	£10,000	£15,000	£12,500
West of Bobbing village	£32,500	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500
Land at Stickfast Lane	£35,000	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£10,000	£7,500
Fax Farm	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£25,000
Winterbourne Fields	£40,000	£40,000	£40,000	£40,000	£40,000	£37,500	£30,000	£25,000	£22,500
SE Faversham	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500
East of Faversham Expansio	£40,000	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500
Iwade - Solar Farm	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£20,000	£15,000
Rushenden South	£32,500	£30,000	£27,500	£22,500	£20,000	£17,500	£12,500	£7,500	£5,000
South East Sittingbourne	£20,000	£17,500	£15,000	£10,000	£5,000	£2,500	£0	£0	£0
Land at South-West Minster	£37,500	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£12,500	£7,500
Ashford Road, North Street	£40,000	£40,000	£35,000	£30,000	£25,000	£22,500	£17,500	£12,500	£7,500
Between A2 Bapchild and Nc	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£27,500	£22,500	£20,000
MID POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£35,000	£32,500	£30,000	£25,000	£22,500	£20,000	£15,000	£10,000	£7,500
West of Bobbing village	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500	£0
Land at Stickfast Lane	£32,500	£27,500	£25,000	£22,500	£17,500	£15,000	£10,000	£7,500	£2,500
Fax Farm	£40,000	£40,000	£40,000	£40,000	£37,500	£35,000	£30,000	£25,000	£20,000
Winterbourne Fields	£40,000	£40,000	£40,000	£40,000	£35,000	£32,500	£25,000	£22,500	£17,500
SE Faversham	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£17,500	£15,000
East of Faversham Expansio	£40,000	£40,000	£40,000	£37,500	£32,500	£30,000	£22,500	£20,000	£15,000
Iwade - Solar Farm	£40,000	£40,000	£37,500	£32,500	£27,500	£25,000	£20,000	£15,000	£10,000
Rushenden South	£27,500	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0
South East Sittingbourne	£15,000	£12,500	£10,000	£5,000	£0	£0	£0	£0	£0
Land at South-West Minster	£32,500	£30,000	£27,500	£22,500	£20,000	£15,000	£10,000	£7,500	£5,000
Ashford Road, North Street	£37,500	£35,000	£32,500	£27,500	£22,500	£17,500	£12,500	£7,500	£5,000
Between A2 Bapchild and Nc	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500	£15,000
HIGHER POLICY REQUIREMENTS									
AFFORDABLE HOUSING	0%	5%	10%	15%	20%	25%	30%	35%	40%
South and West of Iwade (Si	£27,500	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0
West of Bobbing village	£20,000	£17,500	£15,000	£10,000	£7,500	£5,000	£0	£0	£0
Land at Stickfast Lane	£25,000	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0	£0
Fax Farm	£40,000	£40,000	£40,000	£37,500	£32,500	£27,500	£22,500	£17,500	£15,000
Winterbourne Fields	£40,000	£40,000	£37,500	£32,500	£30,000	£2,500	£20,000	£15,000	£10,000
SE Faversham	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
East of Faversham Expansio	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500
Iwade - Solar Farm	£35,000	£32,500	£30,000	£25,000	£20,000	£17,500	£12,500	£7,500	£5,000
Rushenden South	£22,500	£20,000	£15,000	£12,500	£7,500	£5,000	£0	£0	£0
South East Sittingbourne	£7,500	£5,000	£2,500	£0	£0	£0	£0	£0	£0
Land at South-West Minster	£25,000	£22,500	£20,000	£15,000	£12,500	£10,000	£5,000	£0	£0
Ashford Road, North Street	£30,000	£27,500	£25,000	£20,000	£17,500	£12,500	£5,000	£2,500	£0
Between A2 Bapchild and Nc	£40,000	£37,500	£35,000	£30,000	£25,000	£22,500	£15,000	£12,500	£7,500

Source: HDH (April 2024)

Suggested Policy Requirements

12.72 The early results of this report were discussed with the Council, in making these suggestions the following have been taken into account.

- a. The delivery of affordable housing is important, and the Council is unlikely to want to reduce the targets below the current levels in order to meet other policy requirements.

There is a requirement for both Affordable Rent and Social Rent, however seeking Social Rent would have an adverse impact on viability. At present, the Council does not mandate a particular tenure mix. The Council is comfortable with affordable housing for rent, under the Affordable Rent (capped at the LHA) tenure.

The adopted policy currently seeks affordable housing on sites of 15 and more. It would be sensible to align this with national policy. The analysis suggests that smaller greenfield sites do have capacity to bear affordable housing.

The NPPF (paragraph 65) sets out a policy for a minimum of 10% affordable home ownership units on larger sites (10 plus) and the PPG sets out that '*First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations*'. These requirements are assumed to be included within policy, and for affordable housing for rent to be maximised.

- b. That it is likely that the new national policy requirements for further increases to Part M of Building Regulations (with all new homes to be built to Accessible and Adaptable – Part M4(2) standards) will be adopted around the time that the new Local Plan is implemented. It would be prudent to assume that these are a requirement. Having said this, there is uncertainty over the direction of Government policy, so the Council should keep this under review.

The cost of providing wheelchair adaptable housing is significant and the Council has a need for such accommodation – so it is necessary to incorporate some in the housing mix..

- c. The Council declared a climate emergency in 2019 and a move towards Zero Carbon development is important, but not at the significant expense of the provision of affordable housing.

The December 2023 Written Parliamentary Statement set out the Government's position in this regard saying '*... planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale ...*'. Whilst this direction does not preclude the introduction of policies that go beyond national standards, this does suggest that such policies will need to be well justified and subject to greater scrutiny.

The precise details of the Future Homes Standard are currently (at April 2024) uncertain, and bearing in mind the timetable for the introduction of the new Local Plan, it would be prudent to assume that the 'Option 1' is a requirement. Again, having said this, there is uncertainty over the direction of Government policy, so the Council should keep this under review.

The Council's preference would be for Zero Carbon development.

- d. The viability testing includes the testing of District Heating. District Heating is not a particular priority of the Council. The key to a successful District Heating Scheme is a readily available heat source and the Council will further investigate extending the existing network, rather than mandating connection.
- e. The viability testing includes the testing of Rainwater Harvesting. Mandatory Rainwater Harvesting is expensive and would impinge on the ability to provide other requirements. It is not considered a priority.
- f. Where on-site provision is practical, the cost of seeking 20% BNG is modest and a priority of Kent County Council.
- g. The viability testing includes a range of greenfield sites, and these have the greatest capacity to bear planning obligations such as affordable housing and developer contributions. Whilst directing development away from the existing built-up area and into the rural areas may achieve greater levels of planning obligations, this does not sit well with wider planning considerations.
- h. Brownfield sites do not comprise a major part of the potential land supply for future development, although brownfield sites are likely to be available within the main town centres of Sitting Bourne and Faversham, and within the Isle of Sheppey coastal towns. Brownfield site development, and in particular flatted schemes, are the least viable so the Council should be cautious about relying on such sites to deliver development. It is likely that it will be necessary to consider viability on brownfield sites at the development management stage.
- i. There is a need for infrastructure funding. The analysis suggests that most types of greenfield development have capacity to bear developer contributions. The infrastructure requirements of the potential strategic sites are not yet known. It will be necessary for the Council to establish the costs of strategic infrastructure and mitigation associated with the potential strategic sites and test each site's ability to bear those costs before selecting sites to be included in the Plan. It is recommended that the Council completes the updating of the IDP prior to making a decision in this regard.

12.73 The above results were discussed with the Council's officers. Further sets of appraisals were then run based on the following policy requirements.

- a. Affordable Housing
 - Greenfield Sites 30%.
 - Brownfield Sites 10% (threshold 10)
 - Potential Strategic Sites 25%
 - Affordable housing mix in line with the requirements for 10% AHO and 25% of affordable homes to be First Homes (30% discount) and the balance of AHO as shared ownership. The balance as Affordable Rent.
- b. Design
 - 95% Part M4(2) Accessible and Adaptable and 5% Part M4(3) Wheelchair Accessible.

Zero Carbon, Water Efficiency, 20% Biodiversity Net Gain.

- c. Developer Contributions Birdwise payments on all sites and open space payments on brownfield sites, plus allowance of 10,000 per unit on typologies and £25,000 per unit on the potential strategic sites.

12.74 If the Council were to follow this advice it would be necessary to be cautious in relying on brownfield sites in the five-year land supply and overall housing trajectory, as the delivery of these is likely to continue to be challenging. It will be necessary to have regard to the progress of brownfield sites through the development management process and / or commitments from site promoters. This may influence the selection of sites for allocation, although a small proportion of the possible allocations are brownfield sites.

12.75 The modelling includes the potential Strategic Sites. These are included to inform the site selection process. As set out earlier, the delivery of any large site is challenging. It is recommended that that the Council engages with the owners of all the potential Strategic Sites in line with the advice set out in the Harman Guidance, and only includes sites in the new Local Plan if they can be demonstrated to be viable.

12.76 Having said this, it is necessary to highlight an assumption at this stage as it is not really representative of such large sites. The potential Strategic Sites are modelled on the basis that a site is acquired by the developer in a single tranche at the start of the project. Such a scenario is relatively unlikely on very large sites, where the site is typically purchased in phases. Such an approach benefits the developer in terms of cashflow and this will have a material impact on viability.

Impact of Change in Values and Costs

12.77 Whatever policies are adopted, the Plan should not be unduly sensitive to future changes in prices and costs. In this report, the analysis is based on the build costs produced by BCIS. As well as producing estimates of build costs, BCIS also produce various indices and forecasts to track and predict how build costs may change over time. The BCIS forecasts an increase in prices of 9% over the next 3 years¹³³. A range of scenarios are tested with varied increases in build costs.

12.78 There is uncertainty in the property market. Several price change scenarios are also tested. In this analysis, it has been assumed all other matters in the base appraisals remain unchanged and the policy requirements are as per the Suggested Policy Requirements heading above.

¹³³ BCIS General Building Cost Index April 2024 – 459.0 (Forecast), April 2024 – 500.6 (Forecast).

12.79 The analysis demonstrates that a relatively small fall in values will adversely impact on viability. Conversely, a modest increase in value could have a significant impact in improving viability.

Older People's Housing

12.80 The Sheltered and Extracare sectors have been tested separately, as has an Integrated Retirement Community.

12.81 As for mainstream housing, appraisals have been run at the policies suggested as set out above.

- a. Sheltered housing is shown as being viable with 30% affordable housing on greenfield sites, but only 10% on brownfield sites.
- b. Extracare housing is shown as being viable with 5% affordable housing on greenfield sites, but unviable on brownfield sites.
- c. The IRC typology is shown as being viable with 30% affordable housing on greenfield sites, and 20% affordable housing on brownfield sites.

12.82 Based on this analysis, specialist older people's housing is unlikely to be able to bear affordable housing across all types of site, however depending on the site's characteristics it may be able to. When considering these results, it is timely to note that paragraph 10-007-20180724 of the PPG specifically anticipates that the viability of specialist housing schemes will be considered at the development management stage. It is therefore not considered proportionate to develop a specific set of policies in this regard.

12.83 The Council does not expect to allocate sites specifically for specialist older people's housing, however, it may anticipate seeking such housing as part of the Strategic Sites. It will be necessary for the Council to consider the impact this may have on overall site viability when considering the deliverability of such sites and it may need to be flexible with regard to such requirements.

Non-Residential Appraisals

12.84 Based on the assumptions set out previously, a set of financial appraisals have been run for the non-residential development types.

12.85 As with the residential appraisals, the Residual Valuation approach has been used. Appraisals have been run to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use. To assess viability, we have used the same methodology with regard to the Benchmark Land Value (EUV 'plus').

12.86 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to make an assessment of viability. The fact that a site is shown as viable does not necessarily mean that it will come forward, and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development, and what planning applications are being determined – and on what basis.

12.87 In the appraisal the costs are based on the BCIS costs, adjusted for Zero Carbon.

Employment uses

12.88 Firstly, the main employment uses are considered. The table below summarises the results, comparing the Residual Value with the Benchmark Land Value.

Table 12.10 Employment Appraisal Results

GREENFIELD		Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
CIL			£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site		-486,982	-2,018,973	1,749,340	-121,926	14,486,308
Existing Use Value	£/ha		74,000	74,000	25,000	74,000	25,000
Benchmark Land Value	£/ha		424,000	424,000	375,000	424,000	375,000
Residual Value	2025 FBS		-4,869,822	-7,571,148	1,749,340	-1,219,258	10,140,415
BROWNFIELD							
		Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
CIL		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site	-3,699,946	-839,347	-3,441,640	652,131	-288,875	13,482,822
Existing Use Value	£/ha	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Benchmark Land Value	£/ha	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Residual Value	2025 FBS	-51,799,246	-8,393,474	-12,906,150	652,131	-2,888,754	9,437,976

Source: HDH (April 2024)

12.89 The above results are reflective of the current market in across much of England. The main employment uses are not shown as viable, with the exception of large format industrial and logistics uses.

12.90 Whilst the Council area has some major employers, such as Consort Medical, St Regis Paper, Peel Ports and Shepherd Neame, it is not a prime employment location, and such development is not being brought forward to on a speculative basis by the development industry. Much of the office and industrial development tends to be from existing businesses



and / or for operational reasons, for example, existing businesses moving to more appropriate and better located town edge properties.

- 12.91 The analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. The assumption is that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. The Guidance, as set out in Chapters 2 and 3 above, does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long-term view as to the direction of the market based on the prospects of an area and wider economic factors. It is understood that the limited development that is coming forward in the county area is ‘user-led’ being brought forward by businesses, or for specific end users, that will use the eventual space for operational uses, rather than for investment purposes.
- 12.92 The delivery of employment uses is challenging in the current market. The above appraisals assume that development is carried out to the Future Buildings Standard. A further set of appraisals has been run to test the impact of higher costs that may arise due to higher environmental standards. The costs will vary considerably from development type and the specifics of each building so additional construction costs of 5%, 10%, 15% and 20% are applied to the appraisals.
- 12.93 This analysis shows that there is very limited scope to seek higher environmental standards exception of the large scale industrial and distribution uses. Caution is suggested in relation to setting policy requirements for employment uses that would unduly impact on viability.

Conclusions and Recommendations

- 12.94 The property market across Swale is uncertain, as is the outlook, with considerable inflationary and wider economic uncertainties. Most types of residential and non-residential development are coming forward, and, on the whole, greenfield development is policy compliant.
- 12.95 The testing highlights the relationships between policy requirements and how they may impact on viability and ultimately the delivery of development. At this stage of the plan-making process it would be premature to finalise the policy requirements. The above results were discussed with the Council’s officers, however the following combination of requirements is put forward as a pragmatic compromise.

- a. Affordable Housing
- | | |
|---------------------------|--------------------|
| Greenfield Sites | 30%. |
| Brownfield Sites | 10% (threshold 10) |
| Potential Strategic Sites | 25% |
- Affordable housing mix in line with the requirements for 10% AHO and 25% of affordable homes to be First Homes

- | | |
|----------------------------|--|
| | (30% discount) and the balance of AHO as shared ownership. The balance as Affordable Rent. |
| b. Design | 95% Part M4(2) Accessible and Adaptable and 5% Part M4(3) Wheelchair Accessible.

Zero Carbon, Water Efficiency, 20% Biodiversity Net Gain. |
| c. Developer Contributions | Birdwise payments on all sites and open space payments on brownfield sites, plus allowance of 10,000 per unit on typologies and £25,000 per unit on the potential strategic sites. |

12.96 If the Council were to follow this advice it would be necessary to be cautious in relying on brownfield sites in the five-year land supply and overall housing trajectory, as the delivery of these is likely to continue to be challenging. It will be necessary to have regard to the progress of brownfield sites through the development management process and / or commitments from site promoters. This may influence the selection of sites for allocation, although a small proportion of the possible allocations are brownfield sites.

12.97 The modelling includes the potential Strategic Sites. These are included to inform the site selection process. As set out earlier, the delivery of any large site is challenging. It is recommended that that the Council engages with the owners of all the potential Strategic Sites in line with the advice set out in the Harman Guidance, and only includes sites in the new Local Plan if they can be demonstrated to be viable.

12.98 Having said this, it is necessary to highlight an assumption at this stage as it is not really representative of such large sites. The potential Strategic Sites are modelled on the basis that site is acquired by the developer in a single tranche at the start of the project. Such a scenario is relatively unlikely on very large sites, where the site is typically purchased in phases. Such an approach benefits the developer in terms of cashflow and this will have a material impact on viability.

12.99 It will still be necessary to be cautious in assuming brownfield development or Build to Rent development would come forward, as these are not likely to be delivered, without some form of public sector intervention. This is likely to influence the selection of sites for allocation. Having said this, it is important to note that a significant number of the brownfield sites that may come forward for development are within the Council's control. The Council has a good record of securing 'gap funding' to enable the delivery of large-scale greenfield schemes and anticipates that this will continue in the future.

12.100 Employment uses are not all shown as being viable, with the exception of the large scale uses, the Council should be cautious in seeking additional standards from such development.



Appendix 1 – Project Specification

Stage 1 – Initial assessment

An initial assessment of viability was previously undertaken to inform the direction of travel for the emerging policies for the LPR before formulation and in the consideration of proposed allocations before being finalised. Given that this initial work, completed in draft form only, was published in December 2020, the Council believes it would be prudent to update this information in light of the global economic challenges of recent years. Previous evidence documents will be provided as a starting point.

It is expected that the updated Viability evidence will undertake:

- Task 1 - Property market analysis

The purpose of the property market analysis is to inform the value inputs into the development appraisals and formulate the typologies to use in the testing. The market analysis to consider:

- o General needs housing
- o Elderly accommodation
- o Build to Rent
- o Park Homes (for both 55 years + and family accommodation)
- o Office
- o Industrial – large-scale B8 distribution and small/mid-size B2/B8 units
- o Demand/potential for creative industries
- o Comparison retail – town centre and out of centre
- o Convenience retail – range of size of stores

- Task 2 – Formulation of typologies to use in viability testing

Typically typologies would be based on the potential proposed allocations, as the testing needs to reflect the “type” of sites likely in the emerging Local Plan Review but given these would not be “fixed” at this initial stage of testing they should be based on:

- o Residential – based on SHLAA allocations varied by size, greenfield/brownfield and values zones (where justified through the market assessment).
- o Elderly accommodation – based on schemes developed in the borough, if lack of local evidence then analysis to be expanded to the wider Kent area.
- o Build to Rent – based on schemes developed in the borough, if lack of local evidence then analysis to be expanded to the wider Kent area.
- o Park Homes – based on schemes developed in the borough, if lack of local evidence then analysis to be expanded to the wider Kent area
- o Office, industrial & retail – based on market analysis in Task 1.

- Task 3 – Formulation of draft policies

Draft policies are available, although some will need to be revised in light of recent consultation responses and/or updated evidence bases. The policies to be amended will be provided in a schedule highlighting likely changes. Given the potential changes, the options for ‘policy ask’ should be a matter for a Member workshop to be held in early September (if possible). The following policy areas to be considered are:

- o Affordable housing
- o Internal space standards - Building Regulations compliant with Part M4(2) Category 2 Standard

- o Internal space standards - Building Regulations compliant with Part M4(3) Category 3: Wheelchair user dwellings M4(3), of which there are two standards: adaptable and accessible
- o Biodiversity
- o Climate Change Mitigation and Adaptation including: carbon reduction targets of 19/20%, 31%, 50% and relevant stages to zero carbon; renewable energy targets (target percentages to be determined); BREEAM and Home Quality Mark standards; requirements applicable to extensions and refurbishments; requirement for decentralised energy/heat networks/district heating.
- o Air quality
- o Electric vehicle charging point
- o Water efficiency
- o Development densities
- o Dwelling sizes and mix
- o Education
- o Health
- o Social services (adult and children services)
- Task 4 – Land value assessment
Initial assessment of greenfield and brownfield land values based on the methodology set out in the PPG on viability e.g. Existing Use plus Premium.
- Task 5 – Initial viability assessment
Based on the agreed typologies initial viability to be undertaken to test viability of draft policies. The testing to include:
 - o Varying the level of affordable housing percentage
 - o Different levels of carbon reduction
 - o Development densities
 - o Higher internal space standards
 - o Whether or not the Council should consider preparing Community Infrastructure Levy as the mechanism for delivery of planning obligations.

The outputs of the initial viability assessment will inform the amendments to the draft policies. A presentation will be required to members to seek a steer on priorities and to show direction of travel.

- Task 6 – Report
A report setting out interim results at this stage would be required to help explain direction of travel and justify policy approach and should include an early indication on whether or not the Council should consider preparing a Community Infrastructure Levy as part of the Local Plan Review.

Stage 2 – Finalisation of draft Local Plan Viability Testing

Once the draft policies and site allocations have been finalised, the above tasks should be refreshed to form the evidence base document for publication. Additional tasks required:

- Task 7 – Large site testing
Working with the Council, a number of large sites which are “critical to delivering the strategic priorities of the plan” should be identified and tested. Engagement with the promoters of the sites should be undertaken to provide an understanding of site specific constraints and opportunities – these are to be reflected in the viability testing.
- Task 8 – Stakeholder consultation

Stakeholder consultation should be undertaken with agents, land promoters, and developers to test viability assumptions and inputs, allowing the stakeholders an opportunity to provide a response with supporting evidence following the event.

- Task 9 – Completion of final report

NOTE:- AS THE PROJECT PROGRESSED THE CONSIDERATION OF PARK HOMES AND RETAIL DEVELOPMENT WERE DROPPED.



Appendix 2 – Consultees

Ben Geering MRTPI Matt Spry John McGee Alister Hume	Development Director Financial Analyst Managing Director Principal	Quinn Estates Quinn Estates Calpark Estates Hume Planning Consultancy Ltd Swale Borough Council	Developer Developer Land owner Planning consultant
Rebecca Walker	Affordable Housing Manager Housing and Community Services		Local Authority
Chris Hawkins Zoe Holmes	Director Senior Programme Manager - Strategic Planning and Primary Care Estate	DHA Planning NHS Kent and Medway	Planning consultant NHS
Catherine Adamson	Strategic Planning Lead - Kent & East Sussex	Southern Water	Infrastructure provider
Dominic Errington	Senior Design Coordinator - Redrow Homes South East	Redrow Homes	House builder
Kieren Mansfield	Strategic Programme and Asset Manager - Regeneration, Economic Development and Property	Swale Borough Council	Local Authority
Guy Osborne Kevin Bown	Land Director Spatial Planner - Spatial Planning Team, South East Region Operations Directorate	Country House Homes National Highways	Developer Infrastructure provider
Thomas Ogden Richard Agnew	Director Policy and Promotion Manager	Bloomfields Gladman	Consultant Land facilitation consultants
Lavine Lammy Bridget Miller Richard Ashdown Jim Kirkpatrick Natasha Styles	Valuation Surveyor Associate	Lambert and Foster hgh Consulting ULL Property Studio 6 Design The Planning Bureau Limited	Estate agent Consultant Consultant Architect Consultant
Connor Wigley	Group Planning Associate Planning Consultant	Broadgrove - Planning an Development Ltd Logic Planning A Plaskow Holdings	Consultant
Lorenzo Pandolfi Mr Plaskow Maria Champion Julian Sampson Henry Wethered Charlie Reynolds MRTPI	Director Consultant Chartered surveyor Senior Land and Planning Manager	Finns Finns Finns Hallam Land Management Limited and rep LRM planning RPC Land and New Homes Limited	Consultant Land owner Estate agent Estate agent Estate agent Land facilitation consultants
Mark Linington			Developer
Peter Biggs Catherine Smith Rachel Flintoft Klaire Lander Kerri Bland Jon Aldis	Director Head of Planning Policy Planning Policy Director Planning Director Strategic Land Manager	PJB Planning Medway Council Medway Council Lander Planning Persimmon South East BARRATT DAVID WILSON HOMES Kent	Consultant Local Authority Local Authority Consultant Developer Developer
Katy Sparks Mark Behrendt	Junior Land Buyer Planning Manager - Local Plans SE and E	Esquire Developments Home Builders Federation	Developer Developer
Peter Court David Churchhill Francis Truss	Director Partner	Peter Court Associates Cartas Jonas Cartas Jonas	Consultant Consultant Consultant

Amon Yiu		Cartas Jonas	Consultant
Philip Scott	Group Partner	Cartas Jonas	Consultant
Mick Dury			
Rob Preston	Associate	Cartas Jonas	Consultant
Roland Brass	Partner	Knight Frank	Estate agent
Cllr Ann Cavanagh	Councillor	SBC	SBC Councillor
Kevin Powell		Shaptor Capital	Investor
Michael Dinn		Gladmans	Land facilitation consultants
			Landowner
Stephen Atkins		Faversham Community Land Trust	
Steve Baughen		Fernham Homes	Developer
Danielle Drake		Fernham Homes	Developer

Appendix 3 - Consultation Presentation

The pages in this appendix are not numbered.



Appendix 4 – Consultation Questionnaire

The pages in this appendix are not numbered.



Appendix 5 – Consolidated Viability Assumptions

Source: Review of appraisals submitted through Development Management.

			Pathfinder	Pathfinder	Pathfinder
Date			Jul-23	Apr-23	Jan-23
Locality			Teynham	Sittingbourne	Broughton Under Blean
Units					
	Markets		20		11
	Affordable		3		8
			23	28 Flats	19
Area		ha	0.63	0.081	0.8
Value					
	Market		£3,955	£4,736	£3,498.27
	Aff Rent		50%		50%
	Shared Ownership		75%		70%
Construction					
	Build		£2,381 per sq all in	BCIS Mean	BCIS Median for newbuild
	Abnormal			As costed	£200,000
	Externals			5%	
	Contingency		2.50%	5%	
Fees					
	Professional		8.50%	8%	
	Sales		3%	2.50%	2.50%
	Legals	per unit	£900	£900	£900
	Acquisition			1.50%	
Financial					
	Interest		6.50%	6.50%	6.50%
	Developer's Return		17.50%	17.5% / 6%	17.5% / 6%
Planning					
	s106		£328,897	£79,196	£288,314
		£/unit	£14,300	£2,828	£15,174
		£/ha	£522,059	£977,734	£360,393
Land					
	EUV		£22,500		
	Plus		x 20		
	BLV		£711,000	£40,524	
		£/ha	£1,128,571.43	£500,296	£988,400



Appendix 6 – Landmark Price Paid Data

2020 – 2022

Non Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Sale Value (2)	Total Average of Sale Value
Row Labels	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value		
Abbey	5	£622,500	75	£196,947	32	£367,232	124	£311,216	236	£289,092
Bobbing, Iwade and Lower Halstow	91	£467,165	18	£171,000	88	£308,421	81	£271,310	278	£340,673
Borden and Grove Park	59	£484,873	6	£200,833	109	£302,964	68	£260,881	242	£332,956
Boughton and Courtenay	88	£538,603	3	£269,000	67	£347,508	54	£316,991	212	£417,946
Chalkwell	3	£293,333	37	£144,972	29	£266,983	81	£235,127	150	£220,211
East Downs	40	£644,544			21	£410,238	21	£302,536	82	£496,951
Hartlip, Newington and Upchurch	106	£546,972	10	£141,250	74	£359,851	76	£267,655	266	£399,858
Homewood	40	£406,088	23	£156,553	78	£309,736	71	£255,067	212	£292,988
Kemsley	63	£365,060	21	£170,214	59	£260,881	94	£239,083	237	£271,895
Milton Regis	45	£342,011	16	£161,284	110	£255,150	68	£227,974	239	£257,489
Minster Cliffs	179	£382,617	4	£152,125	72	£286,125	32	£257,438	287	£341,240
Murston	11	£334,432	21	£141,369	55	£251,282	164	£233,309	251	£233,987
Priory	18	£451,056	2	£167,500	28	£297,964	40	£273,324	88	£315,113
Queenborough and Halfway	75	£331,657	3	£123,333	113	£248,094	107	£210,875	298	£254,505
Roman	13	£358,269	42	£143,917	50	£269,654	131	£222,874	236	£226,192
Sheerness	6	£286,667	25	£119,850	61	£230,566	209	£183,337	301	£189,695
Sheppey Central	122	£339,739	22	£173,023	118	£258,197	117	£233,628	379	£271,917
Sheppey East	90	£339,867	12	£65,792	45	£263,652	56	£211,517	203	£271,364
St Ann's	9	£368,889	18	£171,444	59	£350,525	125	£297,830	211	£304,814
Teynham and Lynsted	50	£495,510	17	£204,088	87	£301,883	87	£236,317	241	£311,487
The Meads	43	£397,221	51	£151,505	45	£302,417	55	£256,305	194	£270,684
Watling	47	£500,319	16	£197,853	73	£347,021	112	£290,251	248	£340,811
West Downs	57	£592,404			31	£384,019	15	£327,000	103	£491,035
Woodstock	72	£507,094	21	£159,893	98	£351,913	32	£293,805	223	£375,595
Grand Total	1,332	£438,022	463	£162,242	1,602	£298,851	2,020	£248,832	5,417	£302,744

Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Price per sq/m (2)	Total Average of Price per sq/m
Row Labels	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m		
Bobbing, Iwade and Lower Halstow	2	£3,845			1	£4,000			3	£3,897
Borden and Grove Park			2	£3,387					2	£3,387
Boughton and Courtenay	2	£3,928							2	£3,928
Chalkwell	19	£4,062	60	£3,065	29	£3,695	61	£3,345	169	£3,386
Hartlip, Newington and Upchurch	20	£4,006			21	£3,566	3	£4,241	44	£3,812
Milton Regis	1	£4,138							1	£4,138
Priory	19	£4,209			22	£3,918	3	£3,666	44	£4,026
Queenborough and Halfway	8	£3,222			21	£2,976			29	£3,043
Roman			13	£4,516			1	£3,666	14	£4,455
Sheerness					9	£2,662	3	£2,480	12	£2,617
Sheppey East	14	£3,499							14	£3,499
St Ann's	11	£3,726			18	£3,476	2	£3,770	31	£3,583
Teynham and Lynsted	2	£3,468							2	£3,468
Watling	161	£3,788	7	£3,225	68	£3,967	26	£3,437	262	£3,784
Grand Total	259	£3,820	82	£3,317	189	£3,656	99	£3,392	629	£3,638

2020

Non Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Sale Value (2)	Total Average of Sale Value
Row Labels	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value		
Abbey	1	£600,000	21	£180,583	9	£374,413	44	£310,914	75	£285,896
Bobbing, Iwade and Lower Halstow	23	£401,413	7	£169,714	23	£295,565	23	£246,128	76	£301,045
Borden and Grove Park	22	£428,023	3	£130,000	35	£270,730	16	£257,250	76	£307,869
Boughton and Courtenay	28	£479,465	1	£115,000	24	£331,917	15	£324,500	68	£387,846
Chalkwell			8	£127,813	6	£241,833	18	£207,778	32	£194,172
East Downs	12	£597,585			6	£382,167	10	£313,300	28	£449,894
Hartlip, Newington and Upchurch	30	£479,567	4	£130,625	30	£347,867	20	£272,850	84	£366,696
Homewood	13	£351,346	6	£135,583	27	£282,296	22	£243,057	68	£269,857
Kemsley	16	£338,625	3	£160,000	21	£253,381	23	£220,935	63	£258,738
Milton Regis	14	£337,750	6	£152,300	31	£234,387	23	£218,413	74	£242,322
Minster Cliffs	56	£344,721	1	£90,000	21	£263,857	10	£213,650	88	£307,635
Murston	3	£300,333	7	£134,964	17	£235,382	52	£219,558	79	£218,535
Priory	4	£384,750	1	£140,000	7	£260,786	10	£277,545	22	£285,452
Queenborough and Halfway	16	£299,656	1	£80,000	39	£226,811	38	£176,724	94	£217,400
Roman	4	£293,750	17	£141,588	19	£256,789	34	£210,221	74	£210,926
Sheerness	2	£262,500	4	£85,500	14	£222,214	68	£163,434	88	£171,494
Sheppey Central	38	£317,803	9	£157,444	42	£232,036	46	£212,217	135	£244,452
Sheppey East	30	£331,867	4	£60,250	15	£235,623	23	£196,303	72	£253,421
St Ann's	2	£310,000	6	£139,750	22	£328,409	44	£299,529	74	£295,443
Teynham and Lynsted	18	£500,778	3	£358,000	34	£277,291	25	£226,638	80	£314,773
The Meads	14	£359,286	16	£140,156	17	£262,000	13	£220,154	60	£243,142
Watling	16	£456,594	4	£166,875	25	£325,140	44	£285,241	89	£321,934
West Downs	24	£551,563			10	£402,750	8	£337,563	42	£475,369
Woodstock	23	£438,100	4	£189,500	43	£323,267	20	£274,600	90	£335,853
Grand Total	409	£402,202	136	£150,587	537	£280,531	649	£237,503	1,731	£282,938



Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Price per sq/m (2)	Total Average of Price per sq/m
Row Labels	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m		
Chalkwell	4	£3,777	55	£3,034	12	£3,402	29	£3,010	100	£3,101
Hartlip, Newington and Upchurch	10	£4,001			12	£3,587	3	£4,241	25	£3,831
Priory	10	£4,271			7	£3,559	3	£3,666	20	£3,931
Queenborough and Halfway	7	£3,253			17	£2,906			24	£3,007
Roman			5	£4,702			1	£3,666	6	£4,530
Sheerness					9	£2,662	3	£2,480	12	£2,617
Sheppey East	11	£3,489							11	£3,489
St Ann's	3	£3,566			3	£3,623			6	£3,595
Teynham and Lynsted	2	£3,468							2	£3,468
Watling	69	£3,743	7	£3,225	35	£3,873	13	£3,382	124	£3,713
Grand Total	116	£3,749	67	£3,178	95	£3,458	52	£3,194	330	£3,462

2021

Non Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Sale Value (2)	Total Average of Sale Value
Row Labels	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value		
Abbey	3	£645,833	33	£197,917	14	£316,050	56	£296,741	106	£278,405
Bobbing, Iwade and Lower Halstow	37	£482,905	4	£166,750	40	£300,026	44	£269,651	125	£339,202
Borden and Grove Park	25	£511,420	1	£165,000	44	£298,011	34	£256,159	104	£334,350
Boughton and Courtenay	44	£547,182	1	£422,000	31	£319,776	24	£289,417	100	£413,571
Chalkwell	2	£212,500	13	£143,958	12	£250,375	37	£234,126	64	£218,181
East Downs	20	£727,187			8	£409,625	5	£314,200	33	£587,628
Hartlip, Newington and Upchurch	50	£549,099	4	£146,250	25	£353,718	38	£253,362	117	£397,527
Homewood	11	£392,909	10	£173,073	42	£322,522	31	£236,177	94	£286,385
Kemsley	32	£368,789	15	£164,967	24	£254,188	45	£237,333	116	£267,726
Milton Regis	20	£330,175	7	£141,250	55	£251,409	34	£231,434	116	£252,487
Minster Cliffs	89	£385,562	1	£144,000	31	£277,831	14	£266,429	135	£346,680
Murston	6	£347,500	7	£137,714	24	£241,771	80	£233,449	117	£235,277
Priory	9	£464,444			14	£296,143	20	£254,275	43	£311,895
Queenborough and Halfway	40	£329,038	1	£160,000	46	£251,531	49	£218,308	136	£261,684
Roman	3	£405,833	14	£142,750	15	£268,372	60	£217,950	92	£220,854
Sheerness	4	£298,750	13	£112,942	30	£223,917	72	£183,327	119	£189,750
Sheppey Central	63	£340,598	7	£191,357	48	£262,891	43	£230,093	161	£281,428
Sheppey East	40	£336,488	6	£70,417	21	£278,905	23	£210,304	90	£273,067
St Ann's	3	£368,333	4	£197,750	26	£353,635	53	£288,663	86	£306,856
Teynham and Lynsted	19	£507,079	7	£144,786	33	£309,561	43	£238,605	102	£305,132
The Meads	20	£401,900	20	£150,325	18	£312,208	23	£269,761	81	£282,330
Watling	19	£474,973	9	£205,461	24	£334,875	47	£291,362	99	£329,340
West Downs	26	£595,406			11	£372,273	5	£253,300	42	£496,239
Woodstock	28	£510,696	15	£157,033	34	£369,882	7	£259,964	84	£369,652
Grand Total	613	£441,224	192	£161,188	670	£294,236	887	£245,332	2,362	£303,203



Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Price per sq/m (2)	Total Average of Price per sq/m
Row Labels	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m		
Bobbing, Iwade and Lower Halstow	2	£3,845			1	£4,000			3	£3,897
Borden and Grove Park			2	£3,387					2	£3,387
Boughton and Courtenay	2	£3,928							2	£3,928
Chalkwell	11	£4,012	5	£3,412	14	£3,830	21	£3,515	51	£3,699
Hartlip, Newington and Upchurch	10	£4,010			9	£3,539			19	£3,787
Milton Regis	1	£4,138							1	£4,138
Priory	9	£4,140			15	£4,085			24	£4,106
Queenborough and Halfway	1	£3,000			4	£3,272			5	£3,218
Roman			6	£4,454					6	£4,454
Sheppey East	3	£3,538							3	£3,538
St Ann's	5	£3,735			10	£3,289	2	£3,770	17	£3,477
Watling	81	£3,804			28	£3,997	13	£3,493	122	£3,815
Grand Total	125	£3,853	13	£3,889	81	£3,810	36	£3,521	255	£3,794

2022

Non Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Sale Value (2)	Total Average of Sale Value
Row Labels	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value	Count of Sale Value (2)	Average of Sale Value		
Abbey	1	£575,000	21	211785.7	9	439666.7	24	345542.6	55	314045.9
Bobbing, Iwade and Lower Halstow	31	£497,161	7	174714.3	25	333680	14	317892.9	77	382175.3
Borden and Grove Park	12	£533,792	2	325000	30	347833.3	18	273027.8	62	361371
Boughton and Courtenay	16	£618,500	1	270000	12	450333.3	15	353599.7	44	474409
Chalkwell	1	£455,000	16	154375	11	298818.2	26	255484.6	54	238048.1
East Downs	8	£508,374			7	435000	6	274875	21	417202.1
Hartlip, Newington and Upchurch	26	£620,658	2	152500	19	386842.1	18	292055.6	65	446909.2
Homewood	16	£459,625	7	150928.6	9	332388.9	18	302277.8	50	336860
Kemsley	15	£385,300	3	206666.7	14	283607.1	26	258165.4	58	294522.4
Milton Regis	11	£368,955	3	226000	24	290541.7	11	237272.7	49	292234.7
Minster Cliffs	34	£437,324	2	187250	20	322360	8	296437.5	64	375971.9
Murston	2	£346,375	7	151428.6	14	286892.9	32	255304.7	55	253436.4
Priory	5	£480,000	1	195000	7	338785.7	10	307200.1	23	349500
Queenborough and Halfway	19	£364,118	1	130000	28	272092.8	20	257550	68	291439
Roman	6	£377,500	11	149000	16	286130.9	37	242487.8	70	249344.9
Sheerness			8	148250	17	249176.5	69	202961.7	94	206663.4
Sheppey Central	21	£376,857	6	175000	28	289392.9	28	274230.4	83	298138
Sheppey East	20	£358,625	2	63000	9	274777.8	10	249300	41	299134.1
St Ann's	4	£398,750	8	182062.5	11	387409.1	28	312510.7	51	314966.7
Teynham and Lynsted	13	£471,308	7	197428.6	20	331022.5	19	243873.7	59	318017.8
The Meads	9	£445,833	15	165183.3	10	353500	19	264750.3	53	284066.1
Watling	12	£598,750	3	216333.3	24	381958.3	21	298261.9	60	387741.7
West Downs	7	£721,286			10	378208	2	469000	19	514162.1
Woodstock	21	£577,857	2	122125	21	381476.2	5	418000	49	458780.6
Grand Total	310	£478,950	135	175481.5	395	331584.6	484	270437.9	1324	327819.1



Newbuild

	Detached		Flat		Semi-detached		Terrace		Total Count of Price per sq/m (2)	Total Average of Price per sq/m
Row Labels	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m	Count of Price per sq/m (2)	Average of Price per sq/m		
Chalkwell	4	£4,483			3	£4,241	11	£3,903	18	£4,088
Roman			2	£4,236					2	£4,236
St Ann's	3	£3,871			5	£3,759			8	£3,801
Watling	11	£3,943			5	£4,456			16	£4,103
Grand Total	18	£4,051	2	£4,236	13	£4,139	11	£3,903	44	£4,048



Appendix 7 – Newbuild Asking Prices.

February 2023

Agent	Development	Address	Address	Postcode	Name	No. Beds	Type	GIA m2	House £	£/m2	Notes
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Bradgate	4	D	146	£604,995	£4,144	new scheme show homes being built atm
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Abbey	2	S	62	£285,000	£4,597	scheme of 150
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Caddington	3	S	78	£347,500	£4,455	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Rothway	4	S	94	£370,000	£3,936	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Windsor	3	D	79	£365,000	£4,620	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Caddington Sp	3	S	78	£325,000	£4,167	
Sanctuary Homes	Watling Gate		Sittingbourne	ME120 2QF	Newnham	2	S	64	£288,500	£4,508	
Sanctuary Homes	Watling Gate		Sittingbourne	ME120 2QF	Stockbury	2	D	59	£286,500	£4,856	
Sanctuary Homes	Saxon Court, Watling Gate		Sittingbourne	ME120 2QF	Lynstead	1	F	49	£200,000	£4,082	40% full price £200,000
Sanctuary Homes	Saxon Court, Watling Gate		Sittingbourne	ME120 2QF	Borden	1	F	49	£162,500	£3,316	40% full price is £162500
Sanctuary Homes	Saxon Court, Watling Gate		Sittingbourne	ME120 2QF	Tunstall	2	F	73	£196,500	£2,692	40% full price £196500
Sanctuary Homes	Saxon Court, Watling Gate		Sittingbourne	ME120 2QF	Murston	2	F	57	£187,500	£3,289	40% full price £187500
Sanctuary Homes	Saxon Court, Watling Gate		Sittingbourne	ME120 2QF	Newington	2	F	73	£200,000	£2,740	40% full price £200000
Bellway	The Moorings		Sittingbourne	Me10 3ST							prices yet to be confirmed
Bovis	Davington Fields		Faversham	ME13 7NT	Chestnut	4	D	126	£489,995	£3,889	
Bovis	Davington Fields		Faversham	ME13 7NT	Juniper	4	D	115	£479,995	£4,174	
Bovis	Davington Fields		Faversham	ME13 7NT	Chestnut	4	D	126	£494,995	£3,929	
Bovis	Davington Fields		Faversham	ME13 7NT	Juniper	4	D	115	£474,995	£4,130	
Rosechurch Homes	Edgelake	Swale Way	Sittingbourne	ME10 3TF	Rosemoor x3	3	D	108	£465,000	£4,306	
Rosechurch Homes	Edgelake	Swale Way	Sittingbourne	ME10 3TF	Amelia	2	S	83	£345,000	£4,157	
Rosechurch Homes	Edgelake	Swale Way	Sittingbourne	ME10 3TF	Molyneux3	3	S	114	£460,000	£4,035	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Goodridge x2	4	D	115	£459,995	£4,000	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Mylne	4	D	111	£474,995	£4,279	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Cranbrook	4	S	113	£441,995	£3,911	



Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Wyatt x3	3	S	71	£364,995	£5,141	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Aslin x3	4	S	97	£439,995	£4,536	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Eveleigh	3	T	80	£359,995	£4,500	
Redrow	Abbey Creek	Canterbury Road	Faversham	ME13 8LY							prices etc yet to be confirmed
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Portman	4	T	115	£414,995	£3,609	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Portman	4	T	115	£404,995	£3,522	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Windsor	4	D		£474,995		
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Marlow	4	D	126	£484,995	£3,849	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Oxford	4	D	133	£494,995	£3,722	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Grantham	4	T	108	£389,995	£3,611	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Marlow	4	D	126	£519,995	£4,127	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Leamington	3	D	126	£549,995	£4,365	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Letchworth	3	S	80	£394,995	£4,937	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Grantham	4	T	108	£399,995	£3,704	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Warwick	3	D	98	£429,995	£4,388	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Amberley	3	D	90	£444,995	£4,944	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Stratford	4	D	115	£469,995	£4,087	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Stratford	3	D	115	£474,995	£4,130	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Canterbury	4	D	130	£589,995	£4,538	
Crest Nicholson	Crown Meadows	Love Lane	Faversham	ME13 8BJ							prices etc yet to be confirmed
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Bay x3	2	S	71	£340,000	£4,789	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Rowan	3	S	90	£420,000	£4,667	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Maple	3	S	85	£400,000	£4,706	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Willow	4	D	125	£600,000	£4,800	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Birch	2	S				
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Cherry	3	S	94	£405,000	£4,309	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Fern	3	D				
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Laurel	3	D	100	£465,000	£4,650	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Hazel	3	D	100	£475,000	£4,750	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Lime	4	D	123	£560,000	£4,553	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Primrose	4	D	142	£615,000	£4,331	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Aspen	4	D	146	£630,000	£4,315	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Cedar	5	D	176	£775,000	£4,403	
Wards	The Street	Babchild	Sittingbourne	ME9 9AH	x4	4	S	132	£450,000	£3,409	
Wards		Wallbridge Lane	Upchurch	ME9		3	D	85	£460,000	£5,412	
Miles&Barr	Ashdown	Ospringe	Faversham		plot 3	3	S	88	£450,000	£5,114	

Wards	Woodcombe Mews	Murston	Sittingbourne	ME9	4	T		£475,000	
Wards	Woodcombe Mews	Murston	Sittingbourne	ME9	3	T		£350,000	
Jones Homes	Kingsborough Manor	Kingsborough Drive	Sheerness	ME12	4	D	155	£619,995	£4,000
WKHA	Faversham Lakes		Faversham		2	S		£310,000	35% so full price £310000

December 2023

Developer / Agent	Development	Address	Address	Postcode	Type	No Beds	Form	sqm	Price	£ per sqm	Notes
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Kennett	3	S	108	£394,995	£3,657	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Kennett	3	S	108	£399,995	£3,704	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Hertford	4	D	140	£499,995	£3,571	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Ashtree	4	D		£519,995		
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Bradgate	4	D	146	£549,995	£3,767	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Holden	4	D	152	£565,995	£3,724	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Eden	4	D	146	£579,995	£3,973	
DWH	Applegate Park	Borden	Sittingbourne	ME10 1YN	Eden	4	D	146	£586,995	£4,021	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Abbey	2	S	62	£228,750	£3,690	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Caddington	3	S	78	£167,500	£2,147	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Rothway	4	S	94	£365,000	£3,883	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Windsor	3	D	79	£225,000	£2,848	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Caddington Sp	3	S	78	£167,500	£2,147	
Keepmoat	Belgrave Place		Minster-on-Sea	ME12 3UW	Fairfield	2	S	63	£300,000	£4,762	
Sanctuary Homes	Beckett Court	Watling Gate	Sittingbourne	ME120 2QF	Chilham	2	F	58	£189,000	£3,259	SO 40% for £75,600
Sanctuary Homes	Beckett Court	Watling Gate	Sittingbourne	ME120 2QF	Scotney	1	F	49	£167,500	£3,418	SO 40%
Sanctuary Homes	Beckett Court	Watling Gate	Sittingbourne	ME120 2QF	Saltwood	1	F	49	£170,000	£3,469	SO 40%
Sanctuary Homes	Beckett Court	Watling Gate	Sittingbourne	ME120 2QF	Queensborough	1	F	49	£172,000	£3,510	SO 40%
Sanctuary Homes	Beckett Court	Watling Gate	Sittingbourne	ME120 2QF	Leybourne	1	F	49	£172,500	£3,520	SO 40%
Bellway	The Moorings	Crown Quay Lane	Sittingbourne	ME10 3ST							Prices to be confirmed
Bovis	Davington Fields		Faversham	ME13 7NT	Chestnut	4	D	126	£449,995	£3,571	
Bovis	Davington Fields		Faversham	ME13 7NT	Juniper	4	D	115	£474,995	£4,130	
Rosechurch Homes	Edgelake	Swale Way	Sittingbourne	ME10 3TF	Amelia	2	S	83	£322,500	£3,886	



Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Cranbrook	4	S	113	£399,995	£3,540	
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Wyatt	3	S	71	£366,000	£5,155	SO 50%
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Wyatt	3	S	71	£366,000	£5,155	SO 50%
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Wyatt	3	S	71	£366,000	£5,155	SO 50%
Linden Homes	Ospringe Gardens		Faversham	ME13 7NT	Aslin	4	S	97	£370,000	£3,814	SO 50%
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Oxford	4	D	133	£500,000	£3,759	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Watling B	1	F	50	£162,500	£3,250	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Watling E	1	F	50	£165,000	£3,300	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Portman	4	T	115	£390,000	£3,391	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Portman	4	S	115	£400,000	£3,478	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Lincoln	4	S	121	£435,000	£3,595	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Marlow	4	D	126	£495,000	£3,929	
Redrow	Regent Quay	Eurolink Way	Sittingbourne	ME10 3HH	Shaftesbury	4	D	126	£500,000	£3,968	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Marlow	4	D	126	£495,000	£3,929	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Leamington	3	D	126	£560,000	£4,444	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Grantham	4	T	108	£375,000	£3,472	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Letchworth	3	S	80	£380,000	£4,750	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Stratford	3	D	115	£470,000	£4,087	
Redrow	Amber Fields	Quinton Road	Sittingbourne	ME10 2DD	Canterbury	4	D	130	£600,000	£4,615	
Redrow	Abbey Creek	Canterbury Road	Faversham	ME13 8LY							
Crest Nicholson Anderson	Crown Meadows Faversham Lakes	Love Lane	Faversham	ME13 8BJ							
			Faversham	ME13 7FJ	Bay	2	S	71	£340,000	£4,789	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Rowan	3	S	90	£430,000	£4,778	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Rowan	3	S	90	£430,000	£4,778	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Birch	3	S	82	£420,000	£5,122	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Willow	4	D	125	£625,000	£5,000	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Oak	5	D	160	£695,000	£4,344	
Anderson	Faversham Lakes		Faversham	ME13 7FJ	Alder	3	D	70	£440,000	£6,286	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Birch	2	S				
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Cherry	3	S	94	£405,000	£4,309	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Fern	3	D				
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Laurel	3	D	100	£465,000	£4,650	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Hazel	3	D	100	£475,000	£4,750	
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Lime	4	D	123	£560,000	£4,553	



Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Primrose	4	D	142	£615,000	£4,331
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Aspen	4	D	146	£630,000	£4,315
Esquire Developments	Hill Farm	Keycoll Hill	Bobbing	ME9 8DZ	Cedar	5	D	176	£750,000	£4,261
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Beech	4	D	122	£430,000	£3,525
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Holly	3	D	103	£390,000	£3,786
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Rowan	4	D	123	£440,000	£3,577
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Chestnut	4	D	145	£480,000	£3,310
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Pine	3	S	106	£350,000	£3,302
Matthew Homes	Blake Gardens		Minster-on-Sea	ME12 3SN	Yew	3	D	107	£390,000	£3,645
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Cranford	2	T		£270,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Sutton	2	T		£272,500	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Birch	3	T		£310,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Birch	3	T		£310,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Birch	3	T		£310,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Birch	3	T		£310,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Birch	3	T		£310,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Shurland	3	S		£335,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Shurland	3	S		£335,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Shurland	3	S		£335,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Shurland	3	S		£335,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Shurland	3	S		£335,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Baycliffe	3	S		£360,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Huxley	3	D		£375,000	
Jones Homes	Shurland Park	Larch End	Minster-on-Sea	ME12 3FJ	Holford	4	D		£450,000	
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Barton	3	S	68	£355,000	£5,221
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Ashworth	3	S	78	£355,000	£4,551

Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Ashworth	3	S	78	£355,000	£4,551
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Ashworth	3	S	78	£355,000	£4,551
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Ashworth	3	S	78	£355,000	£4,551
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Ashworth	3	S	78	£355,000	£4,551
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD		3	D	84	£394,995	£4,702
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Lockwood	3	D	84	£394,995	£4,702
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Lockwood	3	D	84	£394,995	£4,702
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Lockwood	3	D	84	£394,995	£4,702
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Derwent	3	D	85	£419,995	£4,941
Persimmon	Orchard Meadows	Iwade	Sittingbourne	ME9 8RD	Derwent	3	D	85	£419,995	£4,941
RPC Land	Greystones	Borden	Sittingbourne	ME9 8HU		5	D	241	£900,000	£3,734
RPC Land	Greystones	Borden	Sittingbourne	ME9 8HU		5	D	241	£950,000	£3,942

Appendix 8 - CoStar Non-Residential Data

The pages in this appendix are not numbered.



Appendix 9 – Land Registry Development Land Data

	Address	Parish	Proposal	Application/ decision	Units	Ha	Aff	S106 £	Price £/ha	Price £/unit	Land Reg	Date	Price	Notes
16/507877	Land West of Crown Quay Lane (N/E Corner only for 98 dwellings)	Sittingbourne	405 dwellings	2016	353	10.68	10%	£2,722,654	£936,330	£28,329	K872245	24/05/2016	£10,000,000	Redrow
15/502912	Milton Pipes, Cooks Lane	Sittingbourne	Dem of ex builds & dev 162 houses & 80 flats	2015	242	4.2	10%	£871,368			K157547	07/08/2017	No PPD	Sanctuary Affordable Housing
20/504614	Phase 2a Faversham Lakes, Ham Road	Faversham	App of Res for 106 dwellings	2020/ 2021	106	55.6	31%	£1,900,134			TT76631	13/01/2021	No PPD	Beneficiary West Kent Housing Assoc Part of site Earlier application in 2014 for 330 dwellings 14/0257
19/503120	Parcel G, Land at Harps Farm	Minster	Res Matts for 171 dwellings	2013/ 2021	171	4.31	0%		£1,578,654	£39,789	TT94544	12/03/2019	£6,804,000	was 13/1455
21/502287	Adj Quinton Farmhouse, Quinton Road	Sittingbourne	155 dwellings (amended layout to 18/500257).	2018/ 2020	155	7.95	10%	£2,259,809	£864,780	£44,355	TT120636	12/02/2021	£6,875,000	was application 18/500257 now 22/505209
06/1448	Conyer Brickworks	Conyer	24 dwellings		24									
18/503697	Land at Station Road	Teynham	Dem of 56 & 58 Station Road and erect 130 dwellings		130	4.4	40%	£1,580,966	£972,442	£32,913	K70390	22/03/2019	£4,278,743	
17/502604	Ospringe Brickworks (Northern area) Sumpter Way	Faversham	Res Matts for 127 dwellings	2014	127	3.25	30%	£515,203	£1,576,923	£40,354	TT59859	14/12/2016	£5,125,000	was 14/502729
17/506603	Land at Perry Court, London Road	Faversham	Res Matts for 310 dwellings	2015	310	30.36	33%	£3,312,537			TT68715	14/07/2019	No PPD	was 15/504264
14/0257	North of Oare Rd & South of Ham Rd	Faversham	375 Dwellings		375									see below
18/505418	Phase 1, Oare Mineral Works, Ham Road	Faversham	Res Matts of 14/0257 for 113 dwellings	2014/	113	55.6	34%	£1,207,134			TT76631 TT76632	13/01/2021 / 15/01/2018	No PPD	was 14/0257
18/506283	Ospringe Brickworks (Southern area), Sumpter Way	Faversham	Res matts of 14/502729 for 123 dwellings	2014/	123	3.25	37%	Incomplete data			TT107370 TT59859			no price data/ £5,125,000
01/0623	Lydbrook Close	Sittingbourne	Res Matts for residential re-development of site (49 dwellings)		49									
18/505151	Land at Stones Farm, The Street	Bapchild	App of res matts for 310 dwellings	2014/ 2020	310	33.4	30%	£4,032,163			TT89853	03/12/2018	No PPD	The Kent Homebuilding Partnership
18/506417	Land at Southsea Avenue	Minster	72 dwellings		72	2.55	0%	£539,297	£410,431	£14,536	TT116638	02/11/2020	£1,046,600	
19/503278	East of Ham Road	Faversham	Res Matts for 26 dwellings & 9 flats	2016	35	1.57	100%	£289,295	£1,210,191	£54,286	TT95424	29/03/2019	£1,900,000	
19/501921	Land at Belgrave Road, Halfway	Minster	153 dwellings	2011/ 2020	153	5.31	10%	£1,158,532	£941,620	£32,680	TT121813	25/03/2021	£5,000,000	

21/501908	The Slips, Scocles Road	Minster	REM for 62 dwellings	2016/ 2022	62	2.778	100%	£459,297	£919,726	£41,210	K399264	11/01/2021	£2,555,000	
06/0900	Phase 2, Kingsborough Manor, Eastchurch Rd	Eastchurch	Amend to layout & erect 105 det dwellings		105									
16/506644	Brogdale Place, Brogdale Road	Faversham	R/M for 63 dwells	2016/2017	63	3.5	30%		£2,207,143	£122,619	K410217	04/12/2015	£7,725,000	cannot find expanded s106
15/508025	Power Station Road, Halfway	Minster	RM for 142 dwellings	2015	142	3.8	8%	£789,861			TT53289	no date	No PPD	built out
17/501894	Mill and Wharf Sites, Milton Rd/Mill Way/Charlotte St	Sittingbourne	Res Matts s/s 11/0159 for 150 dwellings	2011/ 2017	150	2.51	3%	Incomplete data	£1,673,307	£28,000	TT60515	12/01/2017	£4,200,000	
16/501266	99 High Street and land to the North	Newington	124 new dwellings	2016/ 2018	124	7.25	30%	£1,409,182	£674,483	£39,435	K736227 K791130 TT25420	10/08/2018 and / 03/07/2018	£4,890,000	
18/501048	Land at Lady Dane Farm, Love Lane	Faversham	Approval of reserved matters for 196 proposed dwellings	2014/ 2020	196	10.7	30%	£845,436	£1,094,211	£59,735	K866216 K825829 TT83139 TT30724	27/09/2022 16/05/2001 02/07/2019 12/06/2018	£11,708,060	
16/508643	Land north of Graveney Road	Faversham	72 houses and 33 flats	2016/ 2017	105	2.95	16%	£969,986	£1,459,715	£41,011	K498750	16/02/2018	£4,306,160	
11/1537	Coleshall Farm, Sheppey Way	Iwade	Res Matter for 08/1127 for 187 dwellings	2011/ 2012	187	6					K702103 TT4120	12/09/2012 10/04/2012	Incomplete data	
06/1447	Areas B2, C1 & D East Hall Farm	Sittingbourne	203 Dwellings - app res matters		203									
10/1153	Parcel A and B, Thistle Hill	Minster	213 dwellings		213									
17/505711 a	Land south west Sittingbourne/Wises Lane	Sittingbourne	Hybrid app for O/L 595 dwellings (plus commercial units)	2017/ 2022	595	47.47	12%	Incomplete data			K809185 TT130242	05/10/2017 / pending	Incomplete data	
17/505711 b	Land south west Sittingbourne/Wises Lane	Sittingbourne	Hybrid app for Full pp 80 dwellings (plus commercial units)	as above line	80									

Appendix 10 – CoStar Industrial Land

The pages in this appendix are not numbered.



Appendix 11 – BCIS Data

Results
£/M2 STUDY
Description:
Last updated:

Rebased to Swale (104; sample 14) Edit

Rate per m2 gross internal floor area for the building Cost including
prelims.
20th April 2024

(Maximum age of projects)	£/m ² gross internal floor area					
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest
New build						
282. Factories						
Generally (25)	1,283	299	724	1,070	1,531	4,949
Up to 500m2 GFA (25)	1,646	1,067	1,212	1,407	1,968	2,884
500 to 2000m2 GFA (25)	1,362	299	812	1,234	1,532	4,949
Over 2000m2 GFA (25)	1,116	429	627	884	1,362	2,844
284. Warehouses/stores						
Generally (15)	1,172	452	693	919	1,323	5,324
Up to 500m2 GFA (15)	2,109	759	1,168	1,485	2,478	5,324
500 to 2000m2 GFA (15)	1,012	538	749	922	1,133	1,871
Over 2000m2 GFA (15)	832	452	651	695	947	1,724
320. Offices						
Generally (15)	2,535	1,183	1,840	2,384	2,842	5,832
Air-conditioned						
Generally (15)	2,234	1,423	1,866	2,258	2,696	2,848
1-2 storey (15)	2,159	1,423	1,967	2,140	2,384	2,848
3-5 storey (15)	2,260	1,599	-	2,307	-	2,826
6 storey or above (20)	2,695	2,070	2,420	2,575	2,744	3,894
Not air-conditioned						
Generally (15)	2,649	1,183	2,119	2,626	3,376	3,892
1-2 storey (15)	2,782	1,622	2,250	2,820	3,432	3,779
3-5 storey (15)	2,274	1,183	-	2,011	-	3,892
6 storey or above (25)	2,827	2,187	-	2,929	-	3,262
341.1 Retail warehouses						
Generally (25)	1,133	559	854	1,008	1,213	3,306
Up to 1000m2 (25)	1,246	817	927	1,063	1,182	3,306
1000 to 7000m2 GFA (25)	1,137	559	860	1,009	1,308	2,333
344. Hypermarkets, supermarkets						
Generally (35)	1,956	806	1,338	1,719	2,592	3,354
Up to 1000m2 (35)	2,001	1,338	-	1,739	-	3,190
1000 to 7000m2 GFA (35)	1,956	806	1,274	1,719	2,610	3,354
345. Shops						
Generally (30)	1,894	716	1,030	1,553	2,341	5,024
1-2 storey (30)	1,916	716	1,026	1,501	2,437	5,024
447. Care homes for the elderly						
Generally (15)	2,206	1,357	1,657	2,066	2,436	4,481
500 to 2000m2 GFA (15)	2,607	1,418	1,466	2,196	3,611	4,481
Over 2000m2 GFA (15)	2,097	1,357	1,773	2,064	2,378	3,130
810.1 Estate housing						
Generally (15)	1,580	821	1,339	1,517	1,731	5,434
Single storey (15)	1,794	1,062	1,514	1,724	1,967	5,434
2-storey (15)	1,522	821	1,313	1,476	1,667	3,305
3-storey (15)	1,652	982	1,385	1,588	1,893	3,205
4-storey or above (15)	3,304	1,611	2,637	2,944	4,428	4,901
810.11 Estate housing detached (15)	2,103	1,158	1,600	1,762	2,321	5,434

810.12 Estate housing semi detached						
Generally (15)	1,594	920	1,356	1,558	1,747	3,513
Single storey (15)	1,776	1,148	1,547	1,746	1,932	3,513
2-storey (15)	1,538	920	1,340	1,492	1,679	2,670
3-storey (15)	1,583	1,151	1,280	1,518	1,877	2,252
810.13 Estate housing terraced						
Generally (15)	1,604	935	1,315	1,505	1,750	4,901
Single storey (15)	1,839	1,169	1,521	1,818	2,141	2,603
2-storey (15)	1,535	935	1,306	1,469	1,670	3,305
3-storey (15)	1,663	982	1,381	1,553	1,829	3,205
816. Flats (apartments)						
Generally (15)	1,862	932	1,540	1,752	2,099	6,370
1-2 storey (15)	1,757	1,075	1,492	1,662	1,955	3,493
3-5 storey (15)	1,840	932	1,534	1,750	2,070	3,832
6 storey or above (15)	2,183	1,340	1,758	2,075	2,341	6,370
843. Supported housing						
Generally (15)	1,990	1,015	1,649	1,856	2,191	4,005
Single storey (15)	2,355	1,423	1,837	2,265	2,485	4,005
2-storey (15)	1,990	1,037	1,644	1,816	2,267	3,485
3-storey (15)	1,841	1,015	1,649	1,764	2,021	2,713
4-storey or above (15)	2,038	1,247	1,633	1,899	2,082	3,879
852. Hotels (15)	2,748	1,448	2,109	2,726	3,422	3,768
853. Motels (25)	1,710	1,275	1,552	1,616	2,052	2,056
856.2 Students' residences, halls of residence, etc (15)	2,334	1,344	2,089	2,362	2,599	3,852

Appendix 12 – Appraisals, Residential Development

The pages in this appendix are not numbered.



Appendix 13 – Sensitivity Testing – Developer’s Return, BLV, BCIS

Varied Developer’s Return

Isle of Sheppey

			EUV	BLV	Residual Value						
					% Market Housing	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
					% Affordable Housing	6.0%	15.0%	6.0%	17.5%	6.0%	20.0%
					% First Homes	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
Site 1	Large Brown 300	loS	1,100,000	1,320,000	679,561	594,932	525,690	417,552	369,899	228,379	
Site 2	Brown 90	loS	1,100,000	1,320,000	542,775	450,037	371,547	253,048	200,318	52,532	
Site 3	Brown 30	loS	1,100,000	1,320,000	604,632	502,321	415,967	281,469	220,737	51,024	
Site 4	Brown 15	loS	1,100,000	1,320,000	1,157,417	1,025,712	906,902	735,867	651,257	439,271	
Site 5	Brown 9	loS	1,100,000	1,320,000	1,038,651	976,195	817,682	737,877	595,334	496,266	
Site 6	Brown 6	loS	1,100,000	1,320,000	1,265,874	1,149,530	1,053,104	902,560	837,189	652,644	
Site 7	Central 60	loS	1,100,000	1,320,000	-160,434	-267,684	-392,187	-530,348	-628,645	-801,793	
Site 8	Central 24	loS	1,100,000	1,320,000	874,943	797,566	651,334	552,463	425,630	301,776	
Site 9	Central 9	loS	1,100,000	1,320,000	1,224,283	1,120,990	939,785	805,199	650,867	487,024	
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-1,017,282	-1,156,439	-1,239,326	-1,417,138	-1,461,370	-1,681,541	
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-1,318,082	-1,500,989	-1,610,377	-1,844,092	-1,902,673	-2,187,196	
Site 12	Large Green 400 LD	loS	25,000	375,000	662,630	610,677	565,497	499,114	468,365	383,361	
Site 13	Large Green 400 HD	loS	25,000	375,000	828,359	765,657	712,371	632,252	596,382	495,035	
Site 14	Green 150	loS	25,000	375,000	588,061	530,361	483,154	409,028	377,935	287,695	
Site 15	Green 30	loS	25,000	375,000	582,836	529,320	482,107	412,497	379,544	294,736	
Site 16	Green 12	loS	74,000	424,000	910,460	852,414	769,146	694,975	627,831	537,537	
Site 17	Green 6	loS	74,000	424,000	1,340,683	1,255,883	1,130,396	1,018,900	917,481	781,746	
Site 26	Rushenden South	loS Sheerne	25,000	250,000	123,360	91,249	62,120	16,854	-4,589	-67,769	
Site 28	Land at South-West Minste	loS Minster	25,000	250,000	167,159	129,832	96,127	45,511	20,998	-46,990	

Sittingbourne and West

			EUV	BLV	Residual Value						
					% Market Housing	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
					% Affordable Housing	6.0%	15.0%	6.0%	17.5%	6.0%	20.0%
					% First Homes	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	815,863	730,824	658,208	549,547	500,553	360,719	
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	700,705	607,567	525,242	406,232	349,778	203,298	
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	773,689	670,901	580,307	446,609	383,404	217,244	
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	1,373,901	1,241,565	1,117,122	948,027	860,344	649,305	
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	1,225,605	1,164,633	1,002,431	922,263	775,937	678,342	
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,448,580	1,331,707	1,230,491	1,081,154	1,012,402	827,263	
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	47,580	-60,239	-189,968	-327,736	-427,515	-598,851	
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	1,073,432	995,556	844,233	744,724	615,033	493,715	
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	1,471,405	1,367,446	1,180,987	1,048,151	888,413	723,513	
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,017,282	-1,156,439	-1,239,326	-1,417,138	-1,461,370	-1,681,541	
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,318,082	-1,500,989	-1,610,377	-1,844,092	-1,902,673	-2,187,196	
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	662,630	610,677	565,497	499,114	468,365	383,361	
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	828,359	765,657	712,371	632,252	596,382	495,035	
Site 14	Green 150	Sittingbourne	25,000	375,000	588,061	530,361	483,154	409,028	377,935	287,695	
Site 15	Green 30	Sittingbourne	25,000	375,000	582,836	529,320	482,107	412,497	379,544	294,736	
Site 16	Green 12	Sittingbourne	74,000	424,000	910,460	852,414	769,146	694,975	627,831	537,537	
Site 17	Green 6	Sittingbourne	74,000	424,000	1,340,683	1,255,883	1,130,396	1,018,900	917,481	781,746	
Site 18	South and West of Iwade (S	Iwade	25,000	250,000	217,401	174,646	135,742	77,775	51,473	-22,927	
Site 19	West of Bobbing village	Bobbing	25,000	250,000	108,308	76,695	47,757	3,539	-18,554	-80,215	
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	158,099	121,573	89,424	39,252	16,339	-51,841	
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	271,439	239,529	207,371	163,286	138,770	80,662	

Sittingbourne East

			EUV		BLV		Residual Value				
					% Market Housing	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
					% Affordable Housing	6.0%	15.0%	6.0%	17.5%	6.0%	20.0%
					% First Homes	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	857,459	804,989	754,940	687,895	652,422	570,801	
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,061,609	998,279	939,174	858,253	816,739	718,227	
Site 14	Green 150	Sittingbourne	25,000	375,000	805,775	747,391	694,993	620,027	583,926	492,663	
Site 15	Green 30	Sittingbourne	25,000	375,000	789,553	735,496	683,158	612,795	574,773	489,108	
Site 16	Green 12	Sittingbourne	74,000	424,000	1,184,484	1,125,844	1,035,220	960,292	885,957	794,740	
Site 17	Green 6	Sittingbourne	74,000	424,000	1,737,491	1,651,824	1,518,934	1,409,471	1,300,377	1,164,715	
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	23,223	8,225	-7,270	-30,596	-43,658	-76,555	
Site 30	Between A2 Bapchild and	Bapchild	25,000	250,000	339,907	300,252	262,932	211,520	183,242	116,931	

Faversham and East

			EUV		BLV		Residual Value				
					% Market Housing	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
					% Affordable Housing	6.0%	15.0%	6.0%	17.5%	6.0%	20.0%
					% First Homes	15.0%	15.0%	17.5%	17.5%	20.0%	20.0%
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	952,092	866,716	790,726	681,541	629,286	493,059	
Site 2	Brown 90	Faversham	1,100,000	1,320,000	858,634	765,097	678,936	559,417	499,239	352,149	
Site 3	Brown 30	Faversham	1,100,000	1,320,000	942,746	839,481	744,648	610,288	542,900	379,253	
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,590,384	1,457,418	1,327,343	1,157,442	1,064,302	857,465	
Site 5	Brown 9	Faversham	1,100,000	1,320,000	1,410,518	1,349,270	1,185,037	1,106,649	955,162	857,125	
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,631,286	1,513,884	1,407,877	1,257,865	1,184,469	1,001,845	
Site 7	Central 60	Faversham	1,100,000	1,320,000	251,480	146,680	12,252	-126,244	-231,089	-399,692	
Site 8	Central 24	Faversham	1,100,000	1,320,000	1,271,921	1,193,546	1,037,132	936,985	802,342	680,425	
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,717,066	1,613,902	1,421,025	1,287,338	1,123,524	960,002	
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-1,017,282	-1,156,439	-1,239,326	-1,417,138	-1,461,370	-1,681,541	
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,318,082	-1,500,989	-1,610,377	-1,844,092	-1,902,673	-2,187,196	
Site 12	Large Green 400 LD	Faversham	25,000	375,000	921,393	868,750	817,108	749,842	712,822	630,933	
Site 13	Large Green 400 HD	Faversham	25,000	375,000	1,137,428	1,074,598	1,013,588	932,400	889,039	790,202	
Site 14	Green 150	Faversham	25,000	375,000	877,329	818,719	764,619	689,372	651,630	560,026	
Site 15	Green 30	Faversham	25,000	375,000	857,029	802,791	748,775	678,172	638,502	552,551	
Site 16	Green 12	Faversham	74,000	424,000	1,275,825	1,216,987	1,123,912	1,048,730	971,999	880,474	
Site 17	Green 6	Faversham	74,000	424,000	1,869,760	1,783,804	1,647,324	1,537,491	1,424,887	1,291,178	
Site 21	Fax Farm	Dunkirk	25,000	250,000	449,130	406,454	364,940	307,715	275,831	204,467	
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	385,629	348,650	312,758	262,509	234,966	170,219	
Site 23	SE Faversham	Faversham S	25,000	250,000	324,936	292,384	259,072	214,487	188,964	130,724	
Site 24	East of Faversham Expans	Faversham E	25,000	250,000	330,604	296,889	263,584	217,920	192,406	133,190	
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	186,542	164,234	141,387	109,538	91,718	48,166	

Varied Benchmark Land Value

Isle of Sheppey

			EUV		BLV/Residual Value																	
					Base Assump-tion	£250,000	£300,000	£350,000	£400,000	£450,000	£500,000	£550,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,250,000	£1,500,000	£1,750,000	£2,000,000	
Site 1	Large Brown 300	IoS	1,100,000	1,320,000	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899	969,899
Site 2	Brown 90	IoS	1,100,000	1,320,000	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318	206,318
Site 3	Brown 30	IoS	1,100,000	1,320,000	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737	220,737
Site 4	Brown 15	IoS	1,100,000	1,320,000	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257	651,257
Site 5	Brown 9	IoS	1,100,000	1,320,000	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334	595,334
Site 6	Brown 6	IoS	1,100,000	1,320,000	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189	837,189
Site 7	Central 60	IoS	1,100,000	1,320,000	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645	-628,645
Site 8	Central 24	IoS	1,100,000	1,320,000	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630	425,630
Site 9	Central 9	IoS	1,100,000	1,320,000	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867	650,867
Site 10	Brown 90 HD	IoS	1,100,000	1,320,000	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370	-1,461,370
Site 11	Brown 24 HD	IoS	1,100,000	1,320,000	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673	-1,902,673
Site 12	Large Green 400 LD	IoS	25,000	375,000	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365	468,365
Site 13	Large Green 400 HD	IoS	25,000	375,000	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382	596,382
Site 14	Green 150	IoS	25,000	375,000	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935	377,935
Site 15	Green 30	IoS	25,000	375,000	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544	379,544
Site 16	Green 12	IoS	74,000	424,000	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831	627,831
Site 17	Green 6	IoS	74,000	424,000	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481	917,481
Site 26	Rushenden South	IoS Shearness	25,000	250,000	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589	-4,589
Site 28	Land at South-West Minster	IoS Minster on Sea	25,000	250,000	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998	20,998



Varied Developer’s BCIS Based Cost

Isle of Sheppey

			EUV	BLV	Residual Value	
					Large LQ	All Median
Site 1	Large Brown 300	loS	1,100,000	1,320,000	1,019,351	369,899
Site 2	Brown 90	loS	1,100,000	1,320,000	200,318	200,318
Site 3	Brown 30	loS	1,100,000	1,320,000	220,737	220,737
Site 4	Brown 15	loS	1,100,000	1,320,000	651,257	651,257
Site 5	Brown 9	loS	1,100,000	1,320,000	595,334	595,334
Site 6	Brown 6	loS	1,100,000	1,320,000	837,189	837,189
Site 7	Central 60	loS	1,100,000	1,320,000	-628,645	-628,645
Site 8	Central 24	loS	1,100,000	1,320,000	425,630	425,630
Site 9	Central 9	loS	1,100,000	1,320,000	650,867	650,867
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-1,461,370	-1,461,370
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-1,902,673	-1,902,673
Site 12	Large Green 400 LD	loS	25,000	375,000	832,206	468,365
Site 13	Large Green 400 HD	loS	25,000	375,000	1,035,055	596,382
Site 14	Green 150	loS	25,000	375,000	377,935	377,935
Site 15	Green 30	loS	25,000	375,000	379,544	379,544
Site 16	Green 12	loS	74,000	424,000	627,831	627,831
Site 17	Green 6	loS	74,000	424,000	917,481	917,481
Site 26	Rushenden South	loS Sheerne	25,000	250,000	270,555	-4,589
Site 28	Land at South-West Minster	loS Minster	25,000	250,000	321,094	20,998

Sittingbourne and West

			EUV	BLV	Residual Value	
					Large LQ	All Median
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	1,148,084	500,553
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	349,778	349,778
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	383,404	383,404
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	860,344	860,344
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	775,937	775,937
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,012,402	1,012,402
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	-427,515	-427,515
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	615,033	615,033
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	888,413	888,413
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,461,370	-1,461,370
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,902,673	-1,902,673
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	832,206	468,365
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,035,055	596,382
Site 14	Green 150	Sittingbourne	25,000	375,000	377,935	377,935
Site 15	Green 30	Sittingbourne	25,000	375,000	379,544	379,544
Site 16	Green 12	Sittingbourne	74,000	424,000	627,831	627,831
Site 17	Green 6	Sittingbourne	74,000	424,000	917,481	917,481
Site 18	South and West of Iwade (S)	Iwade	25,000	250,000	379,140	51,473
Site 19	West of Bobbing village	Bobbing	25,000	250,000	251,834	-18,554
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	309,750	16,339
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	415,223	138,770



Sittingbourne East

			EUV	BLV	Residual Value	
					Large LQ	All Median
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	1,016,263	652,422
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,255,413	816,739
Site 14	Green 150	Sittingbourne	25,000	375,000	583,926	583,926
Site 15	Green 30	Sittingbourne	25,000	375,000	574,773	574,773
Site 16	Green 12	Sittingbourne	74,000	424,000	885,957	885,957
Site 17	Green 6	Sittingbourne	74,000	424,000	1,300,377	1,300,377
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	136,639	-43,658
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	487,990	183,242

Faversham and East

			EUV	BLV	Residual Value	
					Large LQ	All Median
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	1,276,818	629,286
Site 2	Brown 90	Faversham	1,100,000	1,320,000	499,239	499,239
Site 3	Brown 30	Faversham	1,100,000	1,320,000	542,900	542,900
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,064,302	1,064,302
Site 5	Brown 9	Faversham	1,100,000	1,320,000	955,162	955,162
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,184,469	1,184,469
Site 7	Central 60	Faversham	1,100,000	1,320,000	-231,089	-231,089
Site 8	Central 24	Faversham	1,100,000	1,320,000	802,342	802,342
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,123,524	1,123,524
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-1,461,370	-1,461,370
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,902,673	-1,902,673
Site 12	Large Green 400 LD	Faversham	25,000	375,000	1,076,664	712,822
Site 13	Large Green 400 HD	Faversham	25,000	375,000	1,327,712	889,039
Site 14	Green 150	Faversham	25,000	375,000	651,630	651,630
Site 15	Green 30	Faversham	25,000	375,000	638,502	638,502
Site 16	Green 12	Faversham	74,000	424,000	971,999	971,999
Site 17	Green 6	Faversham	74,000	424,000	1,424,887	1,424,887
Site 21	Fax Farm	Dunkirk	25,000	250,000	601,999	275,831
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	534,046	234,966
Site 23	SE Faversham	Faversham S	25,000	250,000	467,192	188,964
Site 24	East of Faversham Expans	Faversham E	25,000	250,000	472,668	192,406
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	316,110	91,718



Appendix 14 – Residential Policy Testing

Climate Change And Building Standards

Isle of Sheppey

			EUV	BLV	Residual Value						
					Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Site 1	Large Brown 300	loS	1,100,000	1,320,000	655,396	608,133	466,345	369,899	271,904	217,828	119,833
Site 2	Brown 90	loS	1,100,000	1,320,000	539,598	483,051	313,412	200,318	86,533	20,500	-98,164
Site 3	Brown 30	loS	1,100,000	1,320,000	581,244	521,688	343,021	220,737	96,167	25,724	-99,255
Site 4	Brown 15	loS	1,100,000	1,320,000	1,092,291	1,019,640	800,771	651,257	501,744	404,949	252,490
Site 5	Brown 9	loS	1,100,000	1,320,000	956,521	896,553	716,649	595,334	473,035	397,088	274,789
Site 6	Brown 6	loS	1,100,000	1,320,000	1,194,802	1,135,724	957,673	837,189	716,705	634,868	514,384
Site 7	Central 60	loS	1,100,000	1,320,000	-146,128	-225,763	-464,670	-628,645	-793,635	-867,393	-1,032,384
Site 8	Central 24	loS	1,100,000	1,320,000	815,129	750,561	556,860	425,630	292,610	195,119	59,623
Site 9	Central 9	loS	1,100,000	1,320,000	1,132,538	1,053,384	812,295	650,867	489,440	353,498	192,071
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-960,956	-1,044,358	-1,294,565	-1,461,370	-1,630,485	-1,755,848	-1,925,318
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-1,255,651	-1,363,488	-1,686,999	-1,902,673	-2,118,347	-2,272,561	-2,488,235
Site 12	Large Green 400 LD	loS	25,000	375,000	636,068	608,117	524,266	468,365	412,448	379,056	321,268
Site 13	Large Green 400 HD	loS	25,000	375,000	795,088	761,971	662,617	596,382	530,147	489,453	420,981
Site 14	Green 150	loS	25,000	375,000	572,310	539,914	442,727	377,935	313,144	276,076	211,284
Site 15	Green 30	loS	25,000	375,000	560,372	530,234	439,820	379,544	319,267	284,016	223,740
Site 16	Green 12	loS	74,000	424,000	854,853	817,016	703,505	627,831	552,157	527,818	452,144
Site 17	Green 6	loS	74,000	424,000	1,255,698	1,199,466	1,030,275	917,481	804,686	768,672	654,023
Site 26	Rushenden South	loS Sheerne	25,000	250,000	124,366	103,471	38,853	-4,589	-50,651	-76,027	-123,035
Site 28	Land at South-West Minster	loS Minster	25,000	250,000	160,548	137,653	68,432	20,998	-27,836	-54,717	-104,825

Sittingbourne and West

			EUV	BLV	Residual Value						
					Part L 2021	FHS Option 2	FHS Option 1	Zero Carbon	Zero Carbon Plus	FHS Option 1 +District Heating	Zero Carbon +District Heating
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	784,129	736,866	595,078	500,553	404,930	350,853	252,858
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	689,058	632,511	462,872	349,778	236,685	173,380	58,659
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	740,739	681,183	502,516	383,404	262,292	193,076	68,097
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	1,296,249	1,223,598	1,005,646	860,344	711,614	616,655	466,495
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	1,135,051	1,075,777	895,873	775,937	655,791	579,844	457,545
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,366,870	1,307,792	1,130,558	1,012,402	892,162	810,326	689,842
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	50,298	-29,338	-268,244	-427,515	-589,774	-663,533	-828,523
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	1,002,437	937,870	744,168	615,033	485,490	389,883	256,158
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	1,365,493	1,286,339	1,048,877	888,413	726,985	591,044	429,616
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-960,956	-1,044,358	-1,294,565	-1,461,370	-1,630,485	-1,755,848	-1,925,318
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,255,651	-1,363,488	-1,686,999	-1,902,673	-2,118,347	-2,272,561	-2,488,235
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	636,068	608,117	524,266	468,365	412,448	379,056	321,268
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	795,088	761,971	662,617	596,382	530,147	489,453	420,981
Site 14	Green 150	Sittingbourne	25,000	375,000	572,310	539,914	442,727	377,935	313,144	276,076	211,284
Site 15	Green 30	Sittingbourne	25,000	375,000	560,372	530,234	439,820	379,544	319,267	284,016	223,740
Site 16	Green 12	Sittingbourne	74,000	424,000	854,853	817,016	703,505	627,831	552,157	527,818	452,144
Site 17	Green 6	Sittingbourne	74,000	424,000	1,255,698	1,199,466	1,030,275	917,481	804,686	768,672	654,023
Site 18	South and West of Iwade	Iwade	25,000	250,000	202,819	177,594	101,921	51,473	917	-28,259	-83,393
Site 19	West of Bobbing village	Bobbing	25,000	250,000	108,382	87,758	25,023	-18,554	-63,312	-87,774	-134,309
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	153,076	130,311	62,017	16,339	-32,524	-59,304	-108,881
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	267,266	246,177	182,232	138,770	95,309	71,841	27,966



Sittingbourne East

			EUV	BLV	Residual Value			Zero Carbon	Zero Carbon Plus	FHS Option 1 + District Heating	Zero Carbon + District Heating
					Part L 2021	FHS Option 2	FHS Option 1				
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	820,125	792,174	708,323	652,422	596,520	564,219	508,318
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,015,446	982,328	882,975	816,739	750,504	709,913	643,678
Site 14	Green 150	Sittingbourne	25,000	375,000	778,301	745,905	648,718	583,926	519,135	482,067	417,275
Site 15	Green 30	Sittingbourne	25,000	375,000	755,602	725,463	635,049	574,773	514,497	479,246	418,969
Site 16	Green 12	Sittingbourne	74,000	424,000	1,112,979	1,075,142	961,631	885,957	810,283	785,944	710,270
Site 17	Green 6	Sittingbourne	74,000	424,000	1,629,228	1,574,419	1,409,994	1,300,377	1,189,043	1,153,029	1,040,235
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	42,080	28,233	-13,988	-43,658	-73,441	-89,928	-120,532
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	325,167	301,966	231,114	183,242	135,371	109,508	61,637

Faversham and East

			EUV	BLV	Residual Value			Zero Carbon	Zero Carbon Plus	FHS Option 1 + District Heating	Zero Carbon + District Heating
					Part L 2021	FHS Option 2	FHS Option 1				
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	912,863	865,600	723,812	629,286	534,761	482,598	385,884
Site 2	Brown 90	Faversham	1,100,000	1,320,000	838,518	781,971	612,332	499,239	386,145	322,840	209,747
Site 3	Brown 30	Faversham	1,100,000	1,320,000	900,234	840,679	662,011	542,900	423,788	356,652	234,764
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,500,206	1,427,556	1,209,603	1,064,302	919,000	826,525	677,012
Site 5	Brown 9	Faversham	1,100,000	1,320,000	1,309,227	1,250,949	1,075,098	955,162	835,226	760,747	640,301
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,538,937	1,479,859	1,302,625	1,184,469	1,066,314	985,783	865,299
Site 7	Central 60	Faversham	1,100,000	1,320,000	243,028	166,178	-71,818	-231,089	-390,360	-461,562	-624,662
Site 8	Central 24	Faversham	1,100,000	1,320,000	1,189,746	1,125,179	931,477	802,342	673,207	580,294	449,743
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,598,448	1,519,294	1,281,832	1,123,524	964,531	828,589	667,161
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-960,956	-1,044,358	-1,294,565	-1,461,370	-1,630,485	-1,755,848	-1,925,318
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,255,651	-1,363,488	-1,686,999	-1,902,673	-2,118,347	-2,272,561	-2,488,235
Site 12	Large Green 400 LD	Faversham	25,000	375,000	880,525	852,575	768,723	712,822	656,921	624,620	568,719
Site 13	Large Green 400 HD	Faversham	25,000	375,000	1,087,745	1,054,628	955,275	889,039	822,804	782,213	715,978
Site 14	Green 150	Faversham	25,000	375,000	846,005	813,609	716,422	651,630	586,839	549,771	484,979
Site 15	Green 30	Faversham	25,000	375,000	819,330	789,192	698,778	638,502	578,226	542,975	482,698
Site 16	Green 12	Faversham	74,000	424,000	1,199,021	1,161,184	1,047,673	971,999	896,325	871,986	796,312
Site 17	Green 6	Faversham	74,000	424,000	1,753,738	1,698,929	1,534,504	1,424,887	1,315,270	1,280,271	1,168,354
Site 21	Fax Farm	Dunkirk	25,000	250,000	428,310	402,897	326,657	275,831	225,005	197,552	146,725
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	374,318	351,092	281,417	234,966	188,516	162,759	114,745
Site 23	SE Faversham	Faversham S	25,000	250,000	318,466	297,273	232,585	188,964	145,343	121,784	77,997
Site 24	East of Faversham Expans	Faversham E	25,000	250,000	323,434	301,753	236,145	192,406	148,668	125,039	80,240
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	196,504	179,089	126,678	91,718	55,799	36,393	356

Biodiversity Net Gain

Isle of Sheppey

			EUV	BLV	Residual Value		Rainwater Harvesting
					10% BNG	20% BNG	
Site 1	Large Brown 300	IoS	1,100,000	1,320,000	381,684	369,899	293,863
Site 2	Brown 90	IoS	1,100,000	1,320,000	213,920	200,318	112,119
Site 3	Brown 30	IoS	1,100,000	1,320,000	235,480	220,737	123,435
Site 4	Brown 15	IoS	1,100,000	1,320,000	670,054	651,257	529,022
Site 5	Brown 9	IoS	1,100,000	1,320,000	610,699	595,334	496,211
Site 6	Brown 6	IoS	1,100,000	1,320,000	852,350	837,189	736,028
Site 7	Central 60	IoS	1,100,000	1,320,000	-607,924	-628,645	-748,019
Site 8	Central 24	IoS	1,100,000	1,320,000	442,324	425,630	311,388
Site 9	Central 9	IoS	1,100,000	1,320,000	671,157	650,867	502,183
Site 10	Brown 90 HD	IoS	1,100,000	1,320,000	-1,439,483	-1,461,370	-1,608,432
Site 11	Brown 24 HD	IoS	1,100,000	1,320,000	-1,874,374	-1,902,673	-2,087,617
Site 12	Large Green 400 LD	IoS	25,000	375,000	469,716	468,365	424,263
Site 13	Large Green 400 HD	IoS	25,000	375,000	597,983	596,382	542,969
Site 14	Green 150	IoS	25,000	375,000	379,501	377,935	327,006
Site 15	Green 30	IoS	25,000	375,000	381,000	379,544	331,780
Site 16	Green 12	IoS	74,000	424,000	629,742	627,831	577,825
Site 17	Green 6	IoS	74,000	424,000	920,328	917,481	843,076
Site 26	Rushenden South	IoS Sheerne	25,000	250,000	-3,495	-4,589	-39,835
Site 28	Land at South-West Minster	IoS Minster	25,000	250,000	22,144	20,998	-16,391

Sittingbourne and West

					10% BNG	20% BNG	Rainwater Harvesting
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	511,921	500,553	426,888
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	363,380	349,778	261,579
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	397,732	383,404	289,033
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	878,611	860,344	738,891
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	791,005	775,937	678,730
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,027,271	1,012,402	911,486
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	-407,513	-427,515	-544,158
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	631,257	615,033	504,009
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	908,703	888,413	739,728
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,439,483	-1,461,370	-1,608,432
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,874,374	-1,902,673	-2,087,617
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	469,716	468,365	424,263
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	597,983	596,382	542,969
Site 14	Green 150	Sittingbourne	25,000	375,000	379,501	377,935	327,006
Site 15	Green 30	Sittingbourne	25,000	375,000	381,000	379,544	331,780
Site 16	Green 12	Sittingbourne	74,000	424,000	629,742	627,831	577,825
Site 17	Green 6	Sittingbourne	74,000	424,000	920,328	917,481	843,076
Site 18	South and West of Iwade (S)	Iwade	25,000	250,000	52,692	51,473	12,616
Site 19	West of Bobbing village	Bobbing	25,000	250,000	-17,473	-18,554	-53,016
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	17,480	16,339	-21,125
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	139,821	138,770	105,306

Sittingbourne East

			EUV	BLV	Residual Value		Rainwater Harvesting
					10% BNG	20% BNG	
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	511,921	500,553	426,888
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	363,380	349,778	261,579
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	397,732	383,404	289,033
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	878,611	860,344	738,891
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	791,005	775,937	678,730
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,027,271	1,012,402	911,486
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	-407,513	-427,515	-544,158
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	631,257	615,033	504,009
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	908,703	888,413	739,728
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,439,483	-1,461,370	-1,608,432
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,874,374	-1,902,673	-2,087,617
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	653,773	652,422	608,320
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	818,340	816,739	763,326
Site 14	Green 150	Sittingbourne	25,000	375,000	585,492	583,926	532,997
Site 15	Green 30	Sittingbourne	25,000	375,000	576,230	574,773	527,009
Site 16	Green 12	Sittingbourne	74,000	424,000	887,867	885,957	835,950
Site 17	Green 6	Sittingbourne	74,000	424,000	1,303,144	1,300,377	1,227,433
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	-42,938	-43,658	-66,593
Site 30	Between A2 Bapchild and	Bapchild	25,000	250,000	184,399	183,242	146,375

Faversham and East

			EUV	BLV	Residual Value		Rainwater Harvesting
					10% BNG	20% BNG	
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	640,655	629,286	555,942
Site 2	Brown 90	Faversham	1,100,000	1,320,000	512,840	499,239	411,039
Site 3	Brown 30	Faversham	1,100,000	1,320,000	557,227	542,900	449,776
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,082,569	1,064,302	945,509
Site 5	Brown 9	Faversham	1,100,000	1,320,000	970,230	955,162	857,954
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,199,338	1,184,469	1,085,264
Site 7	Central 60	Faversham	1,100,000	1,320,000	-211,087	-231,089	-346,326
Site 8	Central 24	Faversham	1,100,000	1,320,000	818,566	802,342	691,318
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,143,422	1,123,524	977,273
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-1,439,483	-1,461,370	-1,608,432
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,874,374	-1,902,673	-2,087,617
Site 12	Large Green 400 LD	Faversham	25,000	375,000	714,173	712,822	668,721
Site 13	Large Green 400 HD	Faversham	25,000	375,000	890,640	889,039	835,626
Site 14	Green 150	Faversham	25,000	375,000	653,196	651,630	600,701
Site 15	Green 30	Faversham	25,000	375,000	639,959	638,502	590,738
Site 16	Green 12	Faversham	74,000	424,000	973,909	971,999	921,992
Site 17	Green 6	Faversham	74,000	424,000	1,427,654	1,424,887	1,352,579
Site 21	Fax Farm	Dunkirk	25,000	250,000	277,060	275,831	236,691
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	236,089	234,966	199,203
Site 23	SE Faversham	Faversham S	25,000	250,000	190,018	188,964	155,374
Site 24	East of Faversham Expans	Faversham E	25,000	250,000	193,464	192,406	158,723
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	92,581	91,718	64,055



Accessibility Standards (Part M(4) of Building Regulations

Isle of Sheppey

			EUV	BLV	Residual Value				
					0%	100%	95%	90%	75%
		Part M4(2)							
		Part M4(3)a					5%	10%	25%
		Part M4(3)b							
Site 1	Large Brown 300	loS	1,100,000	1,320,000	530,638	501,324	475,792	449,504	369,899
Site 2	Brown 90	loS	1,100,000	1,320,000	390,546	355,435	324,854	293,367	200,318
Site 3	Brown 30	loS	1,100,000	1,320,000	425,065	387,937	355,599	321,983	220,737
Site 4	Brown 15	loS	1,100,000	1,320,000	901,949	856,625	816,679	774,854	651,257
Site 5	Brown 9	loS	1,100,000	1,320,000	794,843	758,274	726,422	693,627	595,334
Site 6	Brown 6	loS	1,100,000	1,320,000	1,046,420	1,008,383	974,765	939,980	837,189
Site 7	Central 60	loS	1,100,000	1,320,000	-364,157	-412,106	-453,869	-497,011	-628,645
Site 8	Central 24	loS	1,100,000	1,320,000	641,204	601,802	567,483	532,147	425,630
Site 9	Central 9	loS	1,100,000	1,320,000	921,724	871,731	828,188	783,355	650,867
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-1,211,163	-1,257,344	-1,297,568	-1,338,983	-1,461,370
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-1,579,162	-1,638,873	-1,690,881	-1,744,430	-1,902,673
Site 12	Large Green 400 LD	loS	25,000	375,000	560,789	543,730	528,872	513,574	468,365
Site 13	Large Green 400 HD	loS	25,000	375,000	706,609	686,264	668,544	650,299	596,382
Site 14	Green 150	loS	25,000	375,000	485,220	465,419	448,171	430,413	377,935
Site 15	Green 30	loS	25,000	375,000	479,809	461,303	445,184	428,588	379,544
Site 16	Green 12	loS	74,000	424,000	749,189	726,790	707,280	687,193	627,831
Site 17	Green 6	loS	74,000	424,000	1,098,390	1,064,999	1,035,916	1,005,971	917,481
Site 26	Rushenden South	loS Sheerne	25,000	250,000	67,042	53,873	42,403	30,592	-4,589
Site 28	Land at South-West Minster	loS Minster	25,000	250,000	98,881	84,908	72,337	59,357	20,998

Sittingbourne and West

			EUV	BLV	Residual Value				
					0%	100%	95%	90%	75%
		Part M4(2)							
		Part M4(3)a					5%	10%	25%
		Part M4(3)b							
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	659,371	630,058	604,526	578,238	500,553
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	540,006	504,895	474,314	442,827	349,778
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	584,560	547,432	515,094	481,798	383,404
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	1,105,906	1,060,583	1,021,106	980,459	860,344
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	974,067	937,498	905,646	872,851	775,937
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,218,488	1,180,450	1,147,320	1,113,207	1,012,402
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	-167,732	-215,680	-257,444	-300,444	-427,515
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	828,513	789,110	754,791	719,455	615,033
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	1,156,191	1,107,165	1,064,463	1,020,496	888,413
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,211,163	-1,257,344	-1,297,568	-1,338,983	-1,461,370
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,579,162	-1,638,873	-1,690,881	-1,744,430	-1,902,673
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	560,789	543,730	528,872	513,574	468,365
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	706,609	686,264	668,544	650,299	596,382
Site 14	Green 150	Sittingbourne	25,000	375,000	485,220	465,419	448,171	430,413	377,935
Site 15	Green 30	Sittingbourne	25,000	375,000	479,809	461,303	445,184	428,588	379,544
Site 16	Green 12	Sittingbourne	74,000	424,000	749,189	726,790	707,280	687,193	627,831
Site 17	Green 6	Sittingbourne	74,000	424,000	1,098,390	1,064,999	1,035,916	1,005,971	917,481
Site 18	South and West of Iwade	Iwade	25,000	250,000	134,868	119,476	106,069	92,265	51,473
Site 19	West of Bobbing village	Bobbing	25,000	250,000	52,826	39,868	28,531	16,859	-18,554
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	91,758	77,865	65,765	53,306	16,339
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	210,454	197,354	185,804	173,912	138,770

Sittingbourne East

		Part M4(2)			0%	100%	95%	90%	75%
		Part M4(3)a					5%	10%	25%
		Part M4(3)b							
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	744,846	727,787	712,929	697,631	652,422
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	926,966	906,622	888,901	870,656	816,739
Site 14	Green 150	Sittingbourne	25,000	375,000	691,211	671,409	654,162	636,404	583,926
Site 15	Green 30	Sittingbourne	25,000	375,000	675,039	656,532	640,413	623,817	574,773
Site 16	Green 12	Sittingbourne	74,000	424,000	1,007,315	984,916	965,406	945,319	885,957
Site 17	Green 6	Sittingbourne	74,000	424,000	1,476,190	1,443,740	1,415,476	1,386,375	1,300,377
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	4,773	-3,873	-11,598	-19,575	-43,658
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	262,386	247,778	235,055	221,955	183,242

Faversham and East

				EUV	BLV	Residual Value				
		Part M4(2)				0%	100%	95%	90%	75%
		Part M4(3)a						5%	10%	25%
		Part M4(3)b								
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	788,105	758,792	733,260	706,971	629,286	
Site 2	Brown 90	Faversham	1,100,000	1,320,000	689,466	654,356	623,774	592,287	499,239	
Site 3	Brown 30	Faversham	1,100,000	1,320,000	744,055	706,928	674,590	641,294	542,900	
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,309,864	1,264,540	1,225,063	1,184,417	1,064,302	
Site 5	Brown 9	Faversham	1,100,000	1,320,000	1,152,104	1,116,565	1,084,871	1,052,076	955,162	
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,390,555	1,352,518	1,319,387	1,285,275	1,184,469	
Site 7	Central 60	Faversham	1,100,000	1,320,000	28,694	-19,255	-61,018	-104,018	-231,089	
Site 8	Central 24	Faversham	1,100,000	1,320,000	1,015,821	976,419	942,100	906,764	802,342	
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,389,147	1,340,120	1,297,418	1,253,451	1,123,524	
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-1,211,163	-1,257,344	-1,297,568	-1,338,983	-1,461,370	
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,579,162	-1,638,873	-1,690,881	-1,744,430	-1,902,673	
Site 12	Large Green 400 LD	Faversham	25,000	375,000	805,247	788,188	773,330	758,031	712,822	
Site 13	Large Green 400 HD	Faversham	25,000	375,000	999,266	978,921	961,201	942,956	889,039	
Site 14	Green 150	Faversham	25,000	375,000	758,915	739,113	721,866	704,108	651,630	
Site 15	Green 30	Faversham	25,000	375,000	738,767	720,261	704,142	687,546	638,502	
Site 16	Green 12	Faversham	74,000	424,000	1,093,357	1,070,958	1,051,448	1,031,361	971,999	
Site 17	Green 6	Faversham	74,000	424,000	1,600,700	1,568,250	1,539,986	1,510,885	1,424,887	
Site 21	Fax Farm	Dunkirk	25,000	250,000	359,859	344,350	330,842	316,933	275,831	
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	311,754	297,582	285,237	272,527	234,966	
Site 23	SE Faversham	Faversham S	25,000	250,000	261,078	247,768	236,174	224,238	188,964	
Site 24	East of Faversham Expans	Faversham E	25,000	250,000	264,712	251,367	239,743	227,774	192,406	
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	149,499	138,837	129,552	119,991	91,718	

Appendix 15 – Affordable Housing Testing

Overall Requirements

Isle of Sheppey

			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Large Brown 300	IoS	1,100,000	1,320,000	978,959	905,673	832,387	714,813	597,231	523,945	450,667	266,399	162,900
Site 2	Brown 90	IoS	1,100,000	1,320,000	895,056	810,377	725,698	591,931	457,929	372,758	287,596	83,482	-37,962
Site 3	Brown 30	IoS	1,100,000	1,320,000	922,820	840,118	757,416	621,095	484,764	402,061	318,965	98,923	-23,301
Site 4	Brown 15	IoS	1,100,000	1,320,000	1,553,656	1,445,552	1,337,448	1,163,571	989,681	881,577	771,751	497,326	340,414
Site 5	Brown 9	IoS	1,100,000	1,320,000	1,341,178	1,233,888	1,126,598	993,174	859,297	748,898	637,947	467,678	340,023
Site 6	Brown 6	IoS	1,100,000	1,320,000	1,566,391	1,472,505	1,378,619	1,241,684	1,104,741	1,010,855	915,342	713,795	590,401
Site 7	Central 60	IoS	1,100,000	1,320,000	1,113,974	126,172	-920,692	-781,172	-641,411	-1,717,318	-2,813,602	-937,233	-1,245,822
Site 8	Central 24	IoS	1,100,000	1,320,000	1,235,521	1,111,661	987,801	846,843	705,882	582,022	456,953	286,841	145,576
Site 9	Central 9	IoS	1,100,000	1,320,000	1,724,795	1,563,750	1,401,019	1,213,825	1,026,625	861,213	695,281	469,213	287,558
Site 10	Brown 90 HD	IoS	1,100,000	1,320,000	-833,861	-925,631	-1,017,402	-1,129,511	-1,241,623	-1,333,394	-1,425,160	-1,567,669	-1,674,323
Site 11	Brown 24 HD	IoS	1,100,000	1,320,000	-1,099,509	-1,215,658	-1,331,808	-1,476,067	-1,620,333	-1,736,482	-1,852,626	-2,036,534	-2,170,395
Site 12	Large Green 400 LD	IoS	25,000	375,000	847,949	798,622	749,295	677,848	606,396	557,069	507,746	405,100	341,536
Site 13	Large Green 400 HD	IoS	25,000	375,000	1,057,280	997,421	937,563	850,790	764,012	704,154	644,301	519,566	442,750
Site 14	Green 150	IoS	25,000	375,000	790,103	738,943	687,782	608,793	529,797	478,637	427,482	309,241	240,546
Site 15	Green 30	IoS	25,000	375,000	753,168	705,713	658,258	587,288	516,314	468,859	421,409	317,273	255,002
Site 16	Green 12	IoS	74,000	424,000	1,099,571	1,034,616	969,662	883,013	796,360	731,405	666,455	549,208	470,585
Site 17	Green 6	IoS	74,000	424,000	1,606,648	1,513,117	1,419,587	1,294,679	1,167,440	1,071,198	974,963	800,896	683,018
Site 26	Rushenden South	IoS Sheerne	25,000	250,000	264,355	230,251	196,147	145,945	94,639	59,982	25,327	-52,410	-101,177
Site 28	Land at South-West Minster	IoS Minster	25,000	250,000	314,492	277,120	239,748	184,631	129,511	91,945	53,824	-30,257	-82,448

Sittingbourne and West

			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	1,148,384	1,072,146	995,907	869,303	742,689	666,451	590,223	392,422	281,921
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	1,091,790	1,003,117	914,444	770,523	626,336	537,159	447,993	225,844	101,643
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	1,129,189	1,043,132	957,078	810,325	663,563	577,506	491,462	256,956	127,657
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	1,816,010	1,703,864	1,591,718	1,404,767	1,217,802	1,105,655	993,524	697,233	533,338
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	1,578,616	1,463,298	1,347,979	1,205,857	1,062,357	943,696	825,400	639,371	500,653
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,787,259	1,692,161	1,595,044	1,446,606	1,298,158	1,200,303	1,102,458	880,365	748,083
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	1,358,701	368,457	-664,038	-538,649	-416,373	-1,488,830	-2,585,848	-743,813	-1,062,842
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	1,482,118	1,353,005	1,223,891	1,070,334	916,773	787,659	658,550	469,665	320,962
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	2,021,505	1,857,540	1,693,575	1,491,536	1,288,710	1,119,993	950,322	694,461	500,510
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-833,861	-925,631	-1,017,402	-1,129,511	-1,241,623	-1,333,394	-1,425,160	-1,567,669	-1,674,323
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,099,509	-1,215,658	-1,331,808	-1,476,067	-1,620,333	-1,736,482	-1,852,626	-2,036,534	-2,170,395
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	847,949	798,622	749,295	677,848	606,396	557,069	507,746	405,100	341,536
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,057,280	997,421	937,563	850,790	764,012	704,154	644,301	519,566	442,750
Site 14	Green 150	Sittingbourne	25,000	375,000	790,103	738,943	687,782	608,793	529,797	478,637	427,482	309,241	240,546
Site 15	Green 30	Sittingbourne	25,000	375,000	753,168	705,713	658,258	587,288	516,314	468,859	421,409	317,273	255,002
Site 16	Green 12	Sittingbourne	74,000	424,000	1,099,571	1,034,616	969,662	883,013	796,360	731,405	666,455	549,208	470,585
Site 17	Green 6	Sittingbourne	74,000	424,000	1,606,648	1,513,117	1,419,587	1,294,679	1,167,440	1,071,198	974,963	800,896	683,018
Site 18	South and West of Iwade	Iwade	25,000	250,000	372,938	331,829	290,721	229,822	168,920	127,811	86,707	-2,366	-59,494
Site 19	West of Bobbing Village	Bobbing	25,000	250,000	243,401	210,223	177,046	128,077	79,105	45,339	11,541	-64,854	-111,745
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	304,499	267,627	230,755	176,218	121,678	84,806	47,938	-34,725	-86,503
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	453,595	415,153	376,711	316,523	256,330	217,687	178,773	85,695	32,620

Sittingbourne East

			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	1,091,418	1,037,065	982,712	898,500	814,282	759,929	705,582	579,256	506,089
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,348,171	1,282,463	1,216,755	1,114,759	1,012,755	947,047	881,347	728,167	639,595
Site 14	Green 150	Sittingbourne	25,000	375,000	1,060,855	1,005,228	946,601	856,103	762,597	706,970	651,351	504,438	424,950
Site 15	Green 30	Sittingbourne	25,000	375,000	1,007,226	955,111	902,996	819,201	735,399	683,284	631,175	502,697	430,622
Site 16	Green 12	Sittingbourne	74,000	424,000	1,443,978	1,370,025	1,296,072	1,191,883	1,087,688	1,013,735	939,788	792,954	699,950
Site 17	Green 6	Sittingbourne	74,000	424,000	2,105,091	1,998,526	1,891,961	1,741,664	1,591,358	1,484,793	1,378,237	1,163,831	1,025,825
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	532,170	489,763	447,357	380,674	313,784	270,857	227,934	124,499	65,755



Sittingbourne East

Affordable Rent													
			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
	Total Affordable												
	Affordable Rent							33.3%	50.0%	60.0%	66.7%	63.0%	63.0%
	Social rent												
	Shared Ownership				75.0%	75.0%	41.7%	25.0%	15.0%	8.3%	12.0%	12.0%	
	First Homes				25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	1,091,418	1,037,065	982,712	898,500	814,282	759,929	705,582	579,256	506,089
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,348,171	1,282,463	1,216,755	1,114,759	1,012,755	947,047	881,347	728,167	639,595
Site 14	Green 150	Sittingbourne	25,000	375,000	1,060,855	1,005,228	949,601	856,103	762,597	706,970	651,351	504,438	424,950
Site 15	Green 30	Sittingbourne	25,000	375,000	1,007,226	955,111	902,996	819,201	735,399	683,284	631,175	502,697	430,622
Site 16	Green 12	Sittingbourne	74,000	424,000	1,443,978	1,370,025	1,296,072	1,191,883	1,087,688	1,013,735	939,788	792,954	699,950
Site 17	Green 6	Sittingbourne	74,000	424,000	2,105,091	1,998,526	1,891,961	1,741,664	1,591,358	1,484,793	1,378,237	1,163,831	1,025,825
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	356,448	324,402	292,355	241,460	190,156	157,876	125,600	46,666	1,614
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	532,170	489,763	447,357	380,674	313,784	270,857	227,934	124,499	65,755
Social Rent													
			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
	Total Affordable												
	Affordable Rent												
	Social rent							33.3%	50.0%	60.0%	66.7%	63.0%	63.0%
	Shared Ownership				75.0%	75.0%	41.7%	25.0%	15.0%	8.3%	12.0%	12.0%	
	First Homes				25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	1,091,418	1,037,065	982,712	842,735	702,741	562,755	421,867	330,416	219,492
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	1,348,171	1,282,463	1,216,755	1,047,506	878,237	708,977	539,760	429,247	295,119
Site 14	Green 150	Sittingbourne	25,000	375,000	1,060,855	1,005,228	949,601	794,352	639,083	483,824	328,605	232,089	113,693
Site 15	Green 30	Sittingbourne	25,000	375,000	1,007,226	955,111	902,996	761,360	619,707	478,063	336,455	247,597	138,056
Site 16	Green 12	Sittingbourne	74,000	424,000	1,443,978	1,370,025	1,296,072	1,132,225	968,361	804,505	640,685	529,836	398,183
Site 17	Green 6	Sittingbourne	74,000	424,000	2,105,091	1,998,526	1,891,961	1,655,376	1,418,766	1,180,203	936,801	772,235	574,903
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	356,448	324,402	292,355	42,265	-19,701	-85,317	-153,320	-198,197	-255,850
Site 30	Between A2 Bapchild and Bapchild	Bapchild	25,000	250,000	532,170	489,763	447,357	336,267	222,670	109,080	-6,261	-84,280	-179,799

Sittingbourne and West

		Discount	EUV	BLV	Residual Value					30%	30%	30%	30%	30%		
					30%	40%	50%	30%	30%						30%	30%
					£250,000	£250,000	£250,000	£250,000	£225,000						£200,000	£175,000
		CAP														
Site 1	Large Brown 300	Sittingbourne	1,100,000	1,320,000	500,553	463,068	415,802	500,553	483,831	462,049	430,733	398,438				
Site 2	Brown 90	Sittingbourne	1,100,000	1,320,000	349,778	303,963	251,015	349,778	335,417	315,895	278,208	240,520				
Site 3	Brown 30	Sittingbourne	1,100,000	1,320,000	383,404	324,932	265,008	383,404	368,573	344,685	297,561	250,107				
Site 4	Brown 15	Sittingbourne	1,100,000	1,320,000	860,344	777,917	694,706	860,344	822,276	761,874	701,471	641,069				
Site 5	Brown 9	Sittingbourne	1,100,000	1,320,000	775,937	745,233	714,530	775,937	775,937	775,937	775,937	775,937				
Site 6	Brown 6	Sittingbourne	1,100,000	1,320,000	1,012,402	955,384	898,121	1,012,402	1,012,402	1,012,402	1,012,402	1,012,402				
Site 7	Central 60	Sittingbourne	1,100,000	1,320,000	-427,515	-489,620	-553,696	-427,515	-427,515	-438,846	-461,824	-519,761				
Site 8	Central 24	Sittingbourne	1,100,000	1,320,000	615,033	559,967	504,901	615,033	615,033	615,033	614,879	559,835				
Site 9	Central 9	Sittingbourne	1,100,000	1,320,000	888,413	814,957	741,502	888,413	888,413	888,413	888,207	814,781				
Site 10	Brown 90 HD	Sittingbourne	1,100,000	1,320,000	-1,461,370	-1,532,987	-1,604,958	-1,461,370	-1,461,370	-1,461,370	-1,481,878	-1,526,525				
Site 11	Brown 24 HD	Sittingbourne	1,100,000	1,320,000	-1,902,673	-1,993,796	-2,084,919	-1,902,673	-1,902,673	-1,902,673	-1,933,066	-1,993,249				
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	468,365	444,761	417,209	468,365	460,377	447,430	429,365	410,325				
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	596,382	567,854	535,341	596,382	587,630	572,872	551,914	529,777				
Site 14	Green 150	Sittingbourne	25,000	375,000	377,935	351,578	321,572	377,935	370,265	357,593	337,825	316,706				
Site 15	Green 30	Sittingbourne	25,000	375,000	379,544	350,315	321,086	379,544	374,704	362,841	341,014	317,290				
Site 16	Green 12	Sittingbourne	74,000	424,000	627,831	600,174	572,516	627,831	627,831	627,831	607,088	582,393				
Site 17	Green 6	Sittingbourne	74,000	424,000	917,481	876,391	835,301	917,481	917,481	917,481	886,663	849,976				
Site 18	South and West of Iwade	Iwade	25,000	250,000	51,473	31,508	8,096	51,473	44,691	33,859	18,877	3,084				
Site 19	West of Bobbing village	Bobbing	25,000	250,000	-18,554	-35,938	-56,303	-18,554	-24,466	-33,946	-47,015	-60,789				
Site 20	Land at Sticklast Lane	Bobbing	25,000	250,000	16,339	-2,417	-25,188	16,339	10,096	-5	-14,615	-30,006				
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	138,770	122,698	101,671	138,770	129,921	119,518	106,083	92,647				

Sittingbourne East

		Discount	EUV	BLV	Residual Value					30%	30%	30%	30%	30%		
					30%	40%	50%	30%	30%						30%	30%
					£250,000	£250,000	£250,000	£250,000	£225,000						£200,000	£175,000
		CAP														
Site 12	Large Green 400 LD	Sittingbourne	25,000	375,000	652,422	630,061	600,959	652,422	640,000	625,341	606,301	587,261				
Site 13	Large Green 400 HD	Sittingbourne	25,000	375,000	816,739	789,201	754,859	816,739	802,618	785,786	763,648	741,510				
Site 14	Green 150	Sittingbourne	25,000	375,000	583,926	558,463	526,768	583,926	571,785	556,740	535,620	514,501				
Site 15	Green 30	Sittingbourne	25,000	375,000	574,773	543,900	513,027	574,773	563,655	548,460	524,735	501,010				
Site 16	Green 12	Sittingbourne	74,000	424,000	885,957	856,744	827,530	885,957	885,957	879,018	854,324	829,629				
Site 17	Green 6	Sittingbourne	74,000	424,000	1,300,377	1,258,199	1,215,035	1,300,377	1,300,377	1,290,358	1,254,704	1,218,153				
Site 27	South East Sittingbourne	Sittingbourne	25,000	250,000	-43,658	-53,946	-67,402	-43,658	-49,327	-55,989	-64,587	-73,185				
Site 30	Between A2 Bapchild and	Bapchild	25,000	250,000	183,242	165,433	142,080	183,242	173,413	161,865	146,964	132,063				

Faversham and East

		Discount	EUV	BLV	Residual Value					30%	30%	30%	30%	30%		
					30%	40%	50%	30%	30%						30%	30%
					£250,000	£250,000	£250,000	£250,000	£225,000						£200,000	£175,000
		CAP														
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	629,286	592,897	544,911	629,286	609,463	585,743	554,427	523,112				
Site 2	Brown 90	Faversham	1,100,000	1,320,000	499,239	453,838	399,598	499,239	481,922	458,707	421,200	383,333				
Site 3	Brown 30	Faversham	1,100,000	1,320,000	542,900	483,243	423,587	542,900	522,645	494,238	448,121	402,004				
Site 4	Brown 15	Faversham	1,100,000	1,320,000	1,064,302	981,463	898,624	1,064,302	1,012,739	954,038	895,337	836,636				
Site 5	Brown 9	Faversham	1,100,000	1,320,000	955,162	923,709	892,256	955,162	955,162	955,162	955,162	955,162				
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,184,469	1,126,943	1,069,417	1,184,469	1,184,469	1,184,469	1,184,469	1,184,469				
Site 7	Central 60	Faversham	1,100,000	1,320,000	-231,089	-294,710	-358,330	-231,089	-231,089	-247,161	-276,001	-333,206				
Site 8	Central 24	Faversham	1,100,000	1,320,000	802,342	745,933	689,524	802,342	802,342	802,342	792,786	737,742				
Site 9	Central 9	Faversham	1,100,000	1,320,000	1,123,524	1,049,731	975,464	1,123,524	1,123,524	1,123,524	1,111,024	1,039,017				
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-1,461,370	-1,532,987	-1,604,958	-1,461,370	-1,461,370	-1,461,370	-1,481,878	-1,526,525				
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-1,902,673	-1,993,796	-2,084,919	-1,902,673	-1,902,673	-1,902,673	-1,933,066	-1,993,249				
Site 12	Large Green 400 LD	Faversham	25,000	375,000	712,822	691,780	662,209	712,822	699,875	684,320	665,280	646,240				
Site 13	Large Green 400 HD	Faversham	25,000	375,000	889,039	862,935	828,031	889,039	874,281	856,364	834,226	812,088				
Site 14	Green 150	Faversham	25,000	375,000	651,630	627,380	595,167	651,630	638,959	622,671	601,552	580,433				
Site 15	Green 30	Faversham	25,000	375,000	638,502	608,428	577,007	638,502	626,639	609,700	585,975	562,250				
Site 16	Green 12	Faversham	74,000	424,000	971,999	942,267	912,535	971,999	971,999	961,430	936,735	912,041				
Site 17	Green 6	Faversham	74,000	424,000	1,424,887	1,381,960	1,339,032	1,424,887	1,424,887	1,409,627	1,373,973	1,338,319				
Site 21	Fax Farm	Dunkirk	25,000	250,000	275,831	257,703	232,146	275,831	264,736	251,457	235,258	219,059				
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	234,966	218,543	195,414	234,966	224,980	213,034	198,469	183,905				
Site 23	SE Faversham	Faversham	25,000	250,000	188,964	173,720	152,234	188,964	179,701	168,614	155,088	141,563				
Site 24	East of Faversham Expans	Faversham	25,000	250,000	192,406	177,130	155,558	192,406	183,082	171,944	158,381	144,819				
Site 29	Ashford Road, North Street	Faversham	25,000	250,000	91,718	79,477	62,219	91,718	84,281	75,377	64,514	53,651				





Appendix 17 – Residential Development Sensitivity Testing. Cost and Value

Isle of Sheppey

VALUE			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	loS	1,100,000	1,320,000	276,103	612,220	939,261	1,266,302	1,591,810	1,916,784	2,240,468
Site 2	Brown 90	loS	1,100,000	1,320,000	97,454	475,797	853,288	1,230,780	1,606,811	1,982,333	2,357,855
Site 3	Brown 30	loS	1,100,000	1,320,000	84,970	493,446	892,766	1,292,086	1,688,725	2,084,429	2,480,133
Site 4	Brown 15	loS	1,100,000	1,320,000	475,211	994,304	1,502,843	2,011,382	2,513,097	3,012,432	3,511,767
Site 5	Brown 9	loS	1,100,000	1,320,000	523,155	1,014,570	1,492,167	1,967,044	2,441,921	2,916,799	3,391,676
Site 6	Brown 6	loS	1,100,000	1,320,000	808,119	1,260,555	1,708,083	2,144,171	2,580,259	3,016,348	3,452,436
Site 7	Central 60	loS	1,100,000	1,320,000	-999,725	-595,850	-202,366	185,489	556,774	927,650	1,298,526
Site 8	Central 24	loS	1,100,000	1,320,000	-209,083	180,603	563,233	934,624	1,306,015	1,677,406	2,048,797
Site 9	Central 9	loS	1,100,000	1,320,000	-119,501	351,273	822,048	1,287,163	1,746,526	2,195,198	2,643,870
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-2,031,645	-1,665,448	-1,302,124	-942,666	-583,209	-233,086	112,876
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-2,624,846	-2,160,991	-1,697,135	-1,233,280	-769,425	-316,943	129,995
Site 12	Large Green 400 LD	loS	25,000	375,000	193,080	360,956	524,041	686,136	845,309	1,003,463	1,161,618
Site 13	Large Green 400 HD	loS	25,000	375,000	267,918	468,620	662,663	856,706	1,047,210	1,236,481	1,425,751
Site 14	Green 150	loS	25,000	375,000	78,766	260,848	441,991	623,134	801,330	978,499	1,155,668
Site 15	Green 30	loS	25,000	375,000	93,675	268,096	440,039	611,983	779,788	946,151	1,112,515
Site 16	Green 12	loS	74,000	424,000	241,091	474,738	702,516	930,294	1,158,071	1,385,849	1,613,627
Site 17	Green 6	loS	74,000	424,000	342,615	688,467	1,028,825	1,364,670	1,694,285	2,023,899	2,353,514
Site 26	Rushenden South	loS Sheerness	25,000	250,000	-171,123	-25,680	107,063	234,651	358,927	481,094	602,755
Site 28	Land at South-West Minster	loS Minster on Sea	25,000	250,000	-158,238	-1,920	142,081	282,665	420,143	554,863	689,583
BCIS											
			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	loS	1,100,000	1,320,000	1,463,939	1,201,600	939,261	676,922	408,776	136,809	-143,022
Site 2	Brown 90	loS	1,100,000	1,320,000	1,478,971	1,166,130	853,288	540,447	227,606	-94,032	-422,284
Site 3	Brown 30	loS	1,100,000	1,320,000	1,553,848	1,223,307	892,766	562,225	228,738	-117,520	-464,388
Site 4	Brown 15	loS	1,100,000	1,320,000	2,310,088	1,906,465	1,502,843	1,099,221	691,607	271,877	-151,628
Site 5	Brown 9	loS	1,100,000	1,320,000	2,246,074	1,869,120	1,492,167	1,115,213	727,452	333,127	-62,395
Site 6	Brown 6	loS	1,100,000	1,320,000	2,364,806	2,036,444	1,708,083	1,371,404	1,033,525	689,649	345,112
Site 7	Central 60	loS	1,100,000	1,320,000	608,942	211,982	-202,366	-623,446	-1,054,918	-1,487,811	-1,926,305
Site 8	Central 24	loS	1,100,000	1,320,000	1,258,095	910,664	563,233	205,744	-158,802	-525,099	-902,743
Site 9	Central 9	loS	1,100,000	1,320,000	1,676,864	1,251,323	822,048	387,820	-46,408	-480,636	-927,457
Site 10	Brown 90 HD	loS	1,100,000	1,320,000	-403,145	-851,995	-1,302,124	-1,756,571	-2,213,891	-2,671,211	-3,128,531
Site 11	Brown 24 HD	loS	1,100,000	1,320,000	-534,039	-1,115,036	-1,697,135	-2,279,235	-2,861,334	-3,443,433	-4,031,005
Site 12	Large Green 400 LD	loS	25,000	375,000	826,038	675,040	524,041	371,688	215,590	59,492	-104,065
Site 13	Large Green 400 HD	loS	25,000	375,000	1,020,483	841,573	662,663	483,445	298,493	113,541	-75,969
Site 14	Green 150	loS	25,000	375,000	791,526	616,758	441,991	267,224	92,456	-87,968	-271,924
Site 15	Green 30	loS	25,000	375,000	765,628	602,834	440,039	277,245	112,715	-57,939	-228,753
Site 16	Green 12	loS	74,000	424,000	1,111,155	906,836	702,516	498,196	289,762	75,934	-138,451
Site 17	Green 6	loS	74,000	424,000	1,626,986	1,331,021	1,028,825	723,774	413,229	102,684	-207,861
Site 26	Rushenden South	loS Sheerness	25,000	250,000	333,201	221,018	107,063	-10,979	-138,526	-273,361	-419,283
Site 28	Land at South-West Minster	loS Minster on Sea	25,000	250,000	389,824	266,668	142,081	14,620	-121,407	-263,481	-416,142



Sittingbourne and West

VALUE			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Sittingbourne West	1,100,000	1,320,000	428,828	767,564	1,102,781	1,437,448	1,770,546	2,103,644	2,432,022
Site 2	Brown 90	Sittingbourne West	1,100,000	1,320,000	268,176	655,105	1,042,034	1,428,439	1,813,348	2,198,258	2,583,168
Site 3	Brown 30	Sittingbourne West	1,100,000	1,320,000	272,095	683,123	1,092,426	1,500,765	1,906,362	2,311,959	2,717,556
Site 4	Brown 15	Sittingbourne West	1,100,000	1,320,000	711,166	1,235,860	1,757,113	2,275,913	2,787,731	3,299,549	3,811,368
Site 5	Brown 9	Sittingbourne West	1,100,000	1,320,000	745,817	1,242,856	1,729,605	2,216,355	2,703,104	3,189,853	3,676,602
Site 6	Brown 6	Sittingbourne West	1,100,000	1,320,000	1,013,754	1,473,701	1,926,127	2,373,117	2,820,108	3,267,098	3,714,089
Site 7	Central 60	Sittingbourne West	1,100,000	1,320,000	-817,981	-406,668	-7,793	380,608	760,756	1,140,904	1,516,816
Site 8	Central 24	Sittingbourne West	1,100,000	1,320,000	-33,724	364,435	748,929	1,129,605	1,510,280	1,890,956	2,271,631
Site 9	Central 9	Sittingbourne West	1,100,000	1,320,000	92,347	574,891	1,056,325	1,529,544	1,993,296	2,453,184	2,913,073
Site 10	Brown 90 HD	Sittingbourne West	1,100,000	1,320,000	-2,031,645	-1,665,448	-1,302,124	-942,666	-583,209	-233,086	112,876
Site 11	Brown 24 HD	Sittingbourne West	1,100,000	1,320,000	-2,624,846	-2,160,991	-1,697,135	-1,233,280	-769,425	-316,943	129,995
Site 12	Large Green 400 LD	Sittingbourne West	25,000	375,000	193,080	360,956	524,041	686,136	845,309	1,003,463	1,161,618
Site 13	Large Green 400 HD	Sittingbourne West	25,000	375,000	267,918	468,620	662,663	856,706	1,047,210	1,236,481	1,425,751
Site 14	Green 150	Sittingbourne West	25,000	375,000	78,766	260,848	441,991	623,134	801,330	978,499	1,155,668
Site 15	Green 30	Sittingbourne West	25,000	375,000	93,675	268,096	440,039	611,983	779,788	946,151	1,112,515
Site 16	Green 12	Sittingbourne West	74,000	424,000	241,091	474,738	702,516	930,294	1,158,071	1,385,849	1,613,627
Site 17	Green 6	Sittingbourne West	74,000	424,000	342,615	688,467	1,028,825	1,364,670	1,694,285	2,023,899	2,353,514
Site 18	South and West of Iwade (Site 18)	Iwade	25,000	250,000	-141,965	26,779	182,831	338,882	490,871	640,232	789,593
Site 19	West of Bobbing village	Bobbing	25,000	250,000	-179,579	-39,116	90,916	215,888	336,791	456,482	574,989
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	-160,811	-6,693	134,471	273,062	406,974	540,279	671,751
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	-18,013	125,042	263,880	398,076	530,930	662,089	793,248

BCIS			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Sittingbourne West	1,100,000	1,320,000	1,627,460	1,365,120	1,102,781	840,442	577,769	305,803	33,837
Site 2	Brown 90	Sittingbourne West	1,100,000	1,320,000	1,667,717	1,354,876	1,042,034	729,193	416,352	103,290	-224,241
Site 3	Brown 30	Sittingbourne West	1,100,000	1,320,000	1,753,508	1,422,967	1,092,426	761,885	431,344	91,975	-254,848
Site 4	Brown 15	Sittingbourne West	1,100,000	1,320,000	2,564,357	2,160,735	1,757,113	1,353,491	949,868	537,925	115,167
Site 5	Brown 9	Sittingbourne West	1,100,000	1,320,000	2,483,512	2,106,559	1,729,605	1,352,652	971,773	582,262	186,740
Site 6	Brown 6	Sittingbourne West	1,100,000	1,320,000	2,582,850	2,254,488	1,926,127	1,595,769	1,257,889	918,434	573,897
Site 7	Central 60	Sittingbourne West	1,100,000	1,320,000	794,380	397,420	-7,793	-424,308	-852,980	-1,284,452	-1,720,581
Site 8	Central 24	Sittingbourne West	1,100,000	1,320,000	1,443,791	1,096,360	748,929	398,643	36,041	-328,505	-700,525
Site 9	Central 9	Sittingbourne West	1,100,000	1,320,000	1,901,200	1,482,162	1,056,325	623,207	188,979	-245,248	-683,160
Site 10	Brown 90 HD	Sittingbourne West	1,100,000	1,320,000	-403,145	-851,995	-1,302,124	-1,756,571	-2,213,891	-2,671,211	-3,128,531
Site 11	Brown 24 HD	Sittingbourne West	1,100,000	1,320,000	-534,039	-1,115,036	-1,697,135	-2,279,235	-2,861,334	-3,443,433	-4,031,005
Site 12	Large Green 400 LD	Sittingbourne West	25,000	375,000	826,038	675,040	524,041	371,688	215,590	59,492	-104,065
Site 13	Large Green 400 HD	Sittingbourne West	25,000	375,000	1,020,483	841,573	662,663	483,445	298,493	113,541	-75,969
Site 14	Green 150	Sittingbourne West	25,000	375,000	791,526	616,758	441,991	267,224	92,456	-87,968	-271,924
Site 15	Green 30	Sittingbourne West	25,000	375,000	765,628	602,834	440,039	277,245	112,715	-57,939	-228,753
Site 16	Green 12	Sittingbourne West	74,000	424,000	1,111,155	906,836	702,516	498,196	289,762	75,934	-138,451
Site 17	Green 6	Sittingbourne West	74,000	424,000	1,626,986	1,331,021	1,028,825	723,774	413,229	102,684	-207,861
Site 18	South and West of Iwade (Site 18)	Iwade	25,000	250,000	455,174	320,098	182,831	45,564	-100,186	-252,906	-413,821
Site 19	West of Bobbing village	Bobbing	25,000	250,000	312,929	203,155	90,916	-25,452	-150,149	-280,633	-421,193
Site 20	Land at Stickfast Lane	Bobbing	25,000	250,000	377,684	257,548	134,471	9,805	-124,716	-265,237	-416,736
Site 25	Iwade - Solar Farm	Iwade	25,000	250,000	492,178	378,627	263,880	146,839	27,802	-99,572	-234,002



Sittingbourne East

VALUE			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Sittingbourne East	1,100,000	1,320,000	428,828	767,564	1,102,781	1,437,448	1,770,546	2,103,644	2,432,022
Site 2	Brown 90	Sittingbourne East	1,100,000	1,320,000	268,176	655,105	1,042,034	1,428,439	1,813,348	2,198,258	2,583,168
Site 3	Brown 30	Sittingbourne East	1,100,000	1,320,000	272,095	683,123	1,092,426	1,500,765	1,906,362	2,311,959	2,717,556
Site 4	Brown 15	Sittingbourne East	1,100,000	1,320,000	711,166	1,235,860	1,757,113	2,275,913	2,787,731	3,299,549	3,811,368
Site 5	Brown 9	Sittingbourne East	1,100,000	1,320,000	745,817	1,242,856	1,729,605	2,216,355	2,703,104	3,189,853	3,676,602
Site 6	Brown 6	Sittingbourne East	1,100,000	1,320,000	1,013,754	1,473,701	1,926,127	2,373,117	2,820,108	3,267,098	3,714,089
Site 7	Central 60	Sittingbourne East	1,100,000	1,320,000	-817,981	-406,668	-7,793	380,608	760,756	1,140,904	1,516,816
Site 8	Central 24	Sittingbourne East	1,100,000	1,320,000	-33,724	364,435	748,929	1,129,605	1,510,280	1,890,956	2,271,631
Site 9	Central 9	Sittingbourne East	1,100,000	1,320,000	92,347	574,891	1,056,325	1,529,544	1,993,296	2,453,184	2,913,073
Site 10	Brown 90 HD	Sittingbourne East	1,100,000	1,320,000	-2,031,645	-1,665,448	-1,302,124	-942,666	-583,209	-233,086	112,876
Site 11	Brown 24 HD	Sittingbourne East	1,100,000	1,320,000	-2,624,846	-2,160,991	-1,697,135	-1,233,280	-769,425	-316,943	129,995
Site 12	Large Green 400 LD	Sittingbourne East	25,000	375,000	363,042	535,185	706,398	873,975	1,041,025	1,208,076	1,375,126
Site 13	Large Green 400 HD	Sittingbourne East	25,000	375,000	471,045	676,003	880,962	1,081,515	1,281,432	1,481,349	1,681,266
Site 14	Green 150	Sittingbourne East	25,000	375,000	263,112	454,444	645,777	833,442	1,020,576	1,207,711	1,394,846
Site 15	Green 30	Sittingbourne East	25,000	375,000	270,245	451,860	633,475	809,942	985,663	1,161,384	1,337,105
Site 16	Green 12	Sittingbourne East	74,000	424,000	477,586	718,176	958,766	1,199,356	1,439,946	1,680,536	1,921,126
Site 17	Green 6	Sittingbourne East	74,000	424,000	692,790	1,052,143	1,405,872	1,754,027	2,102,183	2,450,338	2,798,494
Site 27	South East Sittingbourne	Sittingbourne SE	25,000	250,000	-142,773	-50,392	36,134	116,789	195,767	273,833	351,419
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	-34,016	83,919	195,984	304,159	411,115	517,013	621,938
BCIS			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Sittingbourne East	1,100,000	1,320,000	1,627,460	1,365,120	1,102,781	840,442	577,769	305,803	33,837
Site 2	Brown 90	Sittingbourne East	1,100,000	1,320,000	1,667,717	1,354,876	1,042,034	729,193	416,352	103,290	-224,241
Site 3	Brown 30	Sittingbourne East	1,100,000	1,320,000	1,753,508	1,422,967	1,092,426	761,885	431,344	91,975	-254,848
Site 4	Brown 15	Sittingbourne East	1,100,000	1,320,000	2,564,357	2,160,735	1,757,113	1,353,491	949,868	537,925	115,167
Site 5	Brown 9	Sittingbourne East	1,100,000	1,320,000	2,483,512	2,106,559	1,729,605	1,352,652	971,773	582,262	186,740
Site 6	Brown 6	Sittingbourne East	1,100,000	1,320,000	2,582,850	2,254,488	1,926,127	1,595,769	1,257,889	918,434	573,897
Site 7	Central 60	Sittingbourne East	1,100,000	1,320,000	794,380	397,420	-7,793	-424,308	-852,980	-1,284,452	-1,720,581
Site 8	Central 24	Sittingbourne East	1,100,000	1,320,000	1,443,791	1,096,360	748,929	398,643	36,041	-328,505	-700,525
Site 9	Central 9	Sittingbourne East	1,100,000	1,320,000	1,901,200	1,482,162	1,056,325	623,207	188,979	-245,248	-683,160
Site 10	Brown 90 HD	Sittingbourne East	1,100,000	1,320,000	-403,145	-851,995	-1,302,124	-1,756,571	-2,213,891	-2,671,211	-3,128,531
Site 11	Brown 24 HD	Sittingbourne East	1,100,000	1,320,000	-534,039	-1,115,036	-1,697,135	-2,279,235	-2,861,334	-3,443,433	-4,031,005
Site 12	Large Green 400 LD	Sittingbourne East	25,000	375,000	1,008,396	857,397	706,398	555,399	403,274	247,176	91,078
Site 13	Large Green 400 HD	Sittingbourne East	25,000	375,000	1,238,782	1,059,872	880,962	702,051	523,141	338,217	153,265
Site 14	Green 150	Sittingbourne East	25,000	375,000	995,311	820,544	645,777	471,009	296,242	121,474	-57,521
Site 15	Green 30	Sittingbourne East	25,000	375,000	959,064	796,270	633,475	470,681	307,887	144,245	-25,788
Site 16	Green 12	Sittingbourne East	74,000	424,000	1,367,405	1,163,086	958,766	754,446	550,126	343,197	130,422
Site 17	Green 6	Sittingbourne East	74,000	424,000	1,997,803	1,701,837	1,405,872	1,105,846	801,302	491,767	181,222
Site 27	South East Sittingbourne	Sittingbourne SE	25,000	250,000	182,838	110,247	36,134	-41,949	-124,482	-211,533	-304,835
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	381,070	289,185	195,984	100,777	2,744	-103,995	-216,003



Faversham and East

VALUE			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	579,515	922,909	1,266,302	1,608,059	1,949,281	2,288,357	2,623,577
Site 2	Brown 90	Faversham	1,100,000	1,320,000	438,047	834,414	1,230,780	1,625,588	2,019,886	2,414,184	2,808,482
Site 3	Brown 30	Faversham	1,100,000	1,320,000	453,514	872,800	1,292,086	1,708,510	2,124,000	2,539,489	2,954,978
Site 4	Brown 15	Faversham	1,100,000	1,320,000	943,450	1,477,416	2,011,382	2,538,064	3,062,365	3,586,667	4,110,969
Site 5	Brown 9	Faversham	1,100,000	1,320,000	965,706	1,468,423	1,967,044	2,465,665	2,964,286	3,462,908	3,961,529
Site 6	Brown 6	Faversham	1,100,000	1,320,000	1,215,682	1,686,279	2,144,171	2,602,064	3,059,956	3,517,849	3,975,742
Site 7	Central 60	Faversham	1,100,000	1,320,000	-636,237	-221,824	185,489	575,318	964,738	1,353,989	1,733,920
Site 8	Central 24	Faversham	1,100,000	1,320,000	141,635	544,664	934,624	1,324,585	1,714,545	2,104,506	2,494,466
Site 9	Central 9	Faversham	1,100,000	1,320,000	304,196	798,509	1,287,163	1,768,959	2,240,065	2,711,171	3,182,277
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-2,031,645	-1,665,448	-1,302,124	-942,666	-583,209	-233,086	112,876
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-2,624,846	-2,160,991	-1,697,135	-1,233,280	-769,425	-316,943	129,995
Site 12	Large Green 400 LD	Faversham	25,000	375,000	418,679	592,931	766,232	936,248	1,106,264	1,276,280	1,445,604
Site 13	Large Green 400 HD	Faversham	25,000	375,000	536,535	745,131	952,575	1,156,041	1,359,506	1,562,972	1,765,599
Site 14	Green 150	Faversham	25,000	375,000	324,248	518,977	712,745	903,202	1,093,659	1,284,115	1,473,612
Site 15	Green 30	Faversham	25,000	375,000	328,276	513,115	696,607	875,447	1,054,287	1,233,128	1,410,621
Site 16	Green 12	Faversham	74,000	424,000	554,460	799,321	1,044,182	1,289,043	1,533,904	1,778,765	2,020,821
Site 17	Green 6	Faversham	74,000	424,000	808,365	1,172,972	1,529,477	1,883,813	2,238,149	2,592,485	2,942,770
Site 21	Fax Farm	Dunkirk	25,000	250,000	91,704	261,793	430,658	594,420	756,835	919,251	1,081,196
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	64,847	222,808	376,423	526,385	674,435	822,485	969,259
Site 23	SE Faversham	Faversham SE	25,000	250,000	32,983	178,049	320,087	457,392	594,698	729,752	864,127
Site 24	East of Faversham Expansion	Faversham E	25,000	250,000	35,067	181,468	324,773	463,196	601,159	738,672	873,869
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	-34,016	83,919	195,984	304,159	411,115	517,013	621,938
BCIS			EUV	BLV	Residual Value						
					-10%	-5%	0%	+5%	+10%	+15%	+20%
Site 1	Large Brown 300	Faversham	1,100,000	1,320,000	1,790,980	1,528,641	1,266,302	1,003,963	741,624	474,797	202,830
Site 2	Brown 90	Faversham	1,100,000	1,320,000	1,856,463	1,543,622	1,230,780	917,939	605,098	292,256	-26,197
Site 3	Brown 30	Faversham	1,100,000	1,320,000	1,953,168	1,622,627	1,292,086	961,545	631,004	299,510	-45,353
Site 4	Brown 15	Faversham	1,100,000	1,320,000	2,818,627	2,415,005	2,011,382	1,607,760	1,204,138	799,565	381,962
Site 5	Brown 9	Faversham	1,100,000	1,320,000	2,720,951	2,343,998	1,967,044	1,590,090	1,213,137	828,214	435,875
Site 6	Brown 6	Faversham	1,100,000	1,320,000	2,800,894	2,472,533	2,144,171	1,815,810	1,482,254	1,144,375	802,683
Site 7	Central 60	Faversham	1,100,000	1,320,000	979,818	582,858	185,489	-229,735	-651,042	-1,082,514	-1,514,857
Site 8	Central 24	Faversham	1,100,000	1,320,000	1,629,486	1,282,055	934,624	587,193	230,884	-133,662	-498,307
Site 9	Central 9	Faversham	1,100,000	1,320,000	2,125,537	1,711,695	1,287,163	858,594	424,366	-9,861	-444,089
Site 10	Brown 90 HD	Faversham	1,100,000	1,320,000	-403,145	-851,995	-1,302,124	-1,756,571	-2,213,891	-2,671,211	-3,128,531
Site 11	Brown 24 HD	Faversham	1,100,000	1,320,000	-534,039	-1,115,036	-1,697,135	-2,279,235	-2,861,334	-3,443,433	-4,031,005
Site 12	Large Green 400 LD	Faversham	25,000	375,000	1,068,230	917,231	766,232	615,233	464,234	308,758	152,660
Site 13	Large Green 400 HD	Faversham	25,000	375,000	1,310,396	1,131,485	952,575	773,665	594,755	411,922	226,970
Site 14	Green 150	Faversham	25,000	375,000	1,062,280	887,513	712,745	537,978	363,211	188,443	12,747
Site 15	Green 30	Faversham	25,000	375,000	1,022,195	859,401	696,607	533,812	371,018	208,224	40,453
Site 16	Green 12	Faversham	74,000	424,000	1,452,822	1,248,502	1,044,182	839,863	635,543	431,089	220,046
Site 17	Green 6	Faversham	74,000	424,000	2,121,408	1,825,443	1,529,477	1,233,034	928,490	621,462	310,917
Site 21	Fax Farm	Dunkirk	25,000	250,000	700,512	566,258	430,658	292,400	154,143	11,869	-138,346
Site 22	Winterbourne Fields	Dunkirk	25,000	250,000	624,241	501,288	376,423	250,060	121,070	-10,944	-153,459
Site 23	SE Faversham	Faversham SE	25,000	250,000	550,781	435,434	320,087	202,132	82,996	-41,886	-175,010
Site 24	East of Faversham Expansion	Faversham E	25,000	250,000	556,733	440,984	324,773	205,753	85,370	-39,643	-173,717
Site 29	Ashford Road, North Street	Faversham S	25,000	250,000	381,070	289,185	195,984	100,777	2,744	-103,995	-216,003



Appendix 18 – Specialist Housing

	Affordable %		EUV	BLV	Residual Value						
					0%	5%	10%	15%	20%	25%	30%
Site 1	Build to Rent - Flats	Greenfield	25,000	375,000	-134,359	-247,688	-361,018	-474,347	-591,498	-709,119	-826,741
Site 2	Build to Rent - Flats	Brownfield	1,100,000	1,320,000	-1,043,797	-1,161,264	-1,278,731	-1,396,198	-1,513,665	-1,631,132	-1,748,599
Site 3	Build to Rent Housing	Greenfield	25,000	375,000	1,243,244	1,185,594	1,127,944	1,070,294	1,012,644	954,994	897,344
Site 4	Build to Rent Housing	Brownfield	1,100,000	1,320,000	898,734	842,156	785,578	729,000	672,422	615,844	559,266
Site 5	Sheltered Flats	Greenfield	25,000	375,000	3,187,097	2,802,210	2,417,323	2,032,436	1,647,550	1,262,663	877,776
Site 6	Sheltered Flats	Brownfield	1,100,000	1,320,000	2,125,470	1,740,934	1,356,397	971,861	587,324	197,260	-206,219
Site 7	Extra Care Flats	Greenfield	25,000	375,000	904,975	512,907	112,998	-298,384	-709,766	-1,135,036	-1,561,994
Site 8	Extra Care Flats	Brownfield	1,100,000	1,320,000	-404,263	-815,653	-1,242,378	-1,669,103	-2,095,828	-2,522,553	-2,954,635
Site 9	Integrated Retirement Cc	Greenfield	25,000	375,000	23,295,409	20,494,110	17,692,812	14,891,513	12,090,215	9,288,916	6,487,617
Site 10	Integrated Retirement Cc	Brownfield	1,100,000	1,320,000	10,281,734	8,414,201	6,546,669	4,679,136	2,811,604	944,072	-989,641



Appendix 19 – Appraisals Non-residential Development

Greenfield

Results (2)			Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
	CIL	£/m2	0	0	0	0	0	0
Income	m2		2,000	500	2,000	4,000	400	5,000
	£/m2		2,900	3,100	3,100	2,250	2,200	4,880
	Capital Value		5,220,000	1,395,000	5,580,000	8,550,000	880,000	24,400,000
	Buyers Costs		234,900	62,775	251,100	384,750	39,600	1,098,000
	Capital Value		4,985,100	1,332,225	5,328,900	8,165,250	840,400	23,302,000
Costs	Land Used	Coverage	280%	50%	75%	40%	40%	35%
		ha	0.071	0.100	0.267	1.000	0.100	1.429
		£/ha	74,000	74,000	74,000	25,000	74,000	25,000
		Uplift £/ha	350,000	350,000	350,000	350,000	350,000	350,000
			0	0	0	0	0	0
		Site Cost	30,286	42,400	113,067	375,000	42,400	535,714
	Stamp Duty (on VT)	4.00%	1,211	1,696	4,523	15,000	1,696	21,429
	Acquisition	1.50%	454	636	1,696	5,625	636	8,036
	Strategic Promotion	0.00%	0	0	0	0	0	0
	Pre Planning	0.00%	10,000	10,000	10,000	10,000	10,000	10,000
	Construction	/m2	2,445	2,393	2,445	955	1,520	751
		£	4,890,840	1,196,740	4,890,840	3,818,880	607,824	3,753,000
	Infrastructure	15.00%	733,626	179,511	733,626	572,832	91,174	562,950
	BNG	3,150	225	315	840	3,150	315	4,500
	Abnormals	0.00%	0	0	0	0	0	0
	Fees	8.00%	449,957	110,100	449,957	351,337	55,920	345,276
	S106		0	0	0	0	0	0
	CIL		0	0	0	0	0	0
	Contingency	2.50%	140,612	34,406	140,612	109,793	17,475	107,899
	Finance Costs	0.00%	0	0	0	0	0	0
	Sales	2.50%	65,250	17,438	69,750	106,875	11,000	305,000
	Misc. Financial	0.00%	10,000	10,000	10,000	10,000	10,000	10,000
	Subtotal	0.00%	6,302,176	1,560,842	6,311,844	5,003,492	806,039	5,128,089
	Interest	7.50%	236,332	58,532	236,694	187,631	30,226	192,303
	Profit % GDV	15.00%	747,765	199,834	799,335	1,224,788	126,060	3,495,300
	COSTS		7,286,272	1,819,207	7,347,873	6,415,910	962,326	8,815,692
Residual Land Worth	Site		-2,301,172	-486,982	-2,018,973	1,749,340	-121,926	14,486,308
	Existing Use Value	£/ha	74,000	74,000	74,000	25,000	74,000	25,000
	Benchmark Land Value	£/ha	424,000	424,000	424,000	375,000	424,000	375,000
	Residual Value	£/ha	-32,216,411	-4,869,822	-7,571,148	1,749,340	-1,219,258	10,140,415

Brownfield

			Offices - Central	Offices - Small	Offices - Park	Industrial	Industrial - Small	Distribution
	CIL	£/m2	0	0	0	0	0	0
Income	m2		2,000	500	2,000	4,000	400	5,000
	£/m2		2,900	3,100	3,100	2,250	2,200	4,880
	Capital Value		5,220,000	1,395,000	5,580,000	8,550,000	880,000	24,400,000
	Buyers Costs		234,900	62,775	251,100	384,750	39,600	1,098,000
	Capital Value		4,985,100	1,332,225	5,328,900	8,165,250	840,400	23,302,000
Costs	Land Used	Coverage	280%	50%	75%	40%	40%	35%
		ha	0.071	0.100	0.267	1.000	0.100	1.429
		£/ha	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
		Uplift £/ha	0	0	0	0	0	0
			220,000	220,000	220,000	220,000	220,000	220,000
		Site Cost	94,286	132,000	352,000	1,320,000	132,000	1,885,714
	Stamp Duty (on VT)	4.00%	3,771	5,280	14,080	52,800	5,280	75,429
	Acquisition	1.50%	1,414	1,980	5,280	19,800	1,980	28,286
	Strategic Promotion	0.00%	0	0	0	0	0	0
	Pre Planning	0.00%	10,000	10,000	10,000	10,000	10,000	10,000
	Construction	/m2	2,445	2,393	2,445	955	1,520	751
		£	4,890,840	1,196,740	4,890,840	3,818,880	607,824	3,753,000
	Infrastructure	15.00%	733,626	179,511	733,626	572,832	91,174	562,950
	BNG	71,828	5,131	7,183	19,154	71,828	7,183	102,611
	Abnormals	5.00%	281,223	68,813	281,223	219,586	34,950	215,798
	Fees	8.00%	472,455	115,605	472,455	368,904	58,716	362,540
	S106		0	0	0	0	0	0
	CIL		0	0	0	0	0	0
	Contingency	5.00%	295,284	72,253	295,284	230,565	36,697	113,294
	Finance Costs	0.00%	0	0	0	0	0	0
	Sales	2.50%	65,250	17,438	69,750	106,875	11,000	305,000
	Misc. Financial	0.00%	10,000	10,000	10,000	10,000	10,000	10,000
	Subtotal	0.00%	6,768,995	1,684,802	6,801,693	5,482,069	874,803	5,538,906
	Interest	7.50%	253,837	63,180	255,063	205,578	32,805	207,709
	Profit % GDV	15.00%	747,765	199,834	799,335	1,224,788	126,060	3,495,300
	COSTS		7,770,597	1,947,816	7,856,091	6,912,434	1,033,669	9,241,915
Residual Land Worth	Site		-2,785,497	-615,591	-2,527,191	1,252,816	-193,269	14,060,085
	Existing Use Value	£/ha	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
	Benchmark Land Value	£/ha	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
	Residual Value	£/ha	-38,996,965	-6,155,909	-9,476,968	1,252,816	-1,932,685	9,842,060



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- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments

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