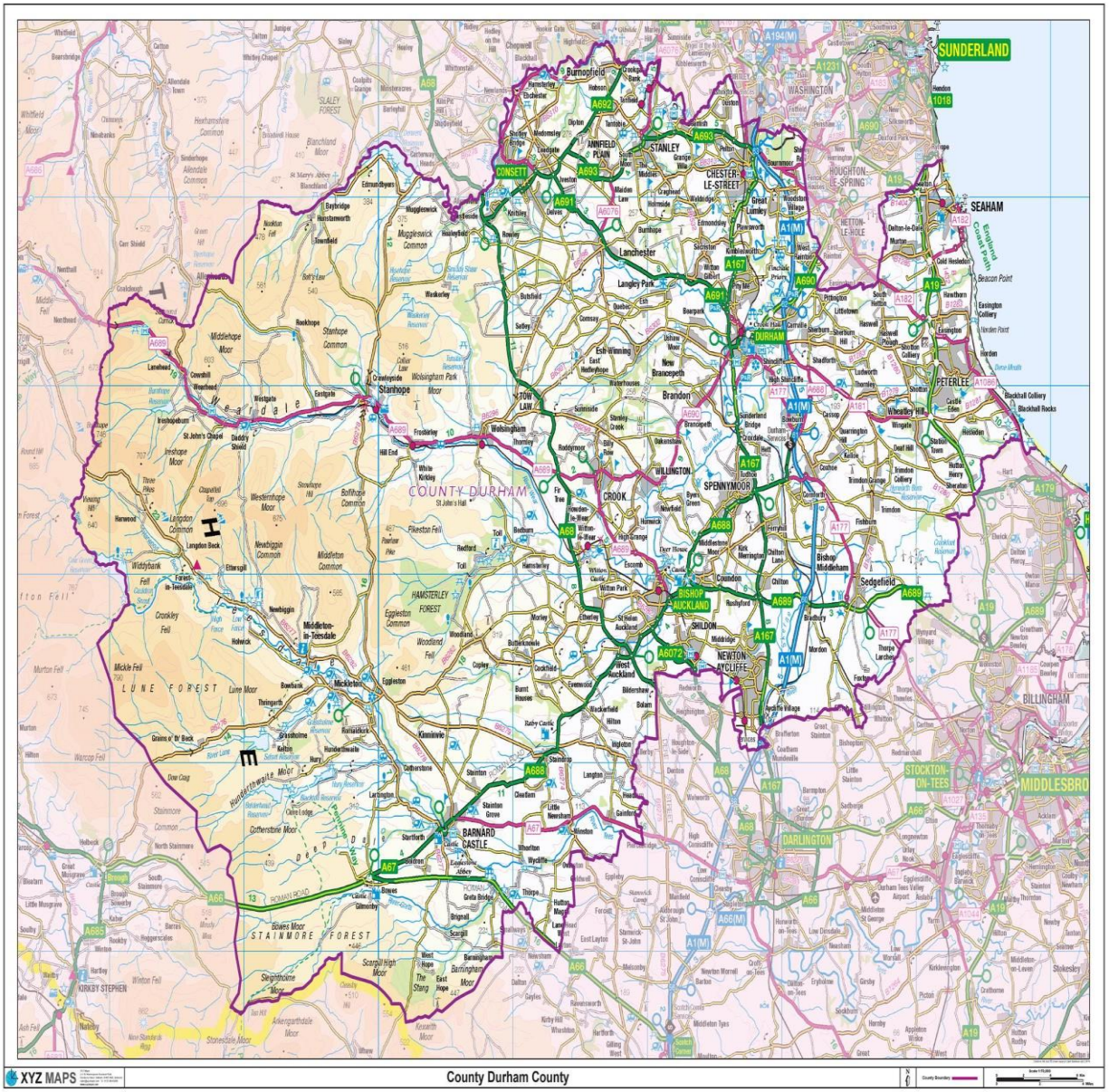
Local Plan Viability Testing – Update

Completed on behalf of Durham County Council



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CP Viability Ltd

Independent Property Experts

CONTENTS

1. Introduction

1.1. The County Durham Plan ("the Plan") was adopted on 21st October 2020.

1.2. As part of the evidence base which helped inform the Plan, we undertook the following viability studies:

- Local Plan Viability Testing (June 2018)
- Viability Testing of Housing Allocations within the County Durham Plan (Oct 2018)
- Local Plan Viability Addendum (June 2019)

1.3. Given the extent and scale of a Local Plan assessment it takes several months to prepare and complete these types of studies. Some of the evidence base used in these assessments therefore date back to 2017. Since this time, the development market has been impacted by significant macro-economic events, including the Covid-19 pandemic and currently the ongoing cost of living crisis and war in Ukraine, which is having an impact in particular on cost inflation. There has also been a recent 'step-change' in the Bank of England Base Rate, increasing from an historic low of 0.1% in December 2021 to the current 5.25% rate. This has had a 'knock-on' effect on the lending market, generally serving to increase finance costs for residential development schemes.

1.4. There have also been changes in the development industry which are likely to have a further impact, most notably the changes to Part L of the Building Regulations, which came into full effect from June 2023. This required that CO2 emissions are reduced by 31% for dwellings, with a new emphasis on low carbon heating systems. These are an interim step towards the Future Homes Standard which will come into force from 2025. Equally, requirements for a Biodiversity Net Gain of at least 10% are due imminently (albeit this was intended to be mandatory from November 2023 but has recently been pushed back to 2024). Equally, requirements in relation to Nutrient Neutrality are also a consideration for affected areas.

1.5. Furthermore, additional policy requirements have emerged, which need to be tested through the viability modelling. This includes a proposed 'locally determined cap' to the level of First Homes pricing and also enhanced parking guidance which is set out in the new Parking and Accessibility SPD.

1.6. In the context of the above, the Council requires an update of the typology testing undertaken within the June 2018 study and June 2019 addendum. As part of this process, we undertook some initial testing in Feb 2023 in which we put forward a variety of updated appraisal assumptions. These proposed assumptions were circulated and put forward to stakeholders in a workshop in Mar 2023. After the workshop, we asked stakeholders to provide general comments.

1.7. This update (in addition to Bio-Diversity Net Gain, Nutrient Neutrality, a reduced cap to the level of First Homes and enhanced parking guidance) is to factor in the following policy requirements, as set out in the Local Plan:

Policy 15 – Addressing Housing Need: Affordable Housing Provision	Highest value area – 25% High value area – 20% Medium value area – 15% Low value area – 10%
Policy 15 – Addressing Housing Need: Affordable Housing Tenure Mix	On sites with 10 or more units, 10% of the homes should be provided for affordable home ownership. Any contribution above 10% should be provided as affordable housing for rent. However, since the Local Plan was adopted, the Government has introduced its First Homes policy. A minimum of 25% of all affordable housing units should be First Homes. This requirement can contribute to the 10% affordable home ownership outlined above (as First Homes are a type of affordable home ownership).

Policy 15 – Addressing Housing Need: meeting the Needs of Older People and People with Disabilities	On sites of 5 units or more, 66% of dwellings must be built to Building Regulations M4(2) (accessible and adaptable dwellings) standard. On sites of 10 units or more, 10% of the total dwellings should be a type and design which increases the housing options for older people (this can include level access flats, level access bungalows and housing products that meet the needs of a multi generational family).
Policy 15 – Addressing Housing Need: Specialist Housing	Specialist housing for older people will be 100% M4(2) (accessible and adaptable dwellings) compliant, whilst a minimum of 25% must meet the M4(3) (wheelchair user dwellings) standard.
Policy 25 – Developer Contributions	Developers will be required to enter into Planning Obligations which are directly related to the development and fairly and reasonably related in scale and kind to the development, in order to secure the mitigation that is necessary for a development to be acceptable in planning terms.
Policy 26 – Green Infrastructure	Development expected to maintain and protect, and where appropriate improve green infrastructure. Loss of provision – Development proposals will not be permitted that would result in the loss of open space or harm to green infrastructure assets unless the benefits of the development outweigh that loss or harm and an assessment clearly shows the open space or land to be surplus.

	New provision – Proposals for new residential development will be required to make provision for open space to meet the needs of future residents having regard to the standards of open space provision set out in the Open Space Needs Assessment (OSNA).
Policy 29 – Sustainable Design	All development proposals will be required to achieve well designed buildings and places having regard to supplementary planning documents.
Policy 35 – Water Management: Flood Risk and Sustainable Drainage Systems	All development proposals will be required to consider the effect of the proposed development on flood risk, both on-site and off-site, commensurate with the scale and impact of the development and taking into account the predicted impacts of climate change for the lifetime of the proposal. Regarding Surface Water Flood Risk: for major developments the management of water must be an intrinsic part of the overall development and on all new development there is no net increase in surface water runoff for the lifetime of the development.
Policy 41 – Biodiversity and Geodiversity	Proposals for new development will be expected to minimise impacts on biodiversity by retaining and enhancing existing biodiversity assets and features and providing net gains for biodiversity including by establishing coherent ecological networks.

2. Viability approach and assumptions

2.1. General approach

2.1.1. The methodology used to assess the Local Plan viability for the purposes of this update is consistent with the approach adopted in the previous studies. This follows a number of key principles as set out in the Planning Practice Guidance: Viability[1].

2.1.2. The approach involves applying the 'residual method' whereby the market values of completed new build dwellings are assessed, from which the costs of completing the development (including developer profit, finance and planning policies) are deducted. This leaves a 'residual', which is the price that the developer could pay to acquire the land (known as the 'residual land value'). Separately, a 'benchmark land value' is established, which can be defined as being the minimum price that a hypothetical and reasonably minded landowner would be willing to accept (taking into account any abnormal costs, professional fees and planning policies associated with the site). If the residual land value calculated through the appraisal is above the benchmark land value, then the scheme is deemed to be viable. If the residual land value falls below the benchmark land value, then the scheme is considered to be unviable.

2.1.3. For the purposes of Local Plan viability testing, and in accordance with the requirements of the Planning Practice Guidance: Viability, it is appropriate to adopt a 'typology' approach to site testing. This involves identifying a typical / average site type, rather than looking to test every site put forward for allocation (which is time consuming, costly and potentially misleading as often the full details of each site are not known at the plan making stage).

[1] https://www.gov.uk/guidance/viability

2.1.4. This typology approach was adopted in our previous studies and included the following:

Site Type 1: 5 dwellings
Site Type 2: 20 dwellings
Site Type 3: 50 dwellings
Site Type 4: 80 dwellings
Site Type 5: 125 dwellings
Site Type 6: 200 dwellings
Site Type 7: 350 dwellings

2.1.5. Each typology was also tested in both a 'greenfield' and 'brownfield' scenario (each having different figures for contingency, abnormals and developer profit). The typologies were also tested in different value areas across County Durham, which were categorised as being Highest, High, Medium and Low value areas.

2.1.6. For the purposes of this update, we have adopted the same typologies (as well as the use of the greenfield and brownfield scenarios and also the various different value areas), bar Site Type 1 which has been excluded as a number of the Council's policies do not impact on this scale of development.

2.2. Gross to net ratios

2.2.1. In our Feb 2023 modelling we proposed the following gross to net areas:

Feb 2023 proposed gross to net area assumptions

Site Type 2: 90%

Site Type 3: 85%

Site Type 4: 85%

Site Type 5: 80%

Site Type 6: 80%

Site Type 7: 80%

2.2.2. During the workshop a number of parties suggested that the gross to net adjustments were insufficient, particularly following the introduction of the Biodiversity Net Gain requirements. In support of this and acting on behalf of a number of the stakeholders, the Home Builders Federation ("HBF") submitted various comments on 11th April 2023. The comments raised can be summarized as follows:

- *At the time of the 2018 Viability the 80-90% gross to net ratios were likely reflective of achievable net developable ratios at the time. However, the introduction a policy requirement to achieve a Biodiversity Net Gain, rising to a 10% net gain later this year will significantly reduce the gross to net ratios achievable on development sites moving forward.*

- *It is acknowledged that the 2023 Viability Update seeks to make cost provisions for Biodiversity Net Gain, however, no consideration is given to the implications upon the net developable area potential of achieving net gain onsite, given the Government's preference for on-site delivery.*

- *To evidence the significance of the effect of onsite BNG the below table provides an assessment of several sites which are either recently approved or currently in the planning process with Durham.*

Table 2

Developer	Site	Units	Gross (Ha)	Net (Ha)	Gross to Net Ratio %	Density (units/net Ha)
Persimmon	High West Road, Crook	260	14.81	6.73	45.4	39
Persimmon	Consett, Templetown	176	12.58	5.4	42.9*	33
Persimmon	Aykley Heads Ph2	48	2.04	1.29	63.2	37
Millers	Delves Lane	288	16.64	9.1	54.7	32
Taylor Wimpey	Pelton Fell	80	5.58	2.58	46.2**	31

**1% BNG not achievable onsite (additional offsite mitigation required)*
***10% BNG sought*

- *It is appreciated that BNG implications are site specific and much dependent upon the scope and quality of existing habitats inputted into the base habitat calculation. However, the above table highlights that gross to net ratios of between 43-63% are being achieved. Far lower than the 80-85% gross to nets assumed in the corresponding site typologies.*

2.2.3. In their comments the HBF recognize that the Biodiversity Net Gain requirements are site specific and can vary from site to site (including factors such as whether the requirement is for on-site delivery or off-site). Our experience is that this variation from site to site can be significant. This is the same, for example, with abnormal costs more generally, which are site specific and can vary widely from site to site.

2.2.4. The Planning Practice Guidance: Viability accepts that every potential level of costs associated with a development site cannot be reflected in the Local Plan viability testing (as this is impractical), stating:

> *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. Para 003*

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…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. Para 004.

2.2.5. In light of this, it is appropriate for an assessor to make an assumption as to what constitutes a reasonable cost allowance in the Local Plan viability modelling.

2.2.6. Furthermore, the guidance goes on to state the following with regards to establishing benchmark land value:

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. Para 014*

2.2.7. In this respect, whatever the assumption is regarding abnormal costs, site-specific infrastructure costs and professional site fees, this will need to be appropriately balanced against the benchmark land value. In other words, if high abnormal costs are assumed in the model, this will have a downward impact on benchmark land value and vice versa.

2.2.8. In terms of how this impacts on the requirements for Biodiversity Net Gain, it is our view that Biodiversity Net Gain requirements can be regarded as a site specific infrastructure cost. This is because Biodiversity Net Gain is a fixed requirement, which is not subject to viability. In other words, the developer / housebuilder would have to incur the associated costs regardless of whether the scheme is viable or not. As this is a fixed requirement, that would always be required to bring forward the site for development, it is reasonable to assume that this has the same impact on land value as say flood mitigation works or enhanced foundations, i.e. it would serve to reduce the value of the land as it is a cost which a developer / housebuilder would be unable to avoid. The level of Biodiversity Net Gain costs in an appraisal therefore has to be balanced against the benchmark land value (again, if the Biodiversity Net Gain costs are increased this reduces the benchmark land value and vice versa).

2.2.9. For the purposes of the Local Plan viability testing, it is therefore important that whatever the level of Biodiversity Net Gain costs are factored into the appraisal, this is appropriately reflected in the corresponding benchmark land value.

2.2.10. In their comments following the Mar 2023 workshop, the HBF also suggested that gross to net ratios ranged from 43-63% across 5 sites within the Durham County region.

2.2.11. The Council has subsequently undertaken their own analysis of the 5 sites identified by the HBF and also an additional 10 sites across the County. The results of the analysis are shown within Appendix 1. The Council subsequently disputes the findings of the HBF, identifying a gross to net range of 50-70% across the HBF sample of 5 sites. Furthermore, the additional sample of 10 sites shows a range of 63.5-92.4%.

2.2.12. Having considered the above, and adopting a cautious approach, we consider it reasonable to adjust the gross to net areas in the typology testing to factor in the additional requirements for Biodiversity Net Gain (which is predominantly intended to be provided through onsite provision, rather than offsite although this will depend on the circumstances of each site).

2.2.13. However, we are also conscious that the Council's new parking requirements[2] will also impact on the gross to net areas of a development site. For illustration as to the impact, the proposed policy compares to the existing requirements as follows:

DCC Previous Parking and Accessibility Guidance (2019)		
Number of bedrooms within dwelling	Minimum allocated in-curtilage parking	Minimum non-allocated off-curtilage
1	1	1 per 3 dwellings
2	1	2 per 3 dwellings
3	1	2 per 3 dwellings
4	2	1 per 3 dwellings
5	2	1 per 3 dwellings

DCC Current Parking and Accessibility Guidance (2023)		
Number of bedrooms within dwelling	Minimum allocated in-curtilage parking	Visitor/Non-allocated parking
1	1	1 per 4 dwellings
2	2	1 per 4 dwellings
3	2	1 per 4 dwellings
4	3	1 per 4 dwellings
5	3	1 per 4 dwellings
6+	4	1 per 4 dwellings

[2] Parking and Accessibility SPD (2023) can be viewed here: https://www.durham.gov.uk/article/7444/County-Durham-Plan-supporting-documents

2.2.14. The Council then modelled the above parking requirements against a site approved in 2014 (Grants House, Ushaw Moor) to consider how the change in policy would impact on the number of parking spaces being delivered. Using the 2019 policy requirement, the site provided 371 car parking spaces. Under the new policy requirement this would increase to 474. Assuming an average parking space dimension of 2.7m x 5.5 m (14.85 sq m), applied to the uplift of parking spaces under the adopted SPD (103) this would equate to a total additional land take of 1,529.55 sq m (0.15 Ha) compared to the previous policy.

2.2.15. We have also analysed the impact this would have on the typologies. For the purposes of the analysis, we focused on 4 site typologies (50, 80, 200 and 350 dwellings) in greenfield locations and all in the high value area. Broadly, the housing mix used in these models equated to 30% as 2 beds, 35% as 3 beds and 35% as 4 beds. From this, we calculated the current Durham parking requirements (based on 2019 guidance) as follows:

- 50 dwelling scenario 67 parking spaces plus 28 visitor spaces = 95 spaces
- 80 dwelling scenario 108 parking spaces plus 44 visitor spaces = 152 spaces
- 200 dwelling scenario 270 parking spaces plus 110 visitor spaces = 380 spaces
- 350 dwelling scenario 473 parking spaces plus 193 visitor spaces = 666 spaces

2.2.16. Using the required single parking space size (2.7 x 5.5m) we could then establish the land take of this existing parking requirement.

2.2.17. We then compared this to the Durham new adopted parking requirements, which show the following:

- 50 dwelling scenario 117 parking spaces plus 13 visitor spaces = 129 spaces
- 80 dwelling scenario 188 parking spaces plus 20 visitor spaces = 208 spaces
- 200 dwelling scenario 470 parking spaces plus 50 visitor spaces = 520 spaces
- 350 dwelling scenario 822 parking spaces plus 88 visitor spaces = 910 spaces

2.2.18. Again, using the required single parking space size (as above), we could calculate how much space this equated to and crucially how much more space this compared to the current parking requirement (which was already reflected in the typology allowances). Based on the proposed Durham parking requirements, the following additional land would be required to cover the additional parking requirements

- 50 dwelling scenario 0.05Ha
- 80 dwelling scenario 0.08Ha
- 200 dwelling scenario 0.21Ha
- 350 dwelling scenario 0.36Ha

2.2.19. The above shows that this would impact on the overall site areas of development. However, in the context of each site typology the additional requirements would be relatively modest. For example, the 50 dwelling scenario has a gross site area of 1.81Ha, therefore an increase of 0.05Ha would represent an uplift of around 2.8% of the total site area, for the 350 dwelling scenario the gross area assumed was 12.50 Ha therefore an uplift of 0.36Ha reflects an increase of 2.89%).

2.2.20. Having considered all of the above, and adopting a cautious approach, we have amended the gross to net allowances in the appraisals to the following:

Oct 2023 adopted gross to net area assumptions

Site Type 2: previously 90% now 75%

Site Type 3: previously 85% now 70%

Site Type 4: previously 85% now 70%

Site Type 5: previously 80% now 70%

Site Type 6: previously 85% now 65%

Site Type 7: previously 85% now 65%

2.2.21. The above are deemed to be implicit of the Biodiversity Net Gain onsite provision and also the Council's new car parking guidance.

2.3. Gross Development Value

2.3.1. This relates to the sales revenue of the completed dwellings, assuming the scheme had been fully completed. Gross development value includes market values, as well as revenue generated from transferring / disposing affordable units.

2.3.2. In the previous studies, the adopted revenue was taken as at 2017 and can be summarised as follows:

2017 adopted revenue

Highest Value Area	-	Market Value £2,500 per sq m
High Value Area	-	Market Value £2,150 per sq m
Medium Value Area	-	Market Value £1,900 per sq m
Low Value Area	-	Market Value £1,750 per sq m
Older Person Housing	-	£200-£250 per sq m increase on above
Affordable Rent	-	50% of Market Value
Intermediate	-	67.50% of Market Value

2.3.3. The market has been subject to significant house price inflation since 2017. According to the UK House Price Index, from July 2017 to July 2023 (the latest point currently shown in the database) the average house price in County Durham has increased from £104,028 to £128,990, which reflects an increase of 24%. Applied to the above would generate the following values:

2017 adopted revenue plus UK House Price Index as at Jul 23

Highest Value Area	-	Market Value £3,099 per sq m
High Value Area	-	Market Value £2,665 per sq m
Medium Value Area	-	Market Value £2,355 per sq m
Low Value Area	-	Market Value £2,169 per sq m

2.3.4. However, and notwithstanding the UK House Price index inflation rate, we have also looked to analyse new build transactions / current asking prices across recent developments in County Durham, using Land Registry data cross-referenced with the EPC Register dwelling sizes (to establish rates per sq m) and also Rightmove.

2.3.5. Transactional evidence on the Land Registry is limited for 2023 (which is partly due to ongoing delays with sales being input into the database). The most relevant sales identified during 2023 were from the Aspen Drive / Larch Way scheme in High Hold, Chester-le-Street, which is deemed to be a medium value area. The following sales are recorded:

	Address			Sq m	£ psm	Price	Date	Type
8	LARCH WAY	HIGH HOLD	DH2 1FN	76	£ 2,736	£207,950	26/05/2023	Semi
25	ASPEN DRIVE	HIGH HOLD	DH2 1FL	80	£ 2,562	£204,950	27/01/2023	Semi
27	ASPEN DRIVE	HIGH HOLD	DH2 1FL	80	£ 2,562	£204,950	06/02/2023	Semi
43	ASPEN DRIVE	HIGH HOLD	DH2 1FL	80	£ 2,587	£206,950	30/06/2023	Semi
60	ASPEN DRIVE	HIGH HOLD	DH2 1FL	80	£ 2,574	£205,950	31/03/2023	Semi
					£ 2,604			
2	LARCH WAY	HIGH HOLD	DH2 1FN	87	£ 2,873	£249,950	28/04/2023	Detached
26	LARCH WAY	HIGH HOLD	DH2 1FN	87	£ 2,930	£254,950	30/06/2023	Semi
					£ 2,902			
29	ASPEN DRIVE	HIGH HOLD	DH2 1FL	107	£ 2,542	£271,950	31/05/2023	Detached
54	ASPEN DRIVE	HIGH HOLD	DH2 1FL	107	£ 2,429	£259,950	31/03/2023	Detached
					£ 2,486			
39	ASPEN DRIVE	HIGH HOLD	DH2 1FL	118	£ 2,567	£302,950	20/04/2023	Detached
31	ASPEN DRIVE	HIGH HOLD	DH2 1FL	130	£ 2,553	£331,950	31/03/2023	Detached
41	ASPEN DRIVE	HIGH HOLD	DH2 1FL	130	£ 2,553	£331,950	21/04/2023	Detached
12	LARCH WAY	HIGH HOLD	DH2 1FN	130	£ 2,615	£339,950	30/05/2023	Detached
6	LARCH WAY	HIGH HOLD	DH2 1FN	131	£ 2,534	£331,950	30/06/2023	Detached
64	WILLOW CRESCENT	HIGH HOLD	DH2 1FP	131	£ 2,565	£335,950	28/04/2023	Detached
37	ASPEN DRIVE	HIGH HOLD	DH2 1FL	136	£ 2,610	£354,950	14/04/2023	Detached
					£ 2,572			
35	ASPEN DRIVE	HIGH HOLD	DH2 1FL	155	£ 2,555	£395,950	31/03/2023	Detached
56	ASPEN DRIVE	HIGH HOLD	DH2 1FL	155	£ 2,516	£389,950	06/01/2023	Detached
					£ 2,535			

2.3.6. For what is deemed to be a medium value area, even along for a deduction to reflect sales incentives, the above suggested an average value closer to £2,500 per sq m (and not therefore the figure of £2,355 per sq m shown when an average inflation rate is applied to our 2017 medium value).

2.3.7. In addition, we have also considered current asking prices across County Durham for new build housing. We have focused on specific dwelling types and note the following:

3 bed semi-detached

- Darlington Rd, Barnard Castle: 79 sq m asking £255,995 (£3,240 psm)
- Aykley Heads, Durham DH1: asking price of £249,950 (size unknown)
- Hartley Gardens, Gilesgate DH1: asking price of £245,000 (size unknown)
- High Steads, Hill Top DH9: asking price of £240,000 (size unknown)
- The Coppice, Chilton: 98 sq m asking £239,995 (£2,449 psm)
- Etherley Meadows, Bishop Auckland: 93 sq m asking £219,950 (£2,356 psm)
- Miller Homes, Pelton DH2: asking price of £215,950 (size unknown)
- Miller Homes, Seaham SR7: asking price of £213,950 (size unknown)
- Gleeson, Bearpark DH7: asking price of £208,995 (size unknown)
- Cornish Park, Spennymoor: 83 sq m asking £194,950 (£2,349 psm)
- High Grange Way, Wingate: 88 sq m asking £191,995 (£2,182 psm)
- Gleeson, Bishop Auckland DL14: asking price of £189,995 (size unknown)
- Gleeson, Willington DL15: asking price of £189,995 (size unknown)

3 bed detached

- Darlington Rd, Barnard Castle: 104 sq m asking £334,995 (£3,221 psm)
- Aykley Heads, Durham DH1: asking price of £346,950 (size unknown)
- Hardwick Grange, Sedgefield TS21: asking £270,000 (size unknown)
- Avant Homes, Birtley: asking £259,995 (size unknown)
- Bellway, Bowburn DH6: 99 sq m asking £249,995 (£2,525 psm)
- The Coppice, Chilton: 121 sq m asking £295,000 (£2,438 psm)
- Etherley Meadows, Bishop Auckland: 110 sq m asking £249,950 (£2,265 psm)
- Cornish Park, Spennymoor: 113 sq m asking £248,950 (£2,203 psm)
- High Grange Way, Wingate: 101 sq m asking £242,995 (£2,406 psm)
- Avant, Willington DL15: asking price of £239,995 (size unknown)
- Gleeson, Willington DL15: asking price of £239,995 (size unknown)
- Persimmon, Coxhoe DH6: asking price of £234,950 (size unknown)

2.3.8. In terms of the prevalent market conditions, at the current time the market is experiencing a high level of uncertainty and volatility. Over recent weeks the residential market has experienced a significant adjustment, which appears to have been accelerated by the government's 'mini-budget' announcement on 23rd Sept 2022. The Bank of England base rate has recently been increased to 5.25%, compared to 0.5% at the start of 2022. The knock-on effect of this and the government's announcement is that mortgage providers have significantly increased the cost of mortgage products, with rates pushing out towards 6% (compared to sub 2.5% as at Jan 22). The sharp increase in monthly repayments, combined with the ongoing cost of living / energy crisis, has meant a greater pressure on affordability.

2.3.9. By way of an example as to the impact this has on affordability, for a sale price of £150,000, with a 10% deposit this would mean a mortgage of £135,000. In the summer 2022 mortgages were available at around 2.5%. Assuming a 25 year mortgage period, this equates to a monthly repayment of £673. As at the time of writing, mortgages have increased to around 5.5%. On the same criteria this would means a mortgage repayment of £921 per calendar month. This level of increase in mortgage costs will impact on purchaser affordability, which in turn will reduce demand. The 'knock-on' effect is a reduction in property prices.

2.3.10. The property market is cyclical and goes through periods of 'peaks and troughs'. As described above, it is reasonable to characterise the current market as being a more subdued pricing period, where prices generally slow / stall. It is therefore important to stress that this viability update, which can only ever provide a 'snapshot' of the current market conditions, is being undertaken at a time when market conditions are more uncertain. The purpose of a Local Plan viability assessment is to identify the deliverability of planning policies over the longer term and in this respect short term market 'peaks and troughs' (and the subsequent impact this has on viability outcomes) should be considered within this context. In other words, a 'peak' in the market should not result in a sharp increase in planning polices, just as a 'trough' in the market should not result in a sharp reduction in planning policies. Whatever conclusions are reached needs to be an appropriate balanced against the long term nature of the Local Plan.

2.3.11. In terms of the current market conditions, at the March 2023 Stakeholder Workshop we proposed the following average net sales values for the purposes of the viability testing:

Proposed values at Workshop Mar 2023

Highest Value Area	-	Market Value £3,100 per sq m
High Value Area	-	Market Value £2,750 per sq m
Medium Value Area	-	Market Value £2,500 per sq m
Low Value Area	-	Market Value £2,100 per sq m

2.3.12. Following the workshop, the HBF submitted various comments on 11th April 2023. The comments raised can be summarized as follows:

- HBF accepted that since 2018 house price inflation had continued and therefore it was appropriate to uplift the rates adopted in the original Local Plan viability testing.

- However, HBF comment that the market outlook in 2023 is different to 2017/2018, as Stamp Duty Land Tax has returned to "normal rates", Help to Buy had ended, the Bank of England Base Rate is at a 15 year high and inflation running at over 10%. HBF suggest that this reduces the affordability of the sector.
- HBF suggest that there is no justification for the rates adopted.
- HBF also raise a concern that the Land Registry evidence does not match their member's in-house data.
- HBF argue that incentives are not allowed for in the adopted sales rates.

2.3.13. As per HBF's comments, there is agreement that the values adopted in the original Local Plan testing need to be inflated to account for sales price inflation. The level of uplift is what is in question.

2.3.14. In our Feb 2023 initial update report, we considered the following sources of evidence to inform our adopted market values:

- Land Registry transactions evidence (see attached Appendix 2)
- UK House Price Index (to establish a general inflation rate)

2.3.15. The use of the Land Registry data is considered to be an appropriate source of data for identifying residential sales values because (i) it is freely available and can be accessed by anyone in the market place, which means the data is regularly used to inform key market tools such as Rightmove, Zoopla etc (ii) the approach of using the Land Registry data was approved through the Local Plan examination and therefore provides a consistent approach for the purposes of the update (iii) the HBF do not provide any evidence to prove that the Land Registry data is inaccurate.

2.3.16. For the purposes of this update report, as discussed above, we have again considered the Land Registry data, as well as the UK House Price Index. We have also considered current asking prices, which provide useful insight into value expectations for new build housing across the County Durham market.

2.3.17. Having re-visited the evidence, and taking into account the current market conditions, we have adopted the following rates in our modelling:

Adopted values

Highest Value Area	-	Market Value £3,100 per sq m
High Value Area	-	Market Value £2,750 per sq m
Medium Value Area	-	Market Value £2,500 per sq m
Low Value Area	-	Market Value £2,150 per sq m

2.3.18. For the highest, high and medium value areas we have subsequently adopted the same rates as put forward in Feb 2023. The fact that we have not chosen to uplift these figures reflects the current uncertainty in the marketplace. However, we would stress that these rates are still considered to be net sales values, after incentives. However, for the low value areas we do note asking prices which are pushing to in excess of £2,200 per sq m. In recognition of this, and allowing for sales incentives, we have increased the average value to £2,150 per sq m.

2.3.19. For the older person housing (which take the form of bungalows in the modelling) we have again allowed an uplift of £200 per sq m from the above values, which is consistent with the previous approach.

2.3.20. For Affordable Rented units we have assumed 50% of market value. For the 'intermediate' tenure, the Council has indicated that in reality in recent cases this has been provided through a mix of shared ownership and predominantly discounted market sale. The Council has also suggested that a 'target' value of £120,000 has been sought for dwellings of this nature in order to meet housing needs, although this can vary based on property type. For the purposes of the modelling, we have looked to align this figure with the adopted allowance for First Homes, which are discussed further below (see para 2.10).

2.4. Plot construction costs

2.4.1. In our previous studies, the plot construction costs (being the sub-structure and super-structure of a dwelling) were based on the Build Cost Information Service ("BCIS") data. The use of this data for the purposes of plan-wide viability testing is supported in the Planning Practice Guidance: Viability. Please note, the BCIS data does not include externals, contingency allowances, abnormal costs and professional fees and therefore these have to be allowed for separately in the appraisals (see below).

2.4.2. The BCIS data used in our previous was rebased to Durham and based on the 'default' figures. For 2 storey housing, at the time, the BCIS median rate was £1,054 per sq m whilst the lower quartile was £938 per sq m. For bungalows (which were used in the modelling to meet the Older Person Housing policy requirement) the median rate was £1,190 per sqm and the lower quartile £1,058 per sq m. The median rate was deemed appropriate for Site Typology 2 (i.e. a scheme of 20 dwellings), however for Sites Types 3 to 7 the lower quartile was deemed appropriate.

2.4.3. For the purposes of this update, we have looked to apply the same approach as used in the previous studies, adopting the current BCIS 'default' figures (rebased to Durham) for single storey and 2 storey dwellings, with the median applied to Site Type 2 and the lower quartile applied to all other types.

2.4.4. The plot costs used in our updated modelling are as follows:

Plot construction costs (£ per sq m)

Site type (dwellings)	Average value 2/2.5 storey (£ per sq m)	Average value bungalows (£ per sq m)
20	£1,274	£1,497
50	£1,139	£1,314
80	£1,139	£1,314
125	£1,139	£1,314
200	£1,139	£1,314
350	£1,139	£1,314

2.4.5. However, as discussed in Section 1, the changes to Part L of the Building Regulations came into full effect from June 2023. These changes require that CO2 emissions are reduced by 31% for dwellings, with a new emphasis on low carbon heating systems. These are an interim step towards the Future Homes Standard which will come into force from 2025. To reflect these requirements.

2.4.6. It is necessary to make an additional allowance for these forthcoming changes. The BCIS data is based on contracted schemes (i.e. it is based on actual tendered contract sums submitted to the BCIS by developers / house builders). As this inherently 'looks backwards' (albeit with appropriate inflation rates applied) it does not currently reflect these cost changes to Buildings Regulations, so it is necessary to make an additional allowance when applying the BCIS figures.

2.4.7. In terms of the level of the Part L allowance, we have received submissions from developers / house builders on individual cases (across the wider regions) ranging from circa £3,000 to £5,000 per dwelling. Adopting a cautious approach, we have allowed £5,000 per dwelling in our appraisal.

2.4.8. In their representations in April 2023 the HBF also state the following:

However, Building Regulations are set to be upgraded further to Future Homes Standard in 2025. As transitional arrangements now confirm that Building Regulation standards are to be applied on a plot start basis, as opposed to site start, it is a certainty that all sites not yet implemented will be FHS compliant and bear the costs associated.

2.4.9. We would comment on this as follows:

- The full details of the Future Homes Standard are unconfirmed. The expectation is that there will be a requirement for 75-80% less carbon emissions than homes built prior to the June 23 Part L & F Building Regulations changes. However, without final confirmation it is therefore difficult to appropriately reflect these costs without the final details.

- It is unclear how the improvements in energy efficiency will impact on the 'end values' of dwellings. Our adopted values are essentially based on the values of dwellings prior to the introduction of the Part L & F changes in June 2023. It is likely that a dwelling which is more energy efficient (and therefore attracts lower energy bills) would have a higher market value when compared to a dwelling which is less efficient. It is conceivable that the majority (if not all) of the costs associated with delivering the Future Homes Standard would be offset by an improvement in the market value of the dwelling. This, at this stage, remains untested in the market place therefore it is difficult to appropriately balance this in the plan testing.

2.4.10. In light of the uncertainties around both the detail of the Future Homes Standard and the impact this will potentially have on market values, for the purposes of this update we consider it appropriate to exclude the Future Homes Standard requirement from the modelling. This can be revisited in the future when more detail is known and the impact on market values can be gauged.

2.4.11. In their April 23 comments the HBF also state the following:

BCIS build costs cover plot construction costs, site preliminaries and contractor overheads. As they are backward looking the HBF have concerns that the BCIS costs underplay the implications of reduced sales rates in respect to Overheads costs. Many of our members have provided trading updates to the market this year and indicated anticipated annual completions to fall in 2023 by circa 30-40% based upon early reservation and cancellation rates.

The effect of this slow-down in sales will be the elongating of build periods which will come with increased overhead costs. An allowance to reflect this in the Build Cost should be made.

2.4.12. The BCIS includes allowances for overheads, which are updated to take into account build cost inflation (and therefore in this sense are reflective of the prevalent market conditions). We therefore consider that changing overheads will be reflected in the BCIS data by way of the inherent inflation built into these figures. We do not therefore agree that additional allowances should be made above the BCIS rates.

2.5. Externals

2.5.1. External costs were a further 15% of the BCIS rates. In their representations in April 2023 the HBF state the following:

> *The 2023 Viability update confirms External costs are allowed at a rate of 15% of BCIS + Part L uplift. Noting points raised above in respect to FHS and overhead cost increases; the HBF consider that the 15% External Cost allowance should be applied to BCIS + Overhead uplift + 2021 Part L + FHS.*
>
> *Further as the it is anticipated that Gross to Net ratios are to significantly decrease due to BNG, logic follows that this shall create an increase in external costs as a percentage of Build Costs as net developable areas reduce and non-developable (external) areas increase as a proportion.*

2.5.2. Our externals allowance is based on the BCIS rate and Part L costs. As discussed above, for the reasons outlined, we do not consider it appropriate to include Future Homes costs in the current modelling, or any additional allowance for increased overheads.

2.5.3. In terms of the impact of Bio-Diversity Net Gain, we do not agree with the HBF's logic. The standard external costs are linked to the standard build costs within the net developable areas. Contrary to the HBF's suggestion, the net developable areas have not changed in our modelling, instead the gross areas have increased. In terms of the standard external costs (drains, roads, plot externals etc) these are therefore the same as they were in the past modelling. On this basis, we stand by 15% (which was previously accepted through the Examination process) as being appropriate.

2.6. Contingency

2.6.1. We previously applied a further 3% to the BCIS rates and externals for greenfield sites, increased to 5% for brownfield (otherwise referred to as previously developed land).

2.6.2. In their April 2023 comments, the HBF have suggested that the contingency should be applied to both Part L costs and also Future Homes Standards. To confirm, we have applied the contingency to the Part L costs. However, as discussed above, Future Homes Standards are not factored into the testing.

2.7. Abnormals

2.7.1. For abnormal costs, we previously allowed £75,000 per net Ha for greenfield sites and £150,000 per net Ha for brownfield.

2.7.2. In their April 2023 comments, the HBF suggests that inflation should be applied to these allowances. The HBF accepts that there is a relationship between abnormal costs and the benchmark land values, as set out in the Planning Practice Guidance: Viability. The key principle is that the benchmark land value should be adjusted to reflect the level of abnormal costs (in other words, as abnormals increase the benchmark land value should reduce and vice versa). This is because it is deemed reasonable to assume that the financial burden of abnormal costs should be mostly shouldered by a landowner (rather than a developer or the Local Authority).

2.7.3. The HBF goes on to state:

Whilst National Guidance directs that abnormal costs should be reflected in Benchmark Land Values; the HBF retains significant concerns of the implications of this approach on true deliverability as ultimately if abnormals costs reduce the Benchmark Land Value to a level that owners will simply not bring land to the market. The HBF continues to be concerned that DCC appear to believe land will come to the market in any circumstance, thereby bucking the lesson of history that landowners will delay bringing land to the market until a value is generated that incentivise them to sell, as this is often seen as a once in a lifetime opportunity.

2.7.4. We would respond as follows:

- As stated by the HBF, the approach to assessing abnormal costs / benchmark land value is as per national guidance and cannot be ignored.

- The HBF provide no evidence to support their assertion that the market is being stymied by abnormal costs being reflected in land values.

- The Council do not "…believe that land will come to the market in any circumstance". Firstly, this study is being undertaken by an independent assessor and we are advising the Council as to our experience in undertaking both individual viability assessments and Local Plan studies. This is not therefore the Council's views, but the views of an independent advisor. Secondly, we do not consider that land will come forward under any circumstance. Our modelling seeks to incorporate reasonable premium uplifts above the existing use value designed to incentivize a landowner to release the site for development (as per the guidance). The level of premium uplifts above the existing use values are based on our experience of undertaking viability assessments across over 40 different Local Authority areas, other Local Plan studies and also appeal decisions.

2.7.5. The HBF go on to refer to evidence put forward in 2019 during the Local Plan Examination in Public. This evidence was discussed at length during the Examination process. We do not consider it appropriate to re-open the discussions within this report. However, the outcome of the Examination process was that our abnormal cost allowances were deemed to be reasonable for the purposes of the Local Plan viability testing.

2.7.6. We stand by our abnormal cost allowances and have again applied the same rates in the updated modelling. We have not factored in inflation, as this would simply serve to reduce the benchmark land value (therefore mitigating the impact on the outcome of the modelling).

2.8. Benchmark Land Value

2.8.1. For benchmark land value, the following values were applied to our previous studies:

Benchmark Land Value Assumptions

Value area	Site type	Adopted BLV (per gross Ha)
Low	Greenfield	£200,000
Medium	Greenfield	£325,000
High	Greenfield	£500,000
Highest	Greenfield	£900,000
Low	Previously Developed Land	£175,000
Medium	Previously Developed Land	£275,000
High	Previously Developed Land	£450,000
Highest	Previously Developed Land	£800,000

2.8.2. The Planning Practice Guidance: Viability states that the benchmark land value should be based on the existing use value plus a premium. The level of benchmark land value needs to reflect the level of abnormal / infrastructure costs which impact on the site, the professional fees and also the planning policy requirements.

2.8.3. The first element of the assessment of the benchmark land value is therefore to determine the existing use value. The existing use value has to exclude any 'hope value' for future development and instead be based only on the current use of the property. For example, for a greenfield site this could be as a grazing field, for a brownfield site this could have an open air storage use.

2.8.4. In terms of greenfield land, we note the following in the current market:

- Stanley, Crook: grassland extending to 71.33 Ha. Sold subject to contract at an asking price of £770,000 (£10,795 per gross Ha).

- Lot 2, Pilmour House Farm, Sedgefield: arable land extending to 26.07 Ha. Sold subject to contract at an asking price of £585,000 (£22,440 per gross Ha).

- Cornsay: grassland extending to 23.39 Ha. Sold subject to contract at an asking price of £411,720 (£17,602 per gross Ha).

- Blake Laws, Middlehope, St Johns Chapel: grassland extending to 67.43 Ha. Sold subject to contract at an asking price of £330,000 (£4,894 per gross Ha).

- Long Newton: arable land extending to 10.22 Ha. Sold subject to contract at an asking price of £280,000 (£27,397 per gross Ha).

- Low Jobs Hill, Crook: grassland extending to 8.38 Ha. Available at an asking price of £150,000 (£17,900 per gross Ha).

- Gilmonby, Barnard Castle: grass land extending to 9.31 Ha. Sold subject to contract at an asking price of £145,000 (£15,575 per gross Ha).

- Prospect Meadows, St Johns Chapel: grassland extending to 9.50 Ha. Available at an asking price of £145,000 (£15,263 per gross Ha).

- Grewburn Lane, Butterknowle: grassland extending to 3.19 Ha. Available at an asking price of £120,000 (£37,618 per gross Ha).

- Crakehill Bank, Hamsterley: grass land extending to 8.31 Ha. Sold subject to contract at an asking price of £100,000 (£12,034 per gross Ha).

- Cornsay: grassland extending to 4.73 Ha. Sold subject to contract at an asking price of £87,300 (£18,457 per gross Ha).

- Roman Way, Middleton St George: grassland extending to 3.395 Ha. Sold subject to contract at an asking price of £65,000 (£19,146 per gross Ha).

2.8.5. As demonstrated, there is some fluctuation from site to site, with a range of £4,894 to £37,618 per gross Ha (and a sample average of £18,260 per Ha). However, for the purposes of a viability assessment not every site circumstance can be reflected, therefore it is appropriate to adopt an average rate. For the purposes of the viability modelling, we consider it reasonable to apply an average greenfield existing use value of £20,000 per Ha.

2.8.6. We have subsequently considered the premium uplifts previously adopted:

Previous Premium Uplift (based on £20,000 per Ha EUV)

Value area	Site type	Adopted BLV (per gross Ha)	Premium
Low	Greenfield	£200,000	10
Medium	Greenfield	£325,000	16.25
High	Greenfield	£500,000	25
Highest	Greenfield	£900,000	45

2.8.7. The guidance is silent on the appropriate level of premium uplifts for both greenfield and brownfield sites. However, for greenfield sites in particular, we are now assisted by some key planning appeal decisions:

- Warburton Lane, Trafford appeal from Jan 2021 (ref 3243720) solidified the key viability principle that there is a relationship between the level of abnormal costs and the corresponding benchmark land value (on the basis that as site specific infrastructure / abnormal costs increase the benchmark land value decreases and vice versa). In this decision, which was located in a high value area within the context of the Local Authority area, the Inspector agreed with the Council that a 10 times multiple of the existing use value was appropriate. In that particular case the abnormal costs were in excess of £1,000,000 per net Ha.

- Halton Heights, Forge Weir View (ref 3285794) dated 29th July 2022. The Inspector accepted a premium uplift of 15 times this amount to arrive at the benchmark land value. At that scheme, the site specific infrastructure / abnormal costs equated to £445,914 per net Ha. This was a high value area within the context of the Local Authority area.

2.8.8. The above therefore suggested a premium uplift of 10 to 15 times the existing use value for schemes in high value areas with abnormals ranging from around £500,000 to £1,000,000 per net Ha.

2.8.9. As discussed above, we have made an abnormal cost allowance of £75,000 per net Ha. However, in addition there are site specific infrastructure work allowances of £30,000 per gross Ha for SUDS, together with now an additional allowance of £30,000 per gross Ha for Biodiversity Net Gain. Overall, the site specific infrastructure / abnormal allowance is therefore in excess of £135,000 per net Ha (once adjustments are made for gross to net).

2.8.10. The 2 appeal cases discussed above allow premium uplifts in high value areas of 10 to 15 times the existing use value for site specific infrastructure costs ranging from circa £500,000 to £1,000,000 per net Ha. This suggests that for every circa £500,000 per Ha in site infrastructure / abnormal costs this should result in an adjustment of around 5 times the multiplier (or 1 times the multiplier for every circa £100,000 per net Ha in site specific infrastructure / abnormal works.

2.8.11. In this regard, for a high value area, this would suggest that if the site infrastructure / abnormal works are around £150,000 net Ha (like our modelling) then the level of costs would be around £350,000 less than the Warburton Lane appeal costs (where a premium uplift of 15 times the existing use value was deemed appropriate). To account for this reduction in the site infrastructure / abnormal works of £350,000 per net Ha, this would suggest that an uplift in the premium from 15 to 18.5 times would be broadly reasonable. As indicated above, in our high value area modelling we have assumed a premium uplift equivalent to 20 times the existing use value. This therefore appears generous when considered in the context of the existing use value and appeal decisions discussed above.

2.8.12. Similarly, for the highest value areas, and whilst accepting that a landowner would expect an uplift to reflect the higher value nature of the location, our previous allowance equated to an uplift of 45 times the existing use value. Again, this appears overly generous when considered in the context of the above. Furthermore, for the medium value area our uplift equated to 16.25 times the existing use value. Taking into account this being a lower value area than the appeal decision locations, even though the site infrastructure costs / abnormals are lower, in the context of the above we would consider around 15 times the existing use value (or lower) to be more in keeping with expectations. The lowest value area, though, at 10 times the existing use value still appears broadly reasonable.

2.8.13. Having considered the above, for the purposes of the updated testing, and taking into account the appeal decisions referred to above as well as the need to provide Bio-Diversity Net Gain (which is now a mandatory requirement and therefore functions like a site specific infrastructure cost / abnormal in the viability modelling in the sense that this has to be taken into account when assessing the benchmark land value) we have adjusted our greenfield benchmark land values to the following:

Updated Oct 23 Greenfield Benchmark Land Values (£20,000 per Ha EUV)

Value area	Site type	Adopted BLV (per gross Ha)	Premium
Low	Greenfield	£200,000	10
Medium	Greenfield	£300,000	15
High	Greenfield	£450,000	20
Highest	Greenfield	£600,000	30

2.8.14. For the brownfield / previously developed land, the methodology is the same, whereby an existing use value is identified and then a premium uplift applied. However, the existing use value is not only based on locational factors, but also this can be dependent on whether the site is cleared or whether there is already an existing use on site (such as offices, industrial). Again, though, a Local Plan viability assessment cannot take into account every scenario and therefore an assumption has to be made.

2.8.15. For the purposes of the assessment, we have previously adopted the following (rounded) benchmark land values for brownfield / previously development land to reflect what are considered to be different locational factors:

Original Benchmark Land Value Assumptions

Value area	Site type	Existing Use Value (per gross Ha)
Low	Previously Developed Land	£175,000
Medium	Previously Developed Land	£275,000
High	Previously Developed Land	£450,000
Highest	Previously Developed Land	£800,000

2.8.16. For brownfield / previously developed land, as the existing use value is generally significantly higher than greenfield sites, the level of uplift is not a multiplier figure, but instead is typically applied as a percentage uplift.

2.8.17. For the purposes of this updated, we have looked to establish an existing use value for each value location, based on a cleared brownfield site. We consider the following rates to be broadly reasonable:

Cleared Brownfield Site Existing Use Value Assumptions

Value area	Site type	Existing Use Value (per gross Ha)
Low	Previously Developed Land	£150,000
Medium	Previously Developed Land	£250,000
High	Previously Developed Land	£350,000
Highest	Previously Developed Land	£500,000

2.8.18. In our recent experience, we tend to see premium uplifts ranging from 0% to 30% of the existing use value (with 0% reflecting sites in low values areas that may be deemed to be a financial liability, for example if decontamination works are required). In this regard, and also the added requirement for Bio-Diversity Net Gain (as discussed above) these uplifts are deemed to be overly generous, particularly in the high and highest area.

2.8.19. Having considered the above, for the purposes of the updated testing, we have adjusted our brownfield benchmark land values to the following:

Updated Oct 23 Brownfield Benchmark Land Values

Value area	Site type	Adopted BLV (per gross Ha)	Premium
Low	Previously developed land	£165,000	10%
Medium	Previously developed land	£287,500	15%
High	Previously developed land	£420,000	20%
Highest	Previously developed land	£625,000	25%

2.9. Other appraisal assumptions

2.9.1. For professional fees, we previously applied a further 8% to the BCIS rates and externals for Site Type 2, 6% to Sites Types 3, 4 and 5 and 5% to Sites Types 6 and 7. We have adopted the same approach for the purposes of this update, albeit the Part L costs increases are also included in the calculation.

2.9.2. For marketing / disposal fees, we previously applied a further 2% on market value revenue for Site Type 2, increased to 3% for all other Sites Types. We have adopted the same approach again for the purposes of this update.

2.9.3. For legal costs we previously allowed £600 per unit, which again we have applied to our modelling.

2.9.4. For debit interest, we consider 8% to be appropriate in the current market.

2.9.5. For developer profit, a rate of 17% on market value revenue was applied to the greenfield scenario of Site Type 2, increased to 17.5% for the brownfield version. For Site Types 3, 4 and 5 the profit was 18.5% on revenue for the greenfield scenario, increased to 20% for the brownfield. For Site Types 6 and 6 an allowance of 20% on revenue was applied to both greenfield and brownfield scenarios. These rates are also applied to the First Homes' units (which need to be sold speculatively in the market place).

2.9.6. For the affordable dwellings, a reduced rate (as per the requirements of the Planning Practice Guidance: Viability) is applied equivalent to 10% on revenue. We have adopted the same allowances in the updated modelling.

2.10. Planning Policy assumptions

2.10.1. We have assumed on site affordable housing, as per the requirements of the Council's existing policies (both in terms of amount of affordable housing and also tenure mix). Within the specific typologies and value areas, our allowances are as follows:

Affordable Housing Assumptions

Site Type	Value Area	2 storey	OPH	Affordable Rent	Inter	First Homes	Total Dwellings	AH %
2	Highest	13	2	3	1	1	20	25.00%
3	Highest	32	5	8	2	3	50	26.00%
4	Highest	52	8	12	3	5	80	25.00%
5	Highest	81	13	18	5	8	125	24.80%
6	Highest	130	20	29	8	13	200	25.00%
7	Highest	227	35	53	13	22	350	25.14%
2	High	14	2	2	1	1	20	20.00%
3	High	35	5	4	3	3	50	20.00%
4	High	56	8	8	4	4	80	20.00%
5	High	87	13	13	6	6	125	20.00%
6	High	140	20	20	10	10	200	20.00%
7	High	245	35	34	18	18	350	20.00%
2	Medium	15	2	1	1	1	20	15.00%
3	Medium	37	5	3	3	2	50	16.00%
4	Medium	60	8	4	5	3	80	15.00%
5	Medium	93	13	6	8	5	125	15.20%
6	Medium	150	20	10	12	8	200	15.00%
7	Medium	262	35	18	22	13	350	15.14%
2	Low	16	2	0	1	1	20	10.00%
3	Low	40	5	0	4	1	50	10.00%
4	Low	64	8	0	6	2	80	10.00%
5	Low	99	13	0	9	4	125	10.40%
6	Low	160	20	0	15	5	200	10.00%
7	Low	280	35	0	26	9	350	10.00%

2.10.2. The Council is also proposing a 'locally determined cap' in relation to First Homes. The Council has indicated that the evidence base on need indicates that a local determined cap of around £120,000 is required. However, the Council acknowledges that the deliverability of this level of cap is ultimately dependent on the viability outcome. The Council has therefore requested that the modelling considers different levels for this cap, ultimately to determine the appropriate policy level to adopt. The starting point, though, is at £120,000 in line with the identified need.

2.10.3. Specifically, in terms of education contributions, we understand the following:

- In September 2015, Durham County Council's Cabinet approved a methodology for securing developer contributions towards education provision in County Durham.

- Since 2015 there have been 238 applications (major housing development where 10 or more homes are proposed) submitted to and validated by the LPA for consideration. Analysis of these has determined that there have been 129 applications where no contribution(s) towards education were requested on account that existing schools could accommodate the development, and 6 applications for over 300 dwellings where contributions were calculated on the full mitigation required as per the Council's adopted policy for Developer Contributions for Education Mitigation. There have been 103 applications where the council's Education Pupil Place Planning Team has requested contributions using the policy methodology, this has resulted in an average financial request for education of £3,538 per dwelling.

- In August 2023, the Department for Education released "Securing developer contributions for education"[3] which introduces a standard approach for pupil yields and build costs which is adjusted for regional location factors. This has resulted in the introduction of two new categories (early years and post 16 learners) to be considered. With the introduction of contributions for Special Education within the 'Development Viability, Affordable Housing and Financial Contributions" SPD too, the average financial request is anticipated to rise marginally in the future. Therefore, taking everything into account, this viability update has included an allowance of £4,000 per dwelling as the financial request for education. This is considered to be reasonable taking account of the fact that 54% of the schemes (129 out of 238) did not require any financial contributions towards education, and those which did, had an average of £3,538 per dwelling.

[3] https://www.gov.uk/government/publications/delivering-schools-to-support-housing-growth

2.10.4. In terms of other policy allowances, we have included the following assumptions:

- **Health:** the Council has indicated that an allowance equivalent to approximately £500 per Dwelling (anticipated upper limit) is sufficient to meet this policy requirement (although it is stressed that this may not apply to all sites and therefore our modelling is considered to be a 'worst case' scenario from a cost perspective). The 'Development Viability, Affordable Housing and Financial Contributions' SPD sets out the methodology for calculating contributions towards health provision and is based on NHS guidance which requires contributions in instances where demand from development cannot be accommodated within existing facilities.

- **Sustainable Urban Drainage System:** an allowance equivalent to £25,000 per gross Ha was tested in our original modelling. This has been increased to £30,000 per gross Ha.

- **M4(2) accessible and adaptable:** an allowance equivalent to £5 per sq m was allowed in our original studies. Adopting a cautious approach this has been increased to £7 per sq m, and applied to 66% of all dwellings, as per the policy requirement.

- **M4(3) wheelchair user dwelling:** an allowance equivalent to £370 per sq m was allowed in our original studies. Adopting a cautious approach, this has been increased to £400 per sq m, applied to 25% of the affordable dwellings.

- **Biodiversity Net Gain:** the 2021 Environment Act introduced an automatic condition requiring a Biodiversity Net Gain of 10%. To calculate the biodiversity value of a site the Department for Environment, Food & Rural Affairs ("DEFRA") recommends the use of its biodiversity metric (an online tool freely available to use). The metric calculates the values as "Biodiversity Units", which are calculated using the size of the habitat, its quality and location. This assessment is required on a site-by-site basis. In this regard, the cost associated with Bio-Diversity Net gain can fluctuate significantly from site to site. As indicated above, a Local Plan assessment cannot reflect the individual circumstances of all sites and instead it is appropriate to adopt an average rate. Furthermore, again as discussed above, the level of Biodiversity Net Gain allowance should be reflected in the corresponding benchmark land value (as this is a mandatory site specific infrastructure cost and therefore, as per the viability guidance, it is necessary to take this into account when assessing the benchmark land value). In this regard, if the Biodiversity Net Gain costs are increased in the model, this would serve to put a downward pressure on the benchmark land value (and therefore offset the impact on the viability outcome). For the purposes of the testing, our approach to accounting for this new requirement is two fold:

  (i) We have significantly increased the gross to net ratios to allow space for onsite Biodiversity Net Gain:

  Oct 2023 adopted gross to net area assumptions

  Site Type 2: previously 90% now 75%

  Site Type 3: previously 85% now 70%

  Site Type 4: previously 85% now 70%

  Site Type 5: previously 80% now 70%

  Site Type 6: previously 85% now 65%

  Site Type 7: previously 85% now 65%

(ii) We have assumed a cost equivalent to £30,000 per net Ha for delivery. Please note, in terms of ongoing maintenance we have assumed that this can be dealt with through an estate management company (as is often used for general estate open space).

- **Enhanced Parking Standards:** as discussed above, in the context of the amended gross to net ratios we consider that this incorporates the enhanced parking requirements as proposed by the Council.

- **Open Space:** an allowance equivalent to £3,478 per dwelling was allowed in our original studies. This figure remains consistent with the OSNA and has again been used for the purposes of this study.

2.10.5. Finally, we have also considered Nutrient Neutrality. At the current time this is an issue which is affecting some sites coming forward within the River Tees catchment area[4] . As the Competent Authority under the Habitats Regulations, Durham County Council need to carefully consider the nutrients impacts of any new plans and projects (including new development proposals) on Habitats Sites and whether those impacts may have an adverse effect on the integrity of a Habitats Site that requires mitigation, including through nutrient neutrality.

2.10.6. In September 2023, the government tabled a series of amendments to the Levelling Up and Regeneration Bill (LURB) which would have essentially removed consideration of the impacts of nutrient pollution from the Appropriate Assessment process for the vast majority of planning applications. These amendments were voted down in the House of Lords and can no longer be taken forward through the LURB.

[4] Tees Management Catchment | Catchment Data Explorer

2.10.7. The government's current position is that it intends to address Nutrient Neutrality through new legislation. In addition, details of a Local Nutrient Mitigation Fund are to be announced. The duty on water companies to upgrade wastewater treatment works in affected catchment areas by 2030 remains in the LURB and will provide a solution in the longer-term.

2.10.8. At present, those wanting to build new housing within the Tees catchment area will need to mitigate any nutrient pollution it will create in order to obtain planning permission. To date, there have been some options to buy credits that fund mitigation activities, such as creating a new woodland or wetland. Natural England's Nutrient Mitigation Scheme was open for the first round of applications earlier in 2023 and the cost of one credit was £1,825. In the latest round of bidding the cost of credits are £2,300 each and the number of credits required will be dependent on factors such as the existing use of the land and the occupation rate, which is applied by the Local Planning Authority (LPA). The occupation figure for County Durham is 1.38. On schemes successful (within County Durham) in the second round of bidding to Natural England, the number of credits needed per dwelling have ranged from 0.59 to 2.47.

2.10.9. For viability purposes, it has been estimated that the average number of credits needed to mitigate 1 house would be circa 1.5 which would give a total figure of £3,450 per dwelling. This has been factored into the development appraisals of sites falling within the River Tees catchment area as an abnormal cost, but this could be higher or lower depending on local circumstances, the existing use of the land, the current cost of credits and will be determined by Natural England's calculator.

3. Updated appraisal results

3.1. Full policies (excluding Nutrient Neutrality): First Homes / DMS cap £120,000

Type	Area	Land	Units	AH %	First Homes / DMS	Policy per unit	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 120,000	£ 13,234	£ 508,675	£ 536,000	-£ 27,325	NO
3	Highest	Green	50	26.00%	£ 120,000	£ 13,275	£ 1,807,348	£ 1,320,000	£ 487,348	YES
4	Highest	Green	80	25.00%	£ 120,000	£ 13,190	£ 2,924,410	£ 2,108,571	£ 815,839	YES
5	Highest	Green	125	24.80%	£ 120,000	£ 13,177	£ 4,431,917	£ 3,300,000	£1,131,917	YES
6	Highest	Green	200	25.00%	£ 120,000	£ 13,189	£ 6,573,904	£ 5,270,769	£1,303,135	YES
7	Highest	Green	350	25.14%	£ 120,000	£ 13,203	£11,560,699	£ 9,230,769	£2,329,930	YES
2	High	Green	20	20.00%	£ 120,000	£ 12,824	£ 222,051	£ 402,000	-£ 179,949	NO
3	High	Green	50	20.00%	£ 120,000	£ 12,784	£ 1,182,929	£ 990,000	£ 192,929	YES
4	High	Green	80	20.00%	£ 120,000	£ 12,780	£ 1,873,441	£ 1,581,429	£ 292,012	YES
5	High	Green	125	20.00%	£ 120,000	£ 12,783	£ 2,857,370	£ 2,475,000	£ 382,370	YES
6	High	Green	200	20.00%	£ 120,000	£ 12,779	£ 4,264,983	£ 3,953,077	£ 311,906	YES
7	High	Green	350	20.00%	£ 120,000	£ 12,781	£ 7,068,993	£ 6,923,077	£ 145,916	YES
2	Medium	Green	20	15.00%	£ 120,000	£ 12,407	£ 15,551	£ 268,000	-£ 252,449	NO
3	Medium	Green	50	16.00%	£ 120,000	£ 12,451	£ 683,704	£ 660,000	£ 23,704	YES
4	Medium	Green	80	15.00%	£ 120,000	£ 12,363	£ 1,152,242	£ 1,054,286	£ 97,956	YES
5	Medium	Green	125	15.20%	£ 120,000	£ 12,383	£ 1,772,292	£ 1,650,000	£ 122,292	YES
6	Medium	Green	200	15.00%	£ 120,000	£ 12,362	£ 2,666,671	£ 2,635,385	£ 31,286	YES
7	Medium	Green	350	15.14%	£ 120,000	£ 12,376	£ 4,453,579	£ 4,615,385	-£ 161,805	NO
2	Low	Green	20	10.00%	£ 120,000	£ 11,982	-£ 344,996	£ 178,667	-£ 523,663	NO
3	Low	Green	50	10.00%	£ 120,000	£ 11,942	-£ 53,526	£ 440,000	-£ 493,526	NO
4	Low	Green	80	10.00%	£ 120,000	£ 11,938	-£ 58,971	£ 702,857	-£ 761,828	NO
5	Low	Green	125	10.40%	£ 120,000	£ 11,977	-£ 52,242	£ 1,100,000	-£1,152,242	NO
6	Low	Green	200	10.00%	£ 120,000	£ 11,938	-£ 77,873	£ 1,756,923	-£1,834,796	NO
7	Low	Green	350	10.00%	£ 120,000	£ 11,940	-£ 66,576	£ 3,076,923	-£3,143,499	NO
2	Highest	PDL	20	25.00%	£ 120,000	£ 13,234	£ 397,200	£ 558,333	-£ 161,133	NO
3	Highest	PDL	50	26.00%	£ 120,000	£ 13,275	£ 1,475,858	£ 1,375,000	£ 100,858	YES
4	Highest	PDL	80	25.00%	£ 120,000	£ 13,190	£ 2,400,504	£ 2,196,429	£ 204,075	YES
5	Highest	PDL	125	24.80%	£ 120,000	£ 13,177	£ 3,649,131	£ 3,437,500	£ 211,631	YES
6	Highest	PDL	200	25.00%	£ 120,000	£ 13,189	£ 5,842,593	£ 5,490,385	£ 352,208	YES
7	Highest	PDL	350	25.14%	£ 120,000	£ 13,203	£ 9,581,186	£ 9,615,385	-£ 34,199	NO
2	High	PDL	20	20.00%	£ 120,000	£ 12,824	£ 108,481	£ 375,200	-£ 266,719	NO
3	High	PDL	50	20.00%	£ 120,000	£ 12,784	£ 854,769	£ 924,000	-£ 69,231	NO
4	High	PDL	80	20.00%	£ 120,000	£ 12,780	£ 1,358,085	£ 1,476,000	-£ 117,915	NO
5	High	PDL	125	20.00%	£ 120,000	£ 12,783	£ 2,083,855	£ 2,310,000	-£ 226,145	NO
6	High	PDL	200	20.00%	£ 120,000	£ 12,779	£ 3,529,150	£ 3,689,538	-£ 160,389	NO
7	High	PDL	350	20.00%	£ 120,000	£ 12,781	£ 5,825,535	£ 6,461,538	-£ 636,004	NO
2	Medium	PDL	20	15.00%	£ 120,000	£ 12,407	-£ 101,415	£ 256,833	-£ 358,249	NO
3	Medium	PDL	50	16.00%	£ 120,000	£ 12,451	£ 363,306	£ 632,500	-£ 269,194	NO
4	Medium	PDL	80	15.00%	£ 120,000	£ 12,363	£ 640,999	£ 1,010,357	-£ 369,359	NO
5	Medium	PDL	125	15.20%	£ 120,000	£ 12,383	£ 1,001,376	£ 1,581,250	-£ 579,874	NO
6	Medium	PDL	200	15.00%	£ 120,000	£ 12,362	£ 1,924,006	£ 2,525,577	-£ 601,571	NO
7	Medium	PDL	350	15.14%	£ 120,000	£ 12,376	£ 3,198,466	£ 4,423,077	-£1,224,611	NO
2	Low	PDL	20	10.00%	£ 120,000	£ 11,982	-£ 464,815	£ 147,400	-£ 612,215	NO
3	Low	PDL	50	10.00%	£ 120,000	£ 11,942	-£ 400,308	£ 363,000	-£ 763,308	NO
4	Low	PDL	80	10.00%	£ 120,000	£ 11,938	-£ 605,292	£ 579,857	-£1,185,149	NO
5	Low	PDL	125	10.40%	£ 120,000	£ 11,977	-£ 923,816	£ 907,500	-£1,831,316	NO
6	Low	PDL	200	10.00%	£ 120,000	£ 11,938	-£ 919,910	£ 1,449,462	-£2,369,372	NO
7	Low	PDL	350	10.00%	£ 120,000	£ 11,940	-£ 1,514,363	£ 2,538,462	-£4,052,825	NO

Full planning policies (excluding Nutrient Neutrality): First Homes / DMS cap £130,000

Type	Area	Land	Units	AH %	First Homes / DMS	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 130,000	£ 526,475	£ 536,000	-£ 9,525	NO
3	Highest	Green	50	26.00%	£ 130,000	£ 1,851,448	£ 1,320,000	£ 531,448	YES
4	Highest	Green	80	25.00%	£ 130,000	£ 2,994,910	£ 2,108,571	£ 886,339	YES
5	Highest	Green	125	24.80%	£ 130,000	£ 4,546,517	£ 3,300,000	£1,246,517	YES
6	Highest	Green	200	25.00%	£ 130,000	£ 6,759,004	£ 5,270,769	£1,488,235	YES
7	Highest	Green	350	25.14%	£ 130,000	£11,869,099	£ 9,230,769	£2,638,330	YES
2	High	Green	20	20.00%	£ 130,000	£ 239,851	£ 402,000	-£ 162,149	NO
3	High	Green	50	20.00%	£ 130,000	£ 1,236,029	£ 990,000	£ 246,029	YES
4	High	Green	80	20.00%	£ 130,000	£ 1,944,241	£ 1,581,429	£ 362,812	YES
5	High	Green	125	20.00%	£ 130,000	£ 2,963,570	£ 2,475,000	£ 488,570	YES
6	High	Green	200	20.00%	£ 130,000	£ 4,441,983	£ 3,953,077	£ 488,906	YES
7	High	Green	350	20.00%	£ 130,000	£ 7,387,593	£ 6,923,077	£ 464,516	YES
2	Medium	Green	20	15.00%	£ 130,000	£ 33,351	£ 268,000	-£ 234,649	NO
3	Medium	Green	50	16.00%	£ 130,000	£ 728,104	£ 660,000	£ 68,104	YES
4	Medium	Green	80	15.00%	£ 130,000	£ 1,223,342	£ 1,054,286	£ 169,056	YES
5	Medium	Green	125	15.20%	£ 130,000	£ 1,887,792	£ 1,650,000	£ 237,792	YES
6	Medium	Green	200	15.00%	£ 130,000	£ 2,844,271	£ 2,635,385	£ 208,886	YES
7	Medium	Green	350	15.14%	£ 130,000	£ 4,764,679	£ 4,615,385	£ 149,295	YES
2	Low	Green	20	10.00%	£ 130,000	-£ 327,196	£ 178,667	-£ 505,863	NO
3	Low	Green	50	10.00%	£ 130,000	-£ 8,826	£ 440,000	-£ 448,826	NO
4	Low	Green	80	10.00%	£ 130,000	£ 12,429	£ 702,857	-£ 690,428	NO
5	Low	Green	125	10.40%	£ 130,000	£ 63,558	£ 1,100,000	-£1,036,442	NO
6	Low	Green	200	10.00%	£ 130,000	£ 100,627	£ 1,756,923	-£1,656,296	NO
7	Low	Green	350	10.00%	£ 130,000	£ 245,724	£ 3,076,923	-£2,831,199	NO
2	Highest	PDL	20	25.00%	£ 130,000	£ 415,000	£ 558,333	-£ 143,333	NO
3	Highest	PDL	50	26.00%	£ 130,000	£ 1,519,958	£ 1,375,000	£ 144,958	YES
4	Highest	PDL	80	25.00%	£ 130,000	£ 2,471,004	£ 2,196,429	£ 274,575	YES
5	Highest	PDL	125	24.80%	£ 130,000	£ 3,763,731	£ 3,437,500	£ 326,231	YES
6	Highest	PDL	200	25.00%	£ 130,000	£ 6,027,693	£ 5,490,385	£ 537,308	YES
7	Highest	PDL	350	25.14%	£ 130,000	£ 9,889,586	£ 9,615,385	£ 274,201	YES
2	High	PDL	20	20.00%	£ 130,000	£ 126,281	£ 375,200	-£ 248,919	NO
3	High	PDL	50	20.00%	£ 130,000	£ 907,869	£ 924,000	-£ 16,131	NO
4	High	PDL	80	20.00%	£ 130,000	£ 1,428,885	£ 1,476,000	-£ 47,115	NO
5	High	PDL	125	20.00%	£ 130,000	£ 2,190,055	£ 2,310,000	-£ 119,945	NO
6	High	PDL	200	20.00%	£ 130,000	£ 3,706,150	£ 3,689,538	£ 16,611	YES
7	High	PDL	350	20.00%	£ 130,000	£ 6,144,135	£ 6,461,538	-£ 317,404	NO
2	Medium	PDL	20	15.00%	£ 130,000	-£ 83,615	£ 256,833	-£ 340,449	NO
3	Medium	PDL	50	16.00%	£ 130,000	£ 407,706	£ 632,500	-£ 224,794	NO
4	Medium	PDL	80	15.00%	£ 130,000	£ 712,099	£ 1,010,357	-£ 298,259	NO
5	Medium	PDL	125	15.20%	£ 130,000	£ 1,116,876	£ 1,581,250	-£ 464,374	NO
6	Medium	PDL	200	15.00%	£ 130,000	£ 2,101,606	£ 2,525,577	-£ 423,971	NO
7	Medium	PDL	350	15.14%	£ 130,000	£ 3,509,566	£ 4,423,077	-£ 913,511	NO
2	Low	PDL	20	10.00%	£ 130,000	-£ 447,015	£ 147,400	-£ 594,415	NO
3	Low	PDL	50	10.00%	£ 130,000	-£ 355,608	£ 363,000	-£ 718,608	NO
4	Low	PDL	80	10.00%	£ 130,000	-£ 533,892	£ 579,857	-£1,113,749	NO
5	Low	PDL	125	10.40%	£ 130,000	-£ 808,016	£ 907,500	-£1,715,516	NO
6	Low	PDL	200	10.00%	£ 130,000	-£ 741,410	£ 1,449,462	-£2,190,872	NO
7	Low	PDL	350	10.00%	£ 130,000	-£ 1,202,063	£ 2,538,462	-£3,740,525	NO

Full planning policies (excluding Nutrient Neutrality): First Homes / DMS cap £140,000

Type	Area	Land	Units	AH %	First Homes / DMS	Policy per unit	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 140,000	£ 13,234	£ 544,275	£ 536,000	£ 8,275	YES
3	Highest	Green	50	26.00%	£ 140,000	£ 13,275	£ 1,895,548	£ 1,320,000	£ 575,548	YES
4	Highest	Green	80	25.00%	£ 140,000	£ 13,190	£ 3,065,410	£ 2,108,571	£ 956,839	YES
5	Highest	Green	125	24.80%	£ 140,000	£ 13,177	£ 4,661,117	£ 3,300,000	£1,361,117	YES
6	Highest	Green	200	25.00%	£ 140,000	£ 13,189	£ 6,944,104	£ 5,270,769	£1,673,335	YES
7	Highest	Green	350	25.14%	£ 140,000	£ 13,203	£12,177,499	£ 9,230,769	£2,946,730	YES
2	High	Green	20	20.00%	£ 140,000	£ 12,824	£ 257,651	£ 402,000	-£ 144,349	NO
3	High	Green	50	20.00%	£ 140,000	£ 12,784	£ 1,289,129	£ 990,000	£ 299,129	YES
4	High	Green	80	20.00%	£ 140,000	£ 12,780	£ 2,015,041	£ 1,581,429	£ 433,612	YES
5	High	Green	125	20.00%	£ 140,000	£ 12,783	£ 3,069,770	£ 2,475,000	£ 594,770	YES
6	High	Green	200	20.00%	£ 140,000	£ 12,779	£ 4,618,983	£ 3,953,077	£ 665,906	YES
7	High	Green	350	20.00%	£ 140,000	£ 12,781	£ 7,706,193	£ 6,923,077	£ 783,116	YES
2	Medium	Green	20	15.00%	£ 140,000	£ 12,407	£ 51,151	£ 268,000	-£ 216,849	NO
3	Medium	Green	50	16.00%	£ 140,000	£ 12,451	£ 772,504	£ 660,000	£ 112,504	YES
4	Medium	Green	80	15.00%	£ 140,000	£ 12,363	£ 1,294,442	£ 1,054,286	£ 240,156	YES
5	Medium	Green	125	15.20%	£ 140,000	£ 12,383	£ 2,003,292	£ 1,650,000	£ 353,292	YES
6	Medium	Green	200	15.00%	£ 140,000	£ 12,362	£ 3,021,871	£ 2,635,385	£ 386,486	YES
7	Medium	Green	350	15.14%	£ 140,000	£ 12,376	£ 5,075,779	£ 4,615,385	£ 460,395	YES
2	Low	Green	20	10.00%	£ 140,000	£ 11,982	-£ 309,396	£ 178,667	-£ 488,063	NO
3	Low	Green	50	10.00%	£ 140,000	£ 11,942	£ 35,874	£ 440,000	-£ 404,126	NO
4	Low	Green	80	10.00%	£ 140,000	£ 11,938	£ 83,829	£ 702,857	-£ 619,028	NO
5	Low	Green	125	10.40%	£ 140,000	£ 11,977	£ 179,358	£ 1,100,000	-£ 920,642	NO
6	Low	Green	200	10.00%	£ 140,000	£ 11,938	£ 279,127	£ 1,756,923	-£1,477,796	NO
7	Low	Green	350	10.00%	£ 140,000	£ 11,940	£ 558,024	£ 3,076,923	-£2,518,899	NO
2	Highest	PDL	20	25.00%	£ 140,000	£ 13,234	£ 432,800	£ 558,333	-£ 125,533	NO
3	Highest	PDL	50	26.00%	£ 140,000	£ 13,275	£ 1,564,058	£ 1,375,000	£ 189,058	YES
4	Highest	PDL	80	25.00%	£ 140,000	£ 13,190	£ 2,541,504	£ 2,196,429	£ 345,075	YES
5	Highest	PDL	125	24.80%	£ 140,000	£ 13,177	£ 3,878,331	£ 3,437,500	£ 440,831	YES
6	Highest	PDL	200	25.00%	£ 140,000	£ 13,189	£ 6,212,793	£ 5,490,385	£ 722,408	YES
7	Highest	PDL	350	25.14%	£ 140,000	£ 13,203	£10,197,986	£ 9,615,385	£ 582,601	YES
2	High	PDL	20	20.00%	£ 140,000	£ 12,824	£ 144,081	£ 375,200	-£ 231,119	NO
3	High	PDL	50	20.00%	£ 140,000	£ 12,784	£ 960,969	£ 924,000	£ 36,969	YES
4	High	PDL	80	20.00%	£ 140,000	£ 12,780	£ 1,499,685	£ 1,476,000	£ 23,685	YES
5	High	PDL	125	20.00%	£ 140,000	£ 12,783	£ 2,296,255	£ 2,310,000	-£ 13,745	NO
6	High	PDL	200	20.00%	£ 140,000	£ 12,779	£ 3,883,150	£ 3,689,538	£ 193,611	YES
7	High	PDL	350	20.00%	£ 140,000	£ 12,781	£ 6,462,735	£ 6,461,538	£ 1,196	YES
2	Medium	PDL	20	15.00%	£ 140,000	£ 12,407	-£ 65,815	£ 256,833	-£ 322,649	NO
3	Medium	PDL	50	16.00%	£ 140,000	£ 12,451	£ 452,106	£ 632,500	-£ 180,394	NO
4	Medium	PDL	80	15.00%	£ 140,000	£ 12,363	£ 783,199	£ 1,010,357	-£ 227,159	NO
5	Medium	PDL	125	15.20%	£ 140,000	£ 12,383	£ 1,232,376	£ 1,581,250	-£ 348,874	NO
6	Medium	PDL	200	15.00%	£ 140,000	£ 12,362	£ 2,279,206	£ 2,525,577	-£ 246,371	NO
7	Medium	PDL	350	15.14%	£ 140,000	£ 12,376	£ 3,820,666	£ 4,423,077	-£ 602,411	NO
2	Low	PDL	20	10.00%	£ 140,000	£ 11,982	-£ 429,215	£ 147,400	-£ 576,615	NO
3	Low	PDL	50	10.00%	£ 140,000	£ 11,942	-£ 310,908	£ 363,000	-£ 673,908	NO
4	Low	PDL	80	10.00%	£ 140,000	£ 11,938	-£ 462,492	£ 579,857	-£1,042,349	NO
5	Low	PDL	125	10.40%	£ 140,000	£ 11,977	-£ 692,216	£ 907,500	-£1,599,716	NO
6	Low	PDL	200	10.00%	£ 140,000	£ 11,938	-£ 562,910	£ 1,449,462	-£2,012,372	NO
7	Low	PDL	350	10.00%	£ 140,000	£ 11,940	-£ 889,763	£ 2,538,462	-£3,428,225	NO

Full planning policies (excluding Nutrient Neutrality): First Homes / DMS cap £150,000

Type	Area	Land	Units	AH %	First Homes / DMS	Policy per unit	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 150,000	£ 13,234	£ 562,075	£ 536,000	£ 26,075	YES
3	Highest	Green	50	26.00%	£ 150,000	£ 13,275	£ 1,939,648	£ 1,320,000	£ 619,648	YES
4	Highest	Green	80	25.00%	£ 150,000	£ 13,190	£ 3,135,910	£ 2,108,571	£1,027,339	YES
5	Highest	Green	125	24.80%	£ 150,000	£ 13,177	£ 4,775,717	£ 3,300,000	£1,475,717	YES
6	Highest	Green	200	25.00%	£ 150,000	£ 13,189	£ 7,129,204	£ 5,270,769	£1,858,435	YES
7	Highest	Green	350	25.14%	£ 150,000	£ 13,203	£12,485,899	£ 9,230,769	£3,255,130	YES
2	High	Green	20	20.00%	£ 150,000	£ 12,824	£ 275,451	£ 402,000	-£ 126,549	NO
3	High	Green	50	20.00%	£ 150,000	£ 12,784	£ 1,342,229	£ 990,000	£ 352,229	YES
4	High	Green	80	20.00%	£ 150,000	£ 12,780	£ 2,085,841	£ 1,581,429	£ 504,412	YES
5	High	Green	125	20.00%	£ 150,000	£ 12,783	£ 3,175,970	£ 2,475,000	£ 700,970	YES
6	High	Green	200	20.00%	£ 150,000	£ 12,779	£ 4,795,983	£ 3,953,077	£ 842,906	YES
7	High	Green	350	20.00%	£ 150,000	£ 12,781	£ 8,024,793	£ 6,923,077	£1,101,716	YES
2	Medium	Green	20	15.00%	£ 150,000	£ 12,407	£ 68,951	£ 268,000	-£ 199,049	NO
3	Medium	Green	50	16.00%	£ 150,000	£ 12,451	£ 816,904	£ 660,000	£ 156,904	YES
4	Medium	Green	80	15.00%	£ 150,000	£ 12,363	£ 1,365,542	£ 1,054,286	£ 311,256	YES
5	Medium	Green	125	15.20%	£ 150,000	£ 12,383	£ 2,118,792	£ 1,650,000	£ 468,792	YES
6	Medium	Green	200	15.00%	£ 150,000	£ 12,362	£ 3,199,471	£ 2,635,385	£ 564,086	YES
7	Medium	Green	350	15.14%	£ 150,000	£ 12,376	£ 5,386,879	£ 4,615,385	£ 771,495	YES
2	Low	Green	20	10.00%	£ 150,000	£ 11,982	-£ 291,596	£ 178,667	-£ 470,263	NO
3	Low	Green	50	10.00%	£ 150,000	£ 11,942	£ 80,574	£ 440,000	-£ 359,426	NO
4	Low	Green	80	10.00%	£ 150,000	£ 11,938	£ 155,229	£ 702,857	-£ 547,628	NO
5	Low	Green	125	10.40%	£ 150,000	£ 11,977	£ 295,158	£ 1,100,000	-£ 804,842	NO
6	Low	Green	200	10.00%	£ 150,000	£ 11,938	£ 457,627	£ 1,756,923	-£1,299,296	NO
7	Low	Green	350	10.00%	£ 150,000	£ 11,940	£ 870,324	£ 3,076,923	-£2,206,599	NO
2	Highest	PDL	20	25.00%	£ 150,000	£ 13,234	£ 450,600	£ 558,333	-£ 107,733	NO
3	Highest	PDL	50	26.00%	£ 150,000	£ 13,275	£ 1,608,158	£ 1,375,000	£ 233,158	YES
4	Highest	PDL	80	25.00%	£ 150,000	£ 13,190	£ 2,612,004	£ 2,196,429	£ 415,575	YES
5	Highest	PDL	125	24.80%	£ 150,000	£ 13,177	£ 3,992,931	£ 3,437,500	£ 555,431	YES
6	Highest	PDL	200	25.00%	£ 150,000	£ 13,189	£ 6,397,893	£ 5,490,385	£ 907,508	YES
7	Highest	PDL	350	25.14%	£ 150,000	£ 13,203	£10,506,386	£ 9,615,385	£ 891,001	YES
2	High	PDL	20	20.00%	£ 150,000	£ 12,824	£ 161,881	£ 375,200	-£ 213,319	NO
3	High	PDL	50	20.00%	£ 150,000	£ 12,784	£ 1,014,069	£ 924,000	£ 90,069	YES
4	High	PDL	80	20.00%	£ 150,000	£ 12,780	£ 1,570,485	£ 1,476,000	£ 94,485	YES
5	High	PDL	125	20.00%	£ 150,000	£ 12,783	£ 2,402,455	£ 2,310,000	£ 92,455	YES
6	High	PDL	200	20.00%	£ 150,000	£ 12,779	£ 4,060,150	£ 3,689,538	£ 370,611	YES
7	High	PDL	350	20.00%	£ 150,000	£ 12,781	£ 6,781,335	£ 6,461,538	£ 319,796	YES
2	Medium	PDL	20	15.00%	£ 150,000	£ 12,407	-£ 48,015	£ 256,833	-£ 304,849	NO
3	Medium	PDL	50	16.00%	£ 150,000	£ 12,451	£ 496,506	£ 632,500	-£ 135,994	NO
4	Medium	PDL	80	15.00%	£ 150,000	£ 12,363	£ 854,299	£ 1,010,357	-£ 156,059	NO
5	Medium	PDL	125	15.20%	£ 150,000	£ 12,383	£ 1,347,876	£ 1,581,250	-£ 233,374	NO
6	Medium	PDL	200	15.00%	£ 150,000	£ 12,362	£ 2,456,806	£ 2,525,577	-£ 68,771	NO
7	Medium	PDL	350	15.14%	£ 150,000	£ 12,376	£ 4,131,766	£ 4,423,077	-£ 291,311	NO
2	Low	PDL	20	10.00%	£ 150,000	£ 11,982	-£ 411,415	£ 147,400	-£ 558,815	NO
3	Low	PDL	50	10.00%	£ 150,000	£ 11,942	-£ 266,208	£ 363,000	-£ 629,208	NO
4	Low	PDL	80	10.00%	£ 150,000	£ 11,938	-£ 391,092	£ 579,857	-£ 970,949	NO
5	Low	PDL	125	10.40%	£ 150,000	£ 11,977	-£ 576,416	£ 907,500	-£1,483,916	NO
6	Low	PDL	200	10.00%	£ 150,000	£ 11,938	-£ 384,410	£ 1,449,462	-£1,833,872	NO
7	Low	PDL	350	10.00%	£ 150,000	£ 11,940	-£ 577,463	£ 2,538,462	-£3,115,925	NO

Full planning policies (excluding Nutrient Neutrality): First Homes / DMS cap £160,000

Type	Area	Land	Units	AH %	First Homes / DMS	Policy per unit	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 160,000	£ 13,234	£ 579,875	£ 536,000	£ 43,875	YES
3	Highest	Green	50	26.00%	£ 160,000	£ 13,275	£ 1,983,748	£ 1,320,000	£ 663,748	YES
4	Highest	Green	80	25.00%	£ 160,000	£ 13,190	£ 3,206,410	£ 2,108,571	£1,097,839	YES
5	Highest	Green	125	24.80%	£ 160,000	£ 13,177	£ 4,890,317	£ 3,300,000	£1,590,317	YES
6	Highest	Green	200	25.00%	£ 160,000	£ 13,189	£ 7,314,304	£ 5,270,769	£2,043,535	YES
7	Highest	Green	350	25.14%	£ 160,000	£ 13,203	£12,794,299	£ 9,230,769	£3,563,530	YES
2	High	Green	20	20.00%	£ 160,000	£ 12,824	£ 293,251	£ 402,000	-£ 108,749	NO
3	High	Green	50	20.00%	£ 160,000	£ 12,784	£ 1,395,329	£ 990,000	£ 405,329	YES
4	High	Green	80	20.00%	£ 160,000	£ 12,780	£ 2,156,641	£ 1,581,429	£ 575,212	YES
5	High	Green	125	20.00%	£ 160,000	£ 12,783	£ 3,282,170	£ 2,475,000	£ 807,170	YES
6	High	Green	200	20.00%	£ 160,000	£ 12,779	£ 4,972,983	£ 3,953,077	£1,019,906	YES
7	High	Green	350	20.00%	£ 160,000	£ 12,781	£ 8,343,393	£ 6,923,077	£1,420,316	YES
2	Medium	Green	20	15.00%	£ 160,000	£ 12,407	£ 86,751	£ 268,000	-£ 181,249	NO
3	Medium	Green	50	16.00%	£ 160,000	£ 12,451	£ 861,304	£ 660,000	£ 201,304	YES
4	Medium	Green	80	15.00%	£ 160,000	£ 12,363	£ 1,436,642	£ 1,054,286	£ 382,356	YES
5	Medium	Green	125	15.20%	£ 160,000	£ 12,383	£ 2,234,292	£ 1,650,000	£ 584,292	YES
6	Medium	Green	200	15.00%	£ 160,000	£ 12,362	£ 3,377,071	£ 2,635,385	£ 741,686	YES
7	Medium	Green	350	15.14%	£ 160,000	£ 12,376	£ 5,697,979	£ 4,615,385	£1,082,595	YES
2	Low	Green	20	10.00%	£ 160,000	£ 11,982	-£ 273,796	£ 178,667	-£ 452,463	NO
3	Low	Green	50	10.00%	£ 160,000	£ 11,942	£ 125,274	£ 440,000	-£ 314,726	NO
4	Low	Green	80	10.00%	£ 160,000	£ 11,938	£ 226,629	£ 702,857	-£ 476,228	NO
5	Low	Green	125	10.40%	£ 160,000	£ 11,977	£ 410,958	£ 1,100,000	-£ 689,042	NO
6	Low	Green	200	10.00%	£ 160,000	£ 11,938	£ 636,127	£ 1,756,923	-£1,120,796	NO
7	Low	Green	350	10.00%	£ 160,000	£ 11,940	£ 1,182,624	£ 3,076,923	-£1,894,299	NO
2	Highest	PDL	20	25.00%	£ 160,000	£ 13,234	£ 468,400	£ 558,333	-£ 89,933	NO
3	Highest	PDL	50	26.00%	£ 160,000	£ 13,275	£ 1,652,258	£ 1,375,000	£ 277,258	YES
4	Highest	PDL	80	25.00%	£ 160,000	£ 13,190	£ 2,682,504	£ 2,196,429	£ 486,075	YES
5	Highest	PDL	125	24.80%	£ 160,000	£ 13,177	£ 4,107,531	£ 3,437,500	£ 670,031	YES
6	Highest	PDL	200	25.00%	£ 160,000	£ 13,189	£ 6,582,993	£ 5,490,385	£1,092,608	YES
7	Highest	PDL	350	25.14%	£ 160,000	£ 13,203	£10,814,786	£ 9,615,385	£1,199,401	YES
2	High	PDL	20	20.00%	£ 160,000	£ 12,824	£ 179,681	£ 375,200	-£ 195,519	NO
3	High	PDL	50	20.00%	£ 160,000	£ 12,784	£ 1,067,169	£ 924,000	£ 143,169	YES
4	High	PDL	80	20.00%	£ 160,000	£ 12,780	£ 1,641,285	£ 1,476,000	£ 165,285	YES
5	High	PDL	125	20.00%	£ 160,000	£ 12,783	£ 2,508,655	£ 2,310,000	£ 198,655	YES
6	High	PDL	200	20.00%	£ 160,000	£ 12,779	£ 4,237,150	£ 3,689,538	£ 547,611	YES
7	High	PDL	350	20.00%	£ 160,000	£ 12,781	£ 7,099,935	£ 6,461,538	£ 638,396	YES
2	Medium	PDL	20	15.00%	£ 160,000	£ 12,407	-£ 30,215	£ 256,833	-£ 287,049	NO
3	Medium	PDL	50	16.00%	£ 160,000	£ 12,451	£ 540,906	£ 632,500	-£ 91,594	NO
4	Medium	PDL	80	15.00%	£ 160,000	£ 12,363	£ 925,399	£ 1,010,357	-£ 84,959	NO
5	Medium	PDL	125	15.20%	£ 160,000	£ 12,383	£ 1,463,376	£ 1,581,250	-£ 117,874	NO
6	Medium	PDL	200	15.00%	£ 160,000	£ 12,362	£ 2,634,406	£ 2,525,577	£ 108,829	YES
7	Medium	PDL	350	15.14%	£ 160,000	£ 12,376	£ 4,442,866	£ 4,423,077	£ 19,789	YES
2	Low	PDL	20	10.00%	£ 160,000	£ 11,982	-£ 393,615	£ 147,400	-£ 541,015	NO
3	Low	PDL	50	10.00%	£ 160,000	£ 11,942	-£ 221,508	£ 363,000	-£ 584,508	NO
4	Low	PDL	80	10.00%	£ 160,000	£ 11,938	-£ 319,692	£ 579,857	-£ 899,549	NO
5	Low	PDL	125	10.40%	£ 160,000	£ 11,977	-£ 460,616	£ 907,500	-£1,368,116	NO
6	Low	PDL	200	10.00%	£ 160,000	£ 11,938	-£ 205,910	£ 1,449,462	-£1,655,372	NO
7	Low	PDL	350	10.00%	£ 160,000	£ 11,940	-£ 265,163	£ 2,538,462	-£2,803,625	NO

3.1.1. For context:

- In the original Local Plan viability testing, out of the 48 typologies 27 were deemed to be unviable, whilst 21 were recorded as being viable. However, the Inspector concluded that the plan was sound (and therefore viable) because (i) the modelling was a 'snap shot' in time and market conditions would fluctuate throughout the plan period (which would result in different viability outcomes (ii) the modelling assumed a 'worst case' scenario, whereby the full planning policies were tested in the modelling, however in reality it was recognised that planning policies would fluctuate from site to site dependent on need (and where there was a reduction in planning policy requirements this would improve the viability outcome (iii) the Council policy still allowed viability testing to be undertaken on individual planning applications, where necessary, if viability was deemed to be a concern.

- For our initial update modelling in Feb and May 2023 (which excluded factors such as Biodiversity Net Gain, the Future Homes cap, the enhanced parking standards and also did not account for values stalling / continuing build cost inflation) the viability outcomes were more positive: 19 were shown to be unviable and 29 viable.

3.1.2. By way of summary, with the updated modelling as at Oct 2023, with the additional planning policies factored in (bar Nutrient Neutrality) the typology outcomes are as follows:

Oct 2023 modelling viability outcomes (based on 48 typologies)

First Homes cap	Unviable outcome	Viable outcome
£120,000	30	18
£130,000	27	21
£140,000	23	25
£150,000	22	26
£160,000	20	28

3.1.3. With the First Homes cap at £120,000, the viability outcomes shown in the modelling is the same as that demonstrated at the time of the Local Plan examination (i.e. 30 unviable, 18 viable). This, though, is significantly worse than the initial modelling earlier in the year, which suggested 19 unviable and 29 viable. As the First Homes cap increases the outcomes improve.

3.1.4. Finally, we have also considered the impact that Nutrient Neutrality costs would have on the viability outcomes. As discussed above, for the purposes of the modelling, we have assumed an average cost of £3,450 per dwelling. Broadly, this is equivalent to around £78,000 per Ha to cover these costs. As indicated above, Nutrient Neutrality costs are considered to be 'fixed' in an assessment when required (and therefore not subject to viability). In this sense, they impact on a viability appraisal much like an abnormal cost (such as enhanced foundations, decontamination etc). As per the requirements of the guidance it is therefore appropriate to adjust the benchmark land value (i.e. reduce this figure) to reflect the added Nutrient Neutrality costs. We would stress that 'cost does not necessarily equal value', i.e. because Nutrient Neutrality costs are around £78,000 per Ha this means the benchmark land value should fall by the same sum.

3.1.5. Adopting a cautious approach, we have reduced the benchmark land value by circa £30,000 per Ha to account for the Nutrient Neutrality costs, testing based on a First Homes cap of £120,000, £140,000 and £160,000:

Full planning policies (with Nutrient Neutrality): First Homes / DMS cap £120,000

Type	Area	Land	Units	AH %	First Homes / DMS	NN	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 120,000	£ 69,000	£ 439,675	£ 509,200	-£ 69,525	NO
3	Highest	Green	50	26.00%	£ 120,000	£ 172,500	£ 1,634,848	£1,254,000	£ 380,848	YES
4	Highest	Green	80	25.00%	£ 120,000	£ 276,000	£ 2,648,410	£2,003,143	£ 645,267	YES
5	Highest	Green	125	24.80%	£ 120,000	£ 431,250	£ 4,000,667	£3,135,000	£ 865,667	YES
6	Highest	Green	200	25.00%	£ 120,000	£ 690,000	£ 5,883,904	£5,007,231	£ 876,674	YES
7	Highest	Green	350	25.14%	£ 120,000	£ 1,207,500	£10,353,199	£8,769,231	£1,583,968	YES
2	High	Green	20	20.00%	£ 120,000	£ 69,000	£ 153,051	£ 375,200	-£ 222,149	NO
3	High	Green	50	20.00%	£ 120,000	£ 172,500	£ 1,010,429	£ 924,000	£ 86,429	YES
4	High	Green	80	20.00%	£ 120,000	£ 276,000	£ 1,597,441	£1,476,000	£ 121,441	YES
5	High	Green	125	20.00%	£ 120,000	£ 431,250	£ 2,426,120	£2,310,000	£ 116,120	YES
6	High	Green	200	20.00%	£ 120,000	£ 690,000	£ 3,574,983	£3,689,538	-£ 114,555	NO
7	High	Green	350	20.00%	£ 120,000	£ 1,207,500	£ 5,861,493	£6,461,538	-£ 600,045	NO
2	Medium	Green	20	15.00%	£ 120,000	£ 69,000	-£ 53,449	£ 241,200	-£ 294,649	NO
3	Medium	Green	50	16.00%	£ 120,000	£ 172,500	£ 511,204	£ 594,000	-£ 82,796	NO
4	Medium	Green	80	15.00%	£ 120,000	£ 276,000	£ 876,242	£ 948,857	-£ 72,615	NO
5	Medium	Green	125	15.20%	£ 120,000	£ 431,250	£ 1,341,042	£1,485,000	-£ 143,958	NO
6	Medium	Green	200	15.00%	£ 120,000	£ 690,000	£ 1,976,671	£2,371,846	-£ 395,175	NO
7	Medium	Green	350	15.14%	£ 120,000	£ 1,207,500	£ 3,246,079	£4,153,846	-£ 907,767	NO
2	Low	Green	20	10.00%	£ 120,000	£ 69,000	-£ 413,996	£ 151,867	-£ 565,863	NO
3	Low	Green	50	10.00%	£ 120,000	£ 172,500	-£ 226,026	£ 374,000	-£ 600,026	NO
4	Low	Green	80	10.00%	£ 120,000	£ 276,000	-£ 334,971	£ 597,429	-£ 932,400	NO
5	Low	Green	125	10.40%	£ 120,000	£ 431,250	-£ 483,492	£ 935,000	-£1,418,492	NO
6	Low	Green	200	10.00%	£ 120,000	£ 690,000	-£ 767,873	£1,493,385	-£2,261,257	NO
7	Low	Green	350	10.00%	£ 120,000	£ 1,207,500	-£ 1,274,076	£2,615,385	-£3,889,460	NO
2	Highest	PDL	20	25.00%	£ 120,000	£ 69,000	£ 328,200	£ 531,533	-£ 203,333	NO
3	Highest	PDL	50	26.00%	£ 120,000	£ 172,500	£ 1,303,358	£1,309,000	-£ 5,642	NO
4	Highest	PDL	80	25.00%	£ 120,000	£ 276,000	£ 2,124,504	£2,091,000	£ 33,504	YES
5	Highest	PDL	125	24.80%	£ 120,000	£ 431,250	£ 3,217,881	£3,272,500	-£ 54,619	NO
6	Highest	PDL	200	25.00%	£ 120,000	£ 690,000	£ 5,152,593	£5,226,846	-£ 74,253	NO
7	Highest	PDL	350	25.14%	£ 120,000	£ 1,207,500	£ 8,373,686	£9,153,846	-£ 780,160	NO
2	High	PDL	20	20.00%	£ 120,000	£ 69,000	£ 39,481	£ 348,400	-£ 308,919	NO
3	High	PDL	50	20.00%	£ 120,000	£ 172,500	£ 682,269	£ 858,000	-£ 175,731	NO
4	High	PDL	80	20.00%	£ 120,000	£ 276,000	£ 1,082,085	£1,370,571	-£ 288,487	NO
5	High	PDL	125	20.00%	£ 120,000	£ 431,250	£ 1,652,605	£2,145,000	-£ 492,395	NO
6	High	PDL	200	20.00%	£ 120,000	£ 690,000	£ 2,839,150	£3,426,000	-£ 586,850	NO
7	High	PDL	350	20.00%	£ 120,000	£ 1,207,500	£ 4,618,035	£6,000,000	-£1,381,965	NO
2	Medium	PDL	20	15.00%	£ 120,000	£ 69,000	-£ 170,415	£ 230,033	-£ 400,449	NO
3	Medium	PDL	50	16.00%	£ 120,000	£ 172,500	£ 190,806	£ 566,500	-£ 375,694	NO
4	Medium	PDL	80	15.00%	£ 120,000	£ 276,000	£ 364,999	£ 904,929	-£ 539,930	NO
5	Medium	PDL	125	15.20%	£ 120,000	£ 431,250	£ 570,126	£1,416,250	-£ 846,124	NO
6	Medium	PDL	200	15.00%	£ 120,000	£ 690,000	£ 1,234,006	£2,262,038	-£1,028,033	NO
7	Medium	PDL	350	15.14%	£ 120,000	£ 1,207,500	£ 1,990,966	£3,961,538	-£1,970,573	NO
2	Low	PDL	20	10.00%	£ 120,000	£ 69,000	-£ 533,815	£ 120,600	-£ 654,415	NO
3	Low	PDL	50	10.00%	£ 120,000	£ 172,500	-£ 572,808	£ 297,000	-£ 869,808	NO
4	Low	PDL	80	10.00%	£ 120,000	£ 276,000	-£ 881,292	£ 474,429	-£1,355,721	NO
5	Low	PDL	125	10.40%	£ 120,000	£ 431,250	-£ 1,355,066	£ 742,500	-£2,097,566	NO
6	Low	PDL	200	10.00%	£ 120,000	£ 690,000	-£ 1,609,910	£1,185,923	-£2,795,833	NO
7	Low	PDL	350	10.00%	£ 120,000	£ 1,207,500	-£ 2,721,863	£2,076,923	-£4,798,786	NO

Full planning policies (with Nutrient Neutrality): First Homes / DMS cap £140,000

Type	Area	Land	Units	AH %	First Homes / DMS	NN	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 140,000	£ 69,000	£ 475,275	£ 509,200	-£ 33,925	NO
3	Highest	Green	50	26.00%	£ 140,000	£ 172,500	£ 1,723,048	£1,254,000	£ 469,048	YES
4	Highest	Green	80	25.00%	£ 140,000	£ 276,000	£ 2,789,410	£2,003,143	£ 786,267	YES
5	Highest	Green	125	24.80%	£ 140,000	£ 431,250	£ 4,229,867	£3,135,000	£1,094,867	YES
6	Highest	Green	200	25.00%	£ 140,000	£ 690,000	£ 6,254,104	£5,007,231	£1,246,874	YES
7	Highest	Green	350	25.14%	£ 140,000	£ 1,207,500	£10,969,999	£8,769,231	£2,200,768	YES
2	High	Green	20	20.00%	£ 140,000	£ 69,000	£ 188,651	£ 375,200	-£ 186,549	NO
3	High	Green	50	20.00%	£ 140,000	£ 172,500	£ 1,116,629	£ 924,000	£ 192,629	YES
4	High	Green	80	20.00%	£ 140,000	£ 276,000	£ 1,739,041	£1,476,000	£ 263,041	YES
5	High	Green	125	20.00%	£ 140,000	£ 431,250	£ 2,638,520	£2,310,000	£ 328,520	YES
6	High	Green	200	20.00%	£ 140,000	£ 690,000	£ 3,928,983	£3,689,538	£ 239,445	YES
7	High	Green	350	20.00%	£ 140,000	£ 1,207,500	£ 6,498,693	£6,461,538	£ 37,155	YES
2	Medium	Green	20	15.00%	£ 140,000	£ 69,000	-£ 17,849	£ 241,200	-£ 259,049	NO
3	Medium	Green	50	16.00%	£ 140,000	£ 172,500	£ 600,004	£ 594,000	£ 6,004	YES
4	Medium	Green	80	15.00%	£ 140,000	£ 276,000	£ 1,018,442	£ 948,857	£ 69,585	YES
5	Medium	Green	125	15.20%	£ 140,000	£ 431,250	£ 1,572,042	£1,485,000	£ 87,042	YES
6	Medium	Green	200	15.00%	£ 140,000	£ 690,000	£ 2,331,871	£2,371,846	-£ 39,975	NO
7	Medium	Green	350	15.14%	£ 140,000	£ 1,207,500	£ 3,868,279	£4,153,846	-£ 285,567	NO
2	Low	Green	20	10.00%	£ 140,000	£ 69,000	-£ 378,396	£ 151,867	-£ 530,263	NO
3	Low	Green	50	10.00%	£ 140,000	£ 172,500	-£ 136,626	£ 374,000	-£ 510,626	NO
4	Low	Green	80	10.00%	£ 140,000	£ 276,000	-£ 192,171	£ 597,429	-£ 789,600	NO
5	Low	Green	125	10.40%	£ 140,000	£ 431,250	-£ 251,892	£ 935,000	-£1,186,892	NO
6	Low	Green	200	10.00%	£ 140,000	£ 690,000	-£ 410,873	£1,493,385	-£1,904,257	NO
7	Low	Green	350	10.00%	£ 140,000	£ 1,207,500	-£ 649,476	£2,615,385	-£3,264,860	NO
2	Highest	PDL	20	25.00%	£ 140,000	£ 69,000	£ 363,800	£ 531,533	-£ 167,733	NO
3	Highest	PDL	50	26.00%	£ 140,000	£ 172,500	£ 1,391,558	£1,309,000	£ 82,558	YES
4	Highest	PDL	80	25.00%	£ 140,000	£ 276,000	£ 2,265,504	£2,091,000	£ 174,504	YES
5	Highest	PDL	125	24.80%	£ 140,000	£ 431,250	£ 3,447,081	£3,272,500	£ 174,581	YES
6	Highest	PDL	200	25.00%	£ 140,000	£ 690,000	£ 5,522,793	£5,226,846	£ 295,947	YES
7	Highest	PDL	350	25.14%	£ 140,000	£ 1,207,500	£ 8,990,486	£9,153,846	-£ 163,360	NO
2	High	PDL	20	20.00%	£ 140,000	£ 69,000	£ 75,081	£ 348,400	-£ 273,319	NO
3	High	PDL	50	20.00%	£ 140,000	£ 172,500	£ 788,469	£ 858,000	-£ 69,531	NO
4	High	PDL	80	20.00%	£ 140,000	£ 276,000	£ 1,223,685	£1,370,571	-£ 146,887	NO
5	High	PDL	125	20.00%	£ 140,000	£ 431,250	£ 1,865,005	£2,145,000	-£ 279,995	NO
6	High	PDL	200	20.00%	£ 140,000	£ 690,000	£ 3,193,150	£3,426,000	-£ 232,850	NO
7	High	PDL	350	20.00%	£ 140,000	£ 1,207,500	£ 5,255,235	£6,000,000	-£ 744,765	NO
2	Medium	PDL	20	15.00%	£ 140,000	£ 69,000	-£ 134,815	£ 230,033	-£ 364,849	NO
3	Medium	PDL	50	16.00%	£ 140,000	£ 172,500	£ 279,606	£ 566,500	-£ 286,894	NO
4	Medium	PDL	80	15.00%	£ 140,000	£ 276,000	£ 507,199	£ 904,929	-£ 397,730	NO
5	Medium	PDL	125	15.20%	£ 140,000	£ 431,250	£ 801,126	£1,416,250	-£ 615,124	NO
6	Medium	PDL	200	15.00%	£ 140,000	£ 690,000	£ 1,589,206	£2,262,038	-£ 672,833	NO
7	Medium	PDL	350	15.14%	£ 140,000	£ 1,207,500	£ 2,613,166	£3,961,538	-£1,348,373	NO
2	Low	PDL	20	10.00%	£ 140,000	£ 69,000	-£ 498,215	£ 120,600	-£ 618,815	NO
3	Low	PDL	50	10.00%	£ 140,000	£ 172,500	-£ 483,408	£ 297,000	-£ 780,408	NO
4	Low	PDL	80	10.00%	£ 140,000	£ 276,000	-£ 738,492	£ 474,429	-£1,212,921	NO
5	Low	PDL	125	10.40%	£ 140,000	£ 431,250	-£ 1,123,466	£ 742,500	-£1,865,966	NO
6	Low	PDL	200	10.00%	£ 140,000	£ 690,000	-£ 1,252,910	£1,185,923	-£2,438,833	NO
7	Low	PDL	350	10.00%	£ 140,000	£ 1,207,500	-£ 2,097,263	£2,076,923	-£4,174,186	NO

Full planning policies (with Nutrient Neutrality): First Homes / DMS cap £160,000

Type	Area	Land	Units	AH %	First Homes / DMS	NN	Residual	BLV	Surplus	Oct 23 Viable?
2	Highest	Green	20	25.00%	£ 160,000	£ 69,000	£ 510,875	£ 509,200	£ 1,675	YES
3	Highest	Green	50	26.00%	£ 160,000	£ 172,500	£ 1,811,248	£1,254,000	£ 557,248	YES
4	Highest	Green	80	25.00%	£ 160,000	£ 276,000	£ 2,930,410	£2,003,143	£ 927,267	YES
5	Highest	Green	125	24.80%	£ 160,000	£ 431,250	£ 4,459,067	£3,135,000	£1,324,067	YES
6	Highest	Green	200	25.00%	£ 160,000	£ 690,000	£ 6,624,304	£5,007,231	£1,617,074	YES
7	Highest	Green	350	25.14%	£ 160,000	£ 1,207,500	£11,586,799	£8,769,231	£2,817,568	YES
2	High	Green	20	20.00%	£ 160,000	£ 69,000	£ 224,251	£ 375,200	-£ 150,949	NO
3	High	Green	50	20.00%	£ 160,000	£ 172,500	£ 1,222,829	£ 924,000	£ 298,829	YES
4	High	Green	80	20.00%	£ 160,000	£ 276,000	£ 1,880,641	£1,476,000	£ 404,641	YES
5	High	Green	125	20.00%	£ 160,000	£ 431,250	£ 2,850,920	£2,310,000	£ 540,920	YES
6	High	Green	200	20.00%	£ 160,000	£ 690,000	£ 4,282,983	£3,689,538	£ 593,445	YES
7	High	Green	350	20.00%	£ 160,000	£ 1,207,500	£ 7,135,893	£6,461,538	£ 674,355	YES
2	Medium	Green	20	15.00%	£ 160,000	£ 69,000	£ 17,751	£ 241,200	-£ 223,449	NO
3	Medium	Green	50	16.00%	£ 160,000	£ 172,500	£ 688,804	£ 594,000	£ 94,804	YES
4	Medium	Green	80	15.00%	£ 160,000	£ 276,000	£ 1,160,642	£ 948,857	£ 211,785	YES
5	Medium	Green	125	15.20%	£ 160,000	£ 431,250	£ 1,803,042	£1,485,000	£ 318,042	YES
6	Medium	Green	200	15.00%	£ 160,000	£ 690,000	£ 2,687,071	£2,371,846	£ 315,225	YES
7	Medium	Green	350	15.14%	£ 160,000	£ 1,207,500	£ 4,490,479	£4,153,846	£ 336,633	YES
2	Low	Green	20	10.00%	£ 160,000	£ 69,000	-£ 342,796	£ 151,867	-£ 494,663	NO
3	Low	Green	50	10.00%	£ 160,000	£ 172,500	-£ 47,226	£ 374,000	-£ 421,226	NO
4	Low	Green	80	10.00%	£ 160,000	£ 276,000	-£ 49,371	£ 597,429	-£ 646,800	NO
5	Low	Green	125	10.40%	£ 160,000	£ 431,250	-£ 20,292	£ 935,000	-£ 955,292	NO
6	Low	Green	200	10.00%	£ 160,000	£ 690,000	-£ 53,873	£1,493,385	-£1,547,257	NO
7	Low	Green	350	10.00%	£ 160,000	£ 1,207,500	-£ 24,876	£2,615,385	-£2,640,260	NO
2	Highest	PDL	20	25.00%	£ 160,000	£ 69,000	£ 399,400	£ 531,533	-£ 132,133	NO
3	Highest	PDL	50	26.00%	£ 160,000	£ 172,500	£ 1,479,758	£1,309,000	£ 170,758	YES
4	Highest	PDL	80	25.00%	£ 160,000	£ 276,000	£ 2,406,504	£2,091,000	£ 315,504	YES
5	Highest	PDL	125	24.80%	£ 160,000	£ 431,250	£ 3,676,281	£3,272,500	£ 403,781	YES
6	Highest	PDL	200	25.00%	£ 160,000	£ 690,000	£ 5,892,993	£5,226,846	£ 666,147	YES
7	Highest	PDL	350	25.14%	£ 160,000	£ 1,207,500	£ 9,607,286	£9,153,846	£ 453,440	YES
2	High	PDL	20	20.00%	£ 160,000	£ 69,000	£ 110,681	£ 348,400	-£ 237,719	NO
3	High	PDL	50	20.00%	£ 160,000	£ 172,500	£ 894,669	£ 858,000	£ 36,669	YES
4	High	PDL	80	20.00%	£ 160,000	£ 276,000	£ 1,365,285	£1,370,571	-£ 5,287	NO
5	High	PDL	125	20.00%	£ 160,000	£ 431,250	£ 2,077,405	£2,145,000	-£ 67,595	NO
6	High	PDL	200	20.00%	£ 160,000	£ 690,000	£ 3,547,150	£3,426,000	£ 121,150	YES
7	High	PDL	350	20.00%	£ 160,000	£ 1,207,500	£ 5,892,435	£6,000,000	-£ 107,565	NO
2	Medium	PDL	20	15.00%	£ 160,000	£ 69,000	-£ 99,215	£ 230,033	-£ 329,249	NO
3	Medium	PDL	50	16.00%	£ 160,000	£ 172,500	£ 368,406	£ 566,500	-£ 198,094	NO
4	Medium	PDL	80	15.00%	£ 160,000	£ 276,000	£ 649,399	£ 904,929	-£ 255,530	NO
5	Medium	PDL	125	15.20%	£ 160,000	£ 431,250	£ 1,032,126	£1,416,250	-£ 384,124	NO
6	Medium	PDL	200	15.00%	£ 160,000	£ 690,000	£ 1,944,406	£2,262,038	-£ 317,633	NO
7	Medium	PDL	350	15.14%	£ 160,000	£ 1,207,500	£ 3,235,366	£3,961,538	-£ 726,173	NO
2	Low	PDL	20	10.00%	£ 160,000	£ 69,000	-£ 462,615	£ 120,600	-£ 583,215	NO
3	Low	PDL	50	10.00%	£ 160,000	£ 172,500	-£ 394,008	£ 297,000	-£ 691,008	NO
4	Low	PDL	80	10.00%	£ 160,000	£ 276,000	-£ 595,692	£ 474,429	-£1,070,121	NO
5	Low	PDL	125	10.40%	£ 160,000	£ 431,250	-£ 891,866	£ 742,500	-£1,634,366	NO
6	Low	PDL	200	10.00%	£ 160,000	£ 690,000	-£ 895,910	£1,185,923	-£2,081,833	NO
7	Low	PDL	350	10.00%	£ 160,000	£ 1,207,500	-£ 1,472,663	£2,076,923	-£3,549,586	NO

3.1.6. With a First Homes cap of £120,000, the impact of Nutrient Neutrality is significant, reducing the number of viable typologies to 9, with 39 shown as being unviable.

3.1.7. With the First Homes cap increased to £140,000 the position improves, albeit still 31 are shown to be unviable and 17 viable.

3.1.8. Finally, with a First Homes cap of £160,000 25 are shown to be unviable and 23 viable.

4. Conclusions

4.1. To ensure consistency with the viability testing, undertaken as part of the evidence base which informed the County Durham Plan, we have looked to apply the same modelling approach to previous studies, albeit with sales values and build costs reflective of current market conditions, as well as the updated policy requirements (both local and national).

4.2. The result of the testing (particularly between modelling undertaken at the start of 2023 compared to Oct 2023) shows that viability pressure is high. This is due to a combination of challenging market conditions, amendments in Council local planning policy and national planning / Building Regulation requirements.

4.3. However, as discussed above, Local Plan viability testing can only be a 'snapshot' of current market conditions. Local Plan policies, though, must consider the long term and should be set on the basis that market conditions (which are cyclical) will be subject to fluctuations throughout the lifetime of the plan. In this regard, market conditions have been relatively good in recent years (since the original modelling was undertaken between 2017 and 2019). This culminated in relatively strong viability outcomes when initial testing was undertaken in early 2023. However, since this time market conditions have deteriorated which (along with local and national planning policies) has meant there is now greater pressure on the viability.

4.4. This 'dip' in the market, though, does not mean that the Council should cull its policy requirements on a reactive basis, as conditions will change in the future and viability may significantly improve. A balance therefore needs to be struck between setting policy requirements and natural fluctuations in the market conditions during the plan.

4.5. Furthermore, again as discussed above, there is also the ability for planning applicants to submit viability assessments on individual schemes where viability is deemed to be challenging and the criteria within Policy 25 (Developer Contributions) of the County Durham Plan are invoked. This flexibility in the planning policies, when needed, ensures there is a lower risk that the planning policies set by the Council will undermine scheme viability (and in term scheme deliverability).

4.6. Having considered the above, and accepting the difficulties in the current market, we find that the Council's updated planning policy requirements are appropriate and will not serve to undermine scheme deliverability. Please note, and whilst somewhat subjective, with regards to the First Homes cap we would recommend that a figure of no lower than £140,000 is applied to the policy, which (in our view) strikes an appropriate balance between viability and policy need.

Reference	Address	Gross (Ha)	Total open space (Ha)	Net (Ha)	Gross to net ratio % (DCC)	Gross to net ratio % (HBF)	No of Units	Density (units/net Ha)	On-site BNG (%)
DM/22/01981/RM	Land To The East Of Regents Court Sherburn Road Durham (DH1 2ED)	18.11	2.86	15.25	84.2		470	31	11.21
DM/21/02127/FPA	Land At Ridding Road And Rowan Court And The Oaks Esh Winning DH7 9AQ	2.08	0.23	1.85	89		89	48	-
DM/22/03080/RM	Site Of Former Stanley Community Centre Tyne Road Stanley DH9 6PZ	3.08	0.64	2.44	79.2		59	24	-
DM/21/02025/RM	Land East Of Porter Gardens Bishop Auckland DL14 9FH	3.23	0.62	2.61	80.8		87	33	-
DM/21/03180/FPA	9-16 Fir Tree And 22-28 Maple Avenue Shildon DL4 2AG	0.53	0.041	0.49	92.4		15	31	-
DM/20/02681/FPA	Land North Of Windsor Drive South Hetton DH6 2UU	3.49	0.64	2.85	81.6		80	28	-19.18
DM/21/01520/FPA	Land To The Rear Of The Old Chapel Colliery Road Bearpark DH7 7AU	6.39	0.73	5.66	88.6		148	26	-45.69
DM/21/03893/RM	Phase 2B Integra 61 Bowburn Durham (DH6 5NP)	3.47	0.29	3.18	91.6		91	29	-
DM/21/03839/FPA	Land North Of Delves Lane Consett (DH8 7DA)	17.78	6.48	11.3	63.5		288	32	11.99
DM/21/02606/RM	Land To The North Of Darlington Road Barnard Castle DL12 8QG	5.56	1.87	3.69	66.4		97	26	3.82
HBF Sites									
DM/19/02852/FPA	Land To The North Of High West Road Crook DL15 9NR	15.89	7.68	8.21	51.7	45.4	260	39	-
DM/21/02861/FPA	Land To The East Of Fern Dene Knitsley Lane Templetown (DH8 9HU)	12.51	6.25	6.26	50	42.9	176	33	-
DM/21/02034/FPA	Land At Former Skid Pan North Of Woodward Way Aykley Heads DH1 5ZH	2.04	0.61	1.43	70	63.2	48	37	17.21
DM/21/03839/FPA	Land North Of Delves Lane Consett	17.78	6.48	11.3	63.5	54.7	288	32	11.99
DM/22/03294/RM	Land To The West Of Valley Road Pelton Fell DH2 2NN	5.22	2.35	2.87	55	46.2	80	31	-

APPENDIX 1 - AVERAGE NEW BUILD VALUES ESTABLISHED FROM LAND REGISTRY AND EPC REGISTER DATA ACROSS COUNTY DURHAM SINCE JN 2020

Street	Location 1	Location 2	Pcode	Value area	Developer	Year most of evidence taken from	Detached - < 80 sq m	Detached - 80-90 sq m	Detached - 90-100 sq m	Detached - 100-110 sq m	Detached - 110-120 sq m	Detached - 120-130 sq m	Detached - 130-140 sq m	Detached - 140-150 sq m	Detached - 150-170 sq m	Detached - > 170 sq m	Semi - 60-70 sq m	Semi - 70-80 sq m	Semi - 80-90 sq m	Semi - 90-100 sq m	Semi - 100-110 sq m	Semi - 110-120 sq m	Terrace - 50 - 60 sq m	Terrace - 60 - 70 sq m	Terrace - 70 - 80 sq m	Terrace - 80 - 90 sq m	Terrace - 90 - 100 sq m	Terrace - 100 - 110 sq m	Terrace - > 110 sq m
Cathedral View	Whinney Hill	Durham	DH1 3	Highest	Charles Church	2021	£ 3,686			£ 3,211					£ 3,052					£ 3,092	£ 2,748						£ 2,808		£ 2,886
Wentworth Drive		Durham	DH1 3	Highest	Barratt David Wilson	20/21				£ 3,119		£ 3,196	£ 2,873	£ 3,357	£ 3,114					£ 2,938		£ 2,704						£ 2,613	
Priory View	Pity Me	Durham	DH1 5	Highest	Story Homes	2021							£ 2,758	£ 2,705	£ 2,701	£ 2,740		£ 3,152											
Aykley Woods	Aykley Heads		DH1 5	Highest	Persimmon	2021	£ 3,375	£ 3,277	£ 3,416		£ 3,217		£ 2,710	£ 2,952	£ 2,613				£ 2,752										
The Fell		Chester-le-St	DH2 2	Medium	Keepmoat	2020		£ 2,420									£ 2,206	£ 2,262			£ 1,977								
Trinity Green		Chester-le-St	DH2 1	Medium	Miller Homes	2022				£ 2,549																			
Parkinson Crescent		Sherburn Village	DH6 1	Medium	Church Commissioners	2020		£ 2,180	£ 2,333	£ 2,156	£ 2,169								£ 2,058										
Marley Fields		Wheatley Hill	DH6 3	Low		2020	£ 2,941	£ 2,144	£ 2,035	£ 1,775	£ 1,732	£ 2,094		£ 1,777					£ 1,873	£ 1,618									
Lime Close		Coxhoe	DH6 4	Medium	Karbon Homes	20/21	£ 2,392	£ 2,332	£ 1,869	£ 2,199							£ 2,131	£ 2,158			£ 1,679				£ 2,057		£ 1,767		
Burdon Green		Coxhoe	DH6 4	Medium	Barratt David Wilson	2022		£ 2,906		£ 2,655	£ 2,583	£ 2,637						£ 2,615		£ 2,163	£ 2,003								
Tilery Close		Bowburn	DH6 5	Medium	Persimmon	20/21		£ 2,201	£ 2,197	£ 2,287	£ 2,136						£ 2,228		£ 1,823										
Maiden View		Lanchester	DH7 0	High	Gentoo Homes	20/21			£ 2,628			£ 2,768	£ 2,408	£ 2,489	£ 2,631														
Manor Drive		Sacriston	DH7 7	Medium	Persimmon	20/21		£ 2,158	£ 2,306	£ 2,220	£ 2,110						£ 2,173												
Northwood Drive		Browney	DH7 8	Medium	Avant Homes	20/21		£ 2,471	£ 2,268	£ 2,167		£ 2,190	£ 2,323		£ 2,303														
Duchy Close / Beaumont Way		Consett	DH8 8	Low		2020	£ 2,500	£ 2,488	£ 2,394	£ 2,253	£ 1,743	£ 1,981	£ 1,752				£ 1,881	£ 1,735			£ 1,478				£ 1,950				
Wooler Drive	The Middles	Stanley	DH9 6	Low	Persimmon	2020	£ 1,947				£ 1,848						£ 1,742	£ 1,740	£ 1,570										
Hisehope Close	Startforth	Barnard Castle	DL12 9	High	HCA	2020		£ 2,257			£ 2,119	£ 2,114																	
Ruthall Court	Auckland Park	Bishop Auckland	DL14 8	Medium	Vistry	2020		£ 2,067	£ 2,057	£ 1,981							£ 1,954		£ 1,980										
Laburnum Grove	St Helen Auckland	Bishop Auckland	DL14 8	Medium	Livin Housin	20/21			£ 1,855		£ 1,822	£ 1,791																	
Evergreen Court	Fir Tree	Crook	DL15 8	Medium	Unknown	2021									£ 1,905	£ 1,727													
Hay Lane		Spennymoor	DL16 6	Medium	Barratt David Wilson	2020									£ 1,797														
Moore Road	Middlestone Moor	Spennymoor	DL16 7	Medium	Gleeson	20/21	£ 2,075	£ 2,202	£ 2,122		£ 2,164						£ 1,725	£ 1,923					£ 2,143						
Mason Gardens	Chilton	Ferryhill	DL17 0	Medium	Avant Homes	21/22		£ 2,413	£ 2,228			£ 2,248	£ 2,117	£ 2,143				£ 2,197			£ 1,906					£ 1,827			
Peppercorn Close		Shildon	DL4	Low	Persimmon	2020				£ 1,756					£ 1,445			£ 1,760											
Chestnut Way		Newton Aycliffe	DL5 7	Medium	Keepmoat	2021	£ 2,283	£ 2,184		£ 2,000								£ 1,936			£ 1,768		£ 2,045	£ 1,943				£ 1,765	
Roseberry Close		Seaham	SR7 7	Medium	Durham Villages Regen	20/21		£ 2,200		£ 1,852								£ 1,974			£ 1,706		£ 2,034		£ 2,000				
Beldon Close	Dalton le Dale	Seaham	SR7 8	High	Bellway	20/21		£ 2,364		£ 2,396		£ 2,290						£ 2,051	£ 2,294										
Oakfield Gardens		Peterlee	SR8 1	Low	Chapter Homes	20/21			£ 2,192			£ 2,123							£ 2,056										
North Hill Close	Easington	Peterlee	SR8 3	Low	Unknown	20/21		£ 2,414	£ 2,393	£ 2,125	£ 2,252			£ 2,244	£ 2,351														
Cargills Court		Wingate	TS28 5	Low	Avant Homes	20/21		£ 2,344	£ 2,405		£ 2,206	£ 2,176	£ 2,044	£ 2,071					£ 2,093		£ 1,887								