
Viability testing of Housing Allocations within the County Durham Plan

Completed on behalf of Durham County Council

CP Viability Ltd



Independent Property Experts

1 INTRODUCTION

- 1.1. CP Viability Ltd ('CPV') has been instructed by Durham County Council ('the Council') to undertake individual viability assessments of 41 housing allocations as identified within the 'Preferred Options' stage of the County Durham Plan. The main purpose of this exercise is to provide supporting evidence that the requirements of the National Planning Policy Framework ('NPPF') and Planning Practice Guidance ('PPG'), as published in July 2018, have been met.
- 1.2. The 41 sites identified for the purposes of the study can be categorised as follows:
 - 22 sites under the ownership of the Council.
 - 1 site under the ownership of another Public Sector Body.
 - 14 sites under private ownership.
 - 4 sites in mixed ownership between public and private sector bodies.
- 1.3. The Council requires a detailed viability assessment, taking into account the specific circumstances of each site. These assessments are to be consistent with the methodology and the broad assumptions of the Council's recent 'Local Plan Viability Testing' study, which tested the viability of the Council's emerging policies (albeit taking into account the specific circumstances of each site).
- 1.4. In accordance with the RICS, prior to accepting this instruction we can confirm that we undertook a conflict of interest check. Having undertaken this review we are unaware of any conflict of interest that prevents CP Viability from undertaking this instruction. If, at a later date, a conflict is identified we will notify all parties to discuss how this should be managed.
- 1.5. We have assessed the viability of each scheme as at October 2018.

- 1.6. All 41 sites were inspected (externally only where there were buildings in situ) on the 6th and 7th August 2018.

- 1.7. In accordance with the RICS Guidance on Viability (Guidance Note 1, 2012), our appraisal assumes a hypothetical landowner and a hypothetical developer. The intention of a viability assessment is therefore to identify the approach a 'typical' or 'average' developer / landowner would take to delivering the site for development. A viability assessment does not therefore seek to reflect the specific circumstances of any particular body (whether landowner or developer).

- 1.8. The 41 sites to be tested are as follows:

Ref	Site_Name	Area	LPMA	Ha	Units	Owner
H/1	Gilesgate School	Durham City	Durham City	2.63	60	Council
H/2	North of Hawthorn House	Durham City	Durham City	0.71	20	Council
H/3	South of Potterhouse Terrace	Durham City	Durham City	0.32	10	Council
H/4	Former Skid Pan	Durham City	Durham City	1.92	50	Police
H/7	Cook Avenue	Bearpark	Central	5.63	200	Private
H/8	Cook Avenue North	Bearpark	Central	2.16	50	Council
H/9	Land Adjacent to Woodlands	Langley Park	Central	0.95	25	Private
H/10	Arizona Chemicals	Chester-le-Street	North	2.68	60	Private
H/11	Roseberry Comprehensive	Pelton	North	2.84	65	Council
H/12	Brackenbeds Lane	Pelton	North	2.33	50	Private
H/13	Harelaw School	Annfield Plain	North West	1.23	30	Council
H/14	Former Annfield Community Centre	Annfield Plain	North West	0.41	10	Council
H/15	Former Swimming Baths	Consett	North West	0.80	20	Council
H/16	Former Blackfyne School	Consett	North West	4.22	100	Council
H/17	Muirfield Close	Consett - Shotley Bridge	North West	1.95	30	Council
H/18	Laurel Drive	Consett	North West	14.31	290	Mix
H/19	South of Knitsley Lane	Consett	North West	13.64	290	Private
H/20	Rosedale Avenue	Consett - Shotley Bridge	North West	2.10	50	Council
H/21	Chaytor Road	Consett	North West	1.47	40	Council
H/22	High West Road	Crook	Mid	19.10	350	Private
H/23	Spennymoor Day Centre	Spennymoor	Mid	0.50	15	Council
H/24	Former Tudhoe Grange Lower School, Durham Rd	Spennymoor	Mid	3.74	85	Council
H/25	Former Tudhoe Grange Upper School, St Charles Road	Spennymoor	Mid	6.89	110	Council
H/26	Land to East of Ash Drive	Willington	Mid	8.92	200	Private
H/27	Etherley Lane Depot	Bishop Auckland	South	1.00	10	Council
H/28	Former Chamberlain Phipps	Bishop Auckland	South	1.64	75	Private
H/29	Bracks Road	Bishop Auckland	South	2.31	50	Private
H/30	Copelaw	Newton Aycliffe	South	93.39	600	Mix
H/31	Eldon Whins	Newton Aycliffe	South	2.26	80	Private
H/32	Land at Woodham College	Newton Aycliffe	South	4.41	100	Council
H/33	Cobblers Hall	Newton Aycliffe	South	1.83	50	Council
H/34	Land at Eldon Bank Top	Sildon	South	0.49	10	Private
H/35	Adjacent Hunwick Primary	Huwick	South	0.90	25	Private
H/36	North Blunts	Peterlee	East	2.36	65	Council
H/37	Seaham Colliery	Seaham	East	10.77	335	Mix
H/38	Former Seaham School	Seaham	East	3.69	95	Mix
H/39	Camden Square	Seaham	East	0.59	15	Council
H/40	Murton Colliery	Murton	East	5.61	130	Council
H/41	Dunelm Stables	Thornley	East	3.27	50	Private
H/42	Groves Works	Barnard Castle	West	1.35	35	Private
H/43	Land off Leazes Lane	Wolsingham	West	3.22	40	Council

1.9. As shown above, for each site, the Council has therefore provided a Housing Allocation reference number, a gross area, estimated number of dwellings and whether the site is in Council or private ownership (or both).

1.10. In addition, the Council has also:

- Provided further information for Council owned sites. This includes information on the Council's future strategy (for example whether a disposal strategy is being implemented / considered). Where applicable, it also provides some further information on abnormal costs related to the sites (or an identification of issues which may lead to abnormal costs).
- Written to sites in private ownership in an attempt to ascertain further information which may impact on the viability testing. The response has been limited, however some information has been provided on areas such as abnormal costs.

1.11. The information provided has been discussed on a site-by-site basis throughout the main body of the report.

1.12. Please note, where there are gaps in the required information we have either undertaken further research or made assumptions based on our experience (where assumptions have been made these are explicitly referred to in our summary).

1.13. The appraisals have been completed using the ARGUS Developer toolkit, an industry leader for modelling development cash flows. The individual appraisals are appended to this report.

1.14. For our initial viability appraisal testing we have looked to apply the Council's full policy provisions. If a scheme is shown to be unviable with the full policy provision, we have then looked to adjust the level of affordable housing and re-run the appraisal, on an iterative basis, up until the scheme reaches a point deemed to be viable and deliverable (if possible).



1.15. This report reflects the independent views of CP Viability, based on the research undertaken, the evidence identified and the experience of the analysing surveyor. For ease of reference, we have commented on each site individually.

2. H1 – Former Gilesgate School, off Bradford Crescent, Gilesgate, Durham



2.1. Property Description

2.1.1. Gilesgate is a settlement located around 2 miles to the east of Durham city, situated in between the A690 and A1 (M). Much of the settlement comprises residential dwellings, however there are a variety of out of town retail units (including a large supermarket) to immediate east at Dragonville and industrial accommodation to the north within Belmont Industrial Estate.

2.1.2. According to the Zoopla Zed-Index, Gilesgate has a current average value of £200,637. The average for County Durham is currently £167,604. Gilesgate can therefore be regarded as an above average value location, within the context of the wider County.

2.1.3. The land comprises a former school which has since been demolished and the site largely cleared (albeit at the time of inspection there was some debris on site and low level vegetation). The site itself is broadly square and generally level. We understand the site extends to circa 2.63 Ha (6.51 acres), on a gross basis.

2.2. General scheme assumptions

- 2.2.1. We are advised that the site is allocated for 60 dwellings. However, it is understood the property is subject to an accelerated construction funding bid and is likely to be transferred to Chapter Homes, who have undertaken their own assessment of the site based on 57 dwellings. For the purposes of our assessment we have therefore also assumed 57 dwellings.
- 2.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.
- 2.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.24 Ha (5.52 acres). At 60 dwellings, the scheme therefore reflects a development ratio of 26.79 dwellings per net Ha. It is noted that this is lower than adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied, therefore the scheme can be regarded as having a relatively low density.
- 2.2.4. Taking into account the low density of the scheme, and also given that this is an above average value location, we consider it reasonable to assume that there would be a higher than average number of detached / larger properties put forward for this scheme.
- 2.2.5. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing).
- 2.2.6. For this particular scheme, given the location and low density, we have increased this average to 125 sq m for the market value units.

2.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

2.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

2.2.9. The subject site falls within the 'highest' value area under the Local Plan Viability testing, therefore attracts a 25% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

2.3. Gross Development Value (sales revenue)

2.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'highest' value area for County Durham. The average sales values adopted in this study for this area equates to £2,500 per sq m.

2.3.2. The most relevant transactional evidence identified from a new build residential scheme is the Bett Homes development on the northern side of Gilesgate. The Land Registry data identified is summarised below:

Address	Pcode	Price	NSA (sq m)	£ per sq m	Date	Type
6 HORNBEAM CLOSE	DH1 1EN	£ 279,995	109	£ 2,569	29/04/2016	Detached
9 HORNBEAM CLOSE	DH1 1EN	£ 275,000	109	£ 2,523	29/04/2016	Detached
19 HORNBEAM CLOSE	DH1 1EN	£ 274,995	109	£ 2,523	28/10/2016	Detached
27 HORNBEAM CLOSE	DH1 1EN	£ 279,995	109	£ 2,569	09/12/2016	Detached
1 HORNBEAM CLOSE	DH1 1EN	£ 279,995	109	£ 2,569	28/04/2017	Detached
2 HORNBEAM CLOSE	DH1 1EN	£ 279,995	109	£ 2,569	28/04/2017	Detached
28 HORNBEAM CLOSE	DH1 1EN	£ 280,000	109	£ 2,569	29/07/2016	Detached
20 HORNBEAM CLOSE	DH1 1EN	£ 280,000	109	£ 2,569	28/10/2016	Detached
		£ 278,747	109	£ 2,557		
5 HORNBEAM CLOSE	DH1 1EN	£ 309,995	129	£ 2,403	28/04/2016	Detached
7 HORNBEAM CLOSE	DH1 1EN	£ 328,000	132	£ 2,485	29/04/2016	Detached
8 HORNBEAM CLOSE	DH1 1EN	£ 330,000	132	£ 2,500	29/04/2016	Detached
3 HORNBEAM CLOSE	DH1 1EN	£ 314,995	129	£ 2,442	24/10/2016	Detached
16 HORNBEAM CLOSE	DH1 1EN	£ 329,995	132	£ 2,500	28/10/2016	Detached
18 HORNBEAM CLOSE	DH1 1EN	£ 300,000	129	£ 2,326	28/10/2016	Detached
24 HORNBEAM CLOSE	DH1 1EN	£ 329,995	132	£ 2,500	03/02/2017	Detached
22 HORNBEAM CLOSE	DH1 1EN	£ 334,995	132	£ 2,538	24/02/2017	Detached
4 HORNBEAM CLOSE	DH1 1EN	£ 310,000	129	£ 2,403	01/07/2016	Detached
25 HORNBEAM CLOSE	DH1 1EN	£ 310,000	129	£ 2,403	22/07/2016	Detached
23 HORNBEAM CLOSE	DH1 1EN	£ 300,000	129	£ 2,326	26/08/2016	Detached
12 HORNBEAM CLOSE	DH1 1EN	£ 320,000	128	£ 2,500	06/10/2016	Detached
		£ 318,165	130	£ 2,444		
10 HORNBEAM CLOSE	DH1 1EN	£ 330,000	132	£ 2,500	24/06/2016	Detached
14 HORNBEAM CLOSE	DH1 1EN	£ 330,000	132	£ 2,500	29/07/2016	Detached
		£ 330,000	132	£ 2,500		
11 HORNBEAM CLOSE	DH1 1EN	£ 380,000	185	£ 2,054	29/07/2016	Detached
15 HORNBEAM CLOSE	DH1 1EN	£ 380,000	185	£ 2,054	14/09/2016	Detached
		£ 380,000	185	£ 2,054		

2.3.3. It is noted that the majority of the above sales took place in 2016, therefore adjustments should be made for revenue inflation since this time.

2.3.4. Having considered the above and taken into account the specific nature of the location, we have adopted average values of £2,450 per sq m for the market value dwellings, increasing to £2,650 per sq m for the bungalows.

2.3.5. For the affordable dwellings, the total provision included in our assessment is 25%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

2.3.6. For the affordable rented units we have assumed the transfer price would equate to 45% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 65% of the equivalent market value.

2.4. Gross Development Cost (outgoings to implement the development)

2.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. However, given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

2.4.2. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

- 2.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 2.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.
- 2.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 2.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 2.4.7. At this stage the full extent of any abnormal costs are unknown. However, we are advised by the Council that as part of the accelerated construction funding bid abnormal costs were estimated at £265,350 (no further breakdown of these costs has been provided). We have subsequently included this within our assessment.

2.4.8. Please note, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

2.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

2.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need, some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

2.4.11. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

2.4.12. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

- 2.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.
- 2.4.14. For profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 2.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 2.4.16. The subject site comprises a former school, therefore it can be regarded as being largely redundant for this use. There would therefore be limited market to take on this land as an existing use. On this basis, the existing use value would be relatively modest and perhaps in the order to £150,000 to £300,000 per Ha.
- 2.4.17. In terms of a premium uplift (designed to encourage a landowner to release for development) this would also be relatively modest as the existing use is effectively redundant therefore an alternative use would be in the interests of the landowner. A premium uplift of 5% to 10% is therefore considered to be more than reasonable for this type of land. Having considered this, we consider a BLV of say £1,000,000 to be realistic based on the existing use value of the site, without any allowance for hope value (as per the approach advocated in the PPG viability July 2018 publication).
- 2.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 2.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,794,960 This is therefore above our benchmark land value of £1,000,000. **We therefore conclude that the site is currently viable with the full policies applied.**

3. H2 – North of Hawthorn House, off Carr House Drive, Pity Me, Durham



3.1. Property Description

3.1.1. Pity Me is a suburban village of Durham located around 2.5 miles to the north of Durham city. This is a predominantly residential area, with the main access via the A167.

3.1.2. According to the Zoopla Zed-Index, Pity Me has a current average value of £209,432. The average for County Durham is currently £167,604. Pity Me can therefore be regarded as an above average value location, within the context of the wider County.

3.1.3. The site comprises undeveloped grassland. This is situated adjacent to a community centre and school, with established housing (likely to date from the 1970s) to the north and east. The site itself is a broad 'L' shape and generally level. We understand the site extends to circa 0.71 Ha (1.75 acres), on a gross basis.

3.2. General scheme assumptions

- 3.2.1. We are advised that the site is allocated for 20 dwellings.
- 3.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.
- 3.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.64 Ha (1.58 acres). At 20 dwellings, the scheme therefore reflects a development ratio of 31.30 dwellings per net Ha. This is broadly in line with that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having an average density.
- 3.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). However, to ensure a reasonable scheme density we have increased the market value dwelling to 105 sq m.
- 3.2.5. We understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). For the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).
- 3.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

3.2.7. The subject site falls within the 'highest' value area under the Local Plan Viability testing, therefore attracts a 25% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to around 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

3.3. Gross Development Value (sales revenue)

3.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'highest' value area for County Durham. The average sales values adopted in this study for this area equates to £2,500 per sq m.

3.3.2. The most relevant transactional evidence identified from a new build residential scheme is the Miller Homes development, a few hundred metres to the west of the subject site. The Land Registry data identified is summarised below:

Address	Pcode	Price	NSA (sq		Date	Type
			m)	£ per sq m		
49 HUTTON WAY	DH1 5BW	£ 139,950	66	£ 2,120	20/03/2015	Det bung
34 HUTTON WAY	DH1 5BW	£ 144,950	66	£ 2,196	26/06/2015	Det bung
		£ 142,450	66	£ 2,158		
35 HUTTON WAY	DH1 5BW	£ 289,000	130	£ 2,223	30/06/2015	Detached
6 HUTTON WAY	DH1 5BW	£ 294,950	130	£ 2,269	25/09/2015	Detached
		£ 291,975	130	£ 2,246		
53 HUTTON WAY	DH1 5BW	£ 285,000	167	£ 1,707	30/10/2015	Detached
56 HUTTON WAY	DH1 5BW	£ 299,950	167	£ 1,796	20/11/2015	Detached
57 HUTTON WAY	DH1 5BW	£ 299,950	167	£ 1,796	20/11/2015	Detached
48 HUTTON WAY	DH1 5BW	£ 330,850	168	£ 1,969	22/04/2015	Detached
51 HUTTON WAY	DH1 5BW	£ 355,000	168	£ 2,113	05/06/2015	Detached
50 HUTTON WAY	DH1 5BW	£ 360,000	168	£ 2,143	23/10/2015	Detached
52 HUTTON WAY	DH1 5BW	£ 355,000	168	£ 2,113	20/11/2015	Detached
55 HUTTON WAY	DH1 5BW	£ 362,000	168	£ 2,155	20/11/2015	Detached
		£ 330,969	168	£ 1,974		
59 HUTTON WAY	DH1 5BW	£ 370,000	192	£ 1,927	14/09/2015	Detached
54 HUTTON WAY	DH1 5BW	£ 360,000	192	£ 1,875	23/10/2015	Detached
38 HUTTON WAY	DH1 5BW	£ 359,950	192	£ 1,875	26/02/2016	Detached
		£ 363,317	192	£ 1,892		
44 HUTTON WAY	DH1 5BW	£ 134,950	54	£ 2,499	27/03/2015	Flat
36 HUTTON WAY	DH1 5BW	£ 134,950	54	£ 2,499	26/06/2015	Flat
37 HUTTON WAY	DH1 5BW	£ 124,955	54	£ 2,314	20/11/2015	Flat
		£ 131,618	54	£ 2,437		
42 HUTTON WAY	DH1 5BW	£ 139,950	61	£ 2,294	06/03/2015	Semi
43 HUTTON WAY	DH1 5BW	£ 142,950	61	£ 2,343	06/03/2015	Semi
		£ 141,450	61	£ 2,319		
75 HUTTON WAY	DH1 5BW	£ 189,950	97	£ 1,958	25/06/2015	Semi
76 HUTTON WAY	DH1 5BW	£ 189,000	97	£ 1,948	26/06/2015	Semi
41 HUTTON WAY	DH1 5BW	£ 199,950	97	£ 2,061	23/10/2015	Semi
40 HUTTON WAY	DH1 5BW	£ 204,950	97	£ 2,113	03/03/2016	Semi
		£ 195,963	97	£ 2,020		
65 HUTTON WAY	DH1 5BW	£ 209,950	103	£ 2,038	26/02/2016	Semi
116 HARVEY AVENUE	DH1 5ZG	£ 224,950	103	£ 2,184	27/03/2015	Semi
120 HARVEY AVENUE	DH1 5ZG	£ 204,950	103	£ 1,990	24/04/2015	Semi
		£ 213,283	103	£ 2,071		
73 HUTTON WAY	DH1 5BW	£ 218,452	119	£ 1,836	26/08/2015	Semi
74 HUTTON WAY	DH1 5BW	£ 218,452	119	£ 1,836	28/08/2015	Semi
5 HUTTON WAY	DH1 5BW	£ 233,950	119	£ 1,966	14/09/2015	Semi
		£ 223,618	119	£ 1,879		
118 HARVEY AVENUE	DH1 5ZG	£ 255,000	132	£ 1,932	18/12/2015	Semi
31 HUTTON WAY	DH1 5BW	£ 159,950	70	£ 2,285	26/06/2015	Terrace
32 HUTTON WAY	DH1 5BW	£ 154,950	70	£ 2,214	26/06/2015	Terrace
33 HUTTON WAY	DH1 5BW	£ 159,950	70	£ 2,285	26/06/2015	Terrace
27 HUTTON WAY	DH1 5BW	£ 159,950	70	£ 2,285	24/07/2015	Terrace
28 HUTTON WAY	DH1 5BW	£ 154,950	70	£ 2,214	24/07/2015	Terrace
29 HUTTON WAY	DH1 5BW	£ 154,950	70	£ 2,214	24/07/2015	Terrace
30 HUTTON WAY	DH1 5BW	£ 159,950	70	£ 2,285	24/07/2015	Terrace
		£ 157,807	70	£ 2,254		
110 HARVEY AVENUE	DH1 5ZG	£ 231,200	119	£ 1,943	19/03/2015	Terrace

- 3.3.3. It is noted that the majority of the above sales took place in 2015, therefore adjustments should be made for revenue inflation since this time.
- 3.3.4. Having analysed the above, we have consider an average of £2,400 per sq m for the market value dwellings, increasing to £2,600 per sq m for the bungalows (in line with the Local Plan Viability testing) to be reasonable.
- 3.3.5. For the affordable dwellings, the total provision included in our assessment is 25%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.
- 3.3.6. For the affordable dwellings we have again adopted a cautious approach. For affordable rented products rented units we have assumed the transfer price would equate to 45% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 65% of the equivalent market value.

3.4. Gross Development Cost (outgoings to implement the development)

- 3.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

- 3.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 3.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has bene factored into our assessment.
- 3.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 3.4.5. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 3.4.6. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal.

3.4.7. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

3.4.8. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

3.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Ecology	- Total of £3,000
Health	- £507 per dwelling
Ecology	- £662 per dwelling

3.4.10. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

3.4.11. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

- 3.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability.
- 3.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 3.4.14. The subject site comprises undeveloped grassland, therefore the existing use value has a limited value attached to it. Taking into account of the Council policies, a BLV of £300,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £470,000 per net ha).
- 3.4.15. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.
- 3.4.16. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £311,194. This is therefore above our benchmark land value of £300,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

4. H3 – South of Potterhouse Terrace, off Acorn Place, Pity Me, Durham



4.1. Property Description

4.1.1. Pity Me is a suburban village of Durham located around 2.5 miles to the north of Durham city. This is a predominantly residential area, with the main access via the A167.

4.1.2. According to the Zoopla Zed-Index, Pity Me has a current average value of £209,432. The average for County Durham is currently £167,604. Pity Me can therefore be regarded as an above average value location, within the context of the wider County.

4.1.3. The site was previously known as Hawthorn House, however the buildings have since been demolished. The site is currently covered by a large amount of vegetation and trees. This is situated close to a relatively modern housing estate. The site itself is broadly square shaped and generally level. We understand the site extends to circa 0.32 Ha (0.79 acres), on a gross basis.

4.2. General scheme assumptions

- 4.2.1. We are advised that the site is allocated for 10 dwellings.
- 4.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.
- 4.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.29 Ha (0.71 acres). At 10 dwellings, the scheme therefore reflects a development ratio of 34.72 dwellings per net Ha. This is slightly above that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having an above average density.
- 4.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m. However, given the higher density of the scheme we have slightly reduced the average market value dwelling to 90 sq m per dwelling.
- 4.2.5. We understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).
- 4.2.6. Given that the scheme is only to provide 10 dwellings, the affordable housing policy does not apply.

4.2.7. Based on our average dwelling size assumptions, the overall density equates to around 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

4.3. Gross Development Value (sales revenue)

4.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'highest' value area for County Durham. The average sales values adopted in this study for this area equates to £2,500 per sq m.

4.3.2. The most relevant transactional evidence identified from a new build residential scheme is the Miller Homes development, a few hundred metres to the west of the subject site. This is the same evidence used for H2 Land North of Hawthorn House (see above Pg 18).

4.3.3. Having analysed the evidence and taking into account the nature of the site and the smaller size of the dwellings we consider an average of £2,500 per sq m for the market value dwellings, increasing to £2,700 per sq m for the bungalows (in line with the Local Plan Viability testing) to be reasonable.

4.4. Gross Development Cost (outgoings to implement the development)

4.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

- 4.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates these costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).
- 4.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.
- 4.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 4.4.5. Given the size of the scheme it is assumed the SUDS policy does not apply to the subject site.
- 4.4.6. Abnormal costs are unknown at this stage. However, based on our site inspection, it is clear some expenditure will need to be incurred in clearing the site of vegetation and possibly some tree removal (assuming this is acceptable in planning terms). We have allowed £25,000 to cover these abnormal works.
- 4.4.7. However, it is stressed that the PPG (July 2018) on viability states that abnormalities should be reflected in the benchmark land value ('BLV'), therefore if abnormalities increase the BLV should broadly decrease at a proportional rate and vice versa. The impact of identifying abnormalities at a later date may not therefore change the viability outcome of the scheme.

4.4.8. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

4.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need, some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Ecology	- Total £2,000
Health	- £507 per dwelling
Ecology	- £662 per dwelling

4.4.10. Given the size of the scheme it is assumed the affordable housing policy does not apply to the site.

4.4.11. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling for legal fees.

4.4.12. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

4.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units. This is in line with the Local Plan Viability testing.

4.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

4.4.15. The subject site comprises a cleared brownfield site, however the former use is likely to be regarded as largely redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking account of the Council policies, a BLV of £175,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £607,000 per net ha).

4.4.16. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

4.4.17. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £275,510. This is therefore above our benchmark land value of £175,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

5. H4 – Former Skid Pan, Aykley Heads, Durham



5.1. Property Description

5.1.1. Aykley Heads is a settlement located around 1.5 miles to the north of Durham city centre. The main access into the city is via the A691 Southfield Way / Framwelgate Perth. The area comprises a former police headquarters, Durham County Council's County Hall and a school. The land of the former police HQ is currently being redeveloped for housing by Persimmon (called Aykley Woods).

5.1.2. According to the Zoopla Zed-Index, Aykley Heads has a current average value of £335,284. The average for County Durham is currently £167,604. Aykley Heads can therefore be regarded as being a significantly above average value location, within the context of the wider County.

5.1.3. The site is situated immediately to the north of Persimmon's ongoing Aykley Woods development. To its northern section the land comprises a former skid pan (which formed part of the former policy headquarters estate). This area includes some roadways laid area (presumably used for training purposes) and steel fencing. The southern section of the land comprises mostly undeveloped grassland. There are various well-established trees located around the perimeter and also running through the site. At the current time there is no obvious vehicular access onto the site (and most likely this would need to be provided through the Persimmon scheme to the south, therefore there may potentially be a 'ransom' position regarding the access).

5.1.4. The site is an irregular shape and is understood to extend to 1.92 Ha (4.74 acres) on a gross basis. The northern section of the site (which includes the former skid pan area) drops down significantly by several metres from the southern section of the site.

5.2. General scheme assumptions

5.2.1. We are advised that the site is allocated for 50 dwellings. This is in private ownership.

5.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

5.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 1.63 Ha (4.03 acres).

- 5.2.4. At 50 dwellings, the scheme therefore reflects a development ratio of 30.64 dwellings per net Ha. It is noted that this is slightly lower than adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.
- 5.2.5. Taking into account the slightly lower density of the scheme, and also given that this is an above average value location, we consider it reasonable to assume that there would be a higher than average number of detached / larger properties put forward for this scheme.
- 5.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the location and slightly lower density, we have increased this average to 110 sq m for the market value units.
- 5.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).
- 5.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.
- 5.2.9. The subject site falls within the 'highest' value area under the Local Plan Viability testing, therefore attracts a 25% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

5.3. Gross Development Value (sales revenue)

5.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'highest' value area for County Durham. The average sales values adopted in this study for this area equates to £2,500 per sq m.

5.3.2. The most relevant transactional evidence identified from a new build residential scheme is the Persimmon Aykley Woods scheme immediately to the south. The sales identified from Aykley Heads are shown below:

Address		Pcode	Price	NSA (sq m)	£ per sq m	Date	Type
2 STRAUGHAN CRESCENT	AYKLEY HEADS	DH1 5JU	£ 254,950	79	£ 3,227	15/12/2017	Detached
11 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 254,950	79	£ 3,227	30/06/2017	Detached
12 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 254,950	79	£ 3,227	29/06/2017	Detached
					£ 3,227		
1 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 264,950	90	£ 2,944	23/06/2017	Detached
1 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 304,950	100	£ 3,050	30/06/2017	Detached
12 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 309,950	100	£ 3,100	22/09/2017	Detached
7 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 299,950	100	£ 3,000	11/04/2018	Detached
8 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 299,950	100	£ 3,000	01/12/2017	Detached
17 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 292,450	100	£ 2,925	26/05/2017	Detached
19 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 304,950	100	£ 3,050	31/03/2017	Detached
20 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 304,950	100	£ 3,050	05/05/2017	Detached
23 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 299,950	100	£ 3,000	12/05/2017	Detached
					£ 3,021		
16 STRAUGHAN CRESCENT	AYKLEY HEADS	DH1 5JU	£ 339,950	112	£ 3,035	15/12/2017	Detached
9 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 329,950	112	£ 2,946	30/06/2017	Detached
3 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 344,950	115	£ 3,000	10/08/2017	Detached
8 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 334,950	115	£ 2,913	11/09/2017	Detached
10 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 344,950	115	£ 3,000	15/09/2017	Detached
18 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 344,950	115	£ 3,000	31/03/2017	Detached
					£ 2,982		
22 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 450,000	166	£ 2,711	30/03/2017	Detached
16 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 324,901	167	£ 1,946	16/06/2017	Detached
					£ 2,328		
3 STRAUGHAN CRESCENT	AYKLEY HEADS	DH1 5JU	£ 194,950	59	£ 3,304	15/12/2017	Semi
5 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 239,950	80	£ 2,999	30/06/2017	Semi
7 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 239,950	80	£ 2,999	05/04/2018	Semi
24 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 239,950	80	£ 2,999	23/08/2017	Semi
25 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 239,950	80	£ 2,999	13/07/2017	Semi
					£ 2,999		
14 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	85	£ 2,588	01/11/2017	Semi
15 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 214,950	85	£ 2,529	20/12/2017	Semi
27 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	85	£ 2,588	28/06/2017	Semi
28 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	85	£ 2,588	30/06/2017	Semi
					£ 2,573		
15 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 239,950	97	£ 2,474	18/12/2017	Semi
17 WOODWARD WAY	AYKLEY HEADS	DH1 5ZH	£ 239,950	97	£ 2,474	20/12/2017	Semi
2 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	97	£ 2,268	29/09/2017	Semi
3 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	97	£ 2,268	20/10/2017	Semi
4 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 214,950	97	£ 2,216	12/04/2018	Semi
5 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	97	£ 2,268	30/11/2017	Semi
29 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 219,950	97	£ 2,268	05/01/2018	Semi
30 MADDISON COURT	AYKLEY HEADS	DH1 5ZT	£ 229,950	97	£ 2,371	30/06/2017	Semi
					£ 2,326		

5.3.3. The majority of the above sales took place in 2017, therefore adjustments should be made for revenue inflation since this time.

5.3.4. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £2,500 per sq m. For the purposes of this assessment we have increased this to £2,750 per sq m for the market value dwellings, and £3,000 per sq m for the bungalows.

5.3.5. For the affordable dwellings, the total provision included in our assessment is 25%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

5.3.6. For the affordable dwellings we have again adopted a cautious approach. For affordable rented products rented units we have assumed the transfer price would equate to 40% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 60% of the equivalent market value.

5.4. Gross Development Cost (outgoings to implement the development)

5.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 5.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.
- 5.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 5.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has bene factored into our assessment.
- 5.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

- 5.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 5.4.7. At this stage abnormal costs are unknown. However, the owner of the site (when contacted by the Council) has raised the possibility of the following abnormal costs:
- Remediation of skid pan and road.
 - Possible issues with services (likely to be extended distances to bring services on site).
 - Substation is likely to be required.
- 5.4.8. For the sub-station, we consider a spot allowance of £100,000 to be reasonable. For the remediation works this will depend on the extent of any issue identified, however for the purposes of this assessment we have allowed a further £150,000. For the potential extra-over costs associated with bringing services on the site a more detailed assessment will be required to identify where current services are. However, for the purposes of this assessment £500,000 to cover these works.
- 5.4.9. It is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 5.4.10. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

5.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Ecology	- Total £3,000
Health	- £507 per dwelling
Ecology	- £662 per dwelling

5.4.12. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

5.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

5.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

5.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

5.4.16. The subject site comprises a former skid pan, which is a specialist facility with a particularly limited demand. It is therefore unlikely the existing use would attract any significant value in the open market. Instead, we have followed the Local Plan Viability testing, which applies a value equivalent to £900,000 per Ha.

5.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

5.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,777,178. This is therefore above our benchmark land value of £1,750,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

6. H7 – Cook Avenue, Bearpark



6.1. Property Description

6.1.1. Bearpark is a village located around 2 miles to the west of Durham city. The main access into the city is via B6302 to the south, although Auton Stile also provides an alternative route to the A167 to the east.

6.1.2. According to the Zoopla Zed-Index, Bearpark has a current average value of £130,874. The average for County Durham is currently £167,604. Bearpark can therefore be regarded as being a below average value location, within the context of the wider County.

6.1.3. The site itself is located on the northern edge of Bearpark village, a short distance from Bearpark school. There are established houses to south and west, with the northern section mainly looking out towards undeveloped agricultural land / woodland. There are also some industrial buildings immediately adjacent to the site.

6.1.4. The site comprises undeveloped agricultural land. This is an irregular shape and is understood to extend to 5.63 Ha (13.91 acres) on a gross basis. Broadly, the site slopes south to north.

6.2. General scheme assumptions

6.2.1. We are advised that the site is allocated for 200 dwellings. However, we are advised that Taylor Wimpey currently have a planning application pending consideration for 170 dwellings (ref DM/18/00129/FPA). This comprises 136 market value dwellings and 34 affordable units (20%). The affordable units are to be split 76/24 between rented and ownership.

6.2.2. Given the size of the scheme and having considered the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 4.79 Ha (11.82 acres).

6.2.3. At 170 dwellings, the scheme therefore reflects a development ratio of 35.52 dwellings per net Ha. It is noted that this is in line with what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

6.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, having reviewed the proposed dwellings on site, we have reduced this average to 90 sq m for the market value units and 80 sqm for the affordable.

6.2.5. Based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

6.3. Gross Development Value (sales revenue)

6.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham (albeit on the edge of the 'highest' value area). The average sales values adopted in this study for this area equates to £1,900 per sq m.

6.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Taylor Wimpey development (now completed) at Ushaw Moor. The sales identified are shown below:



Address	Pcode	Price	Size		Date	Type	
			(sq m)	£ / sq m			
4 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 155,000	88	£ 1,761	29/09/2015	Detached
5 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 171,995	88	£ 1,954	24/03/2016	Detached
38 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 169,995	88	£ 1,932	02/12/2016	Detached
46 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 165,995	88	£ 1,886	02/12/2016	Detached
32 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 171,995	88	£ 1,954	04/05/2017	Detached
46 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 169,995	88	£ 1,932	24/03/2016	Detached
			£ 167,496	88	£ 1,903		
14 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 179,995	100	£ 1,800	23/10/2015	Detached
22 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 182,995	100	£ 1,830	20/11/2015	Detached
5 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 174,995	100	£ 1,750	26/08/2016	Detached
47 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 177,995	100	£ 1,780	28/04/2016	Detached
1 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 170,000	100	£ 1,700	20/05/2016	Detached
4 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 172,000	100	£ 1,720	20/05/2016	Detached
34 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 179,995	100	£ 1,800	28/10/2016	Detached
49 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 176,995	100	£ 1,770	01/07/2016	Detached
2 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 180,000	105	£ 1,714	29/09/2015	Detached
36 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 197,995	105	£ 1,886	23/11/2016	Detached
20 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 192,995	105	£ 1,838	22/01/2016	Detached
40 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 186,995	100	£ 1,870	18/11/2016	Detached
6 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 184,995	100	£ 1,850	05/05/2017	Detached
42 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 197,995	105	£ 1,886	02/12/2016	Detached
44 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 188,995	100	£ 1,890	02/12/2016	Detached
38 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 168,995	100	£ 1,690	09/12/2016	Detached
26 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 191,000	105	£ 1,819	02/09/2016	Detached
2 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 188,000	105	£ 1,790	15/04/2016	Detached
35 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 199,995	105	£ 1,905	31/03/2017	Detached
50 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 187,995	105	£ 1,790	15/04/2016	Detached
2 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 201,995	107	£ 1,888	16/12/2016	Detached
1 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 196,995	107	£ 1,841	01/07/2016	Detached
37 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 199,995	107	£ 1,869	31/03/2017	Detached
51 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 192,995	107	£ 1,804	20/11/2015	Detached
48 CHADWICK CLOSE	USHAW MOOR	DH7 7RH	£ 194,995	107	£ 1,822	30/11/2015	Detached
			£ 186,716	103	£ 1,812		
1 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 223,995	122	£ 1,836	16/12/2016	Detached
3 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 214,995	122	£ 1,762	29/03/2017	Detached
36 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 225,995	125	£ 1,808	24/03/2017	Detached
4 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 224,995	125	£ 1,800	17/02/2017	Detached
5 GRANT CLOSE	USHAW MOOR	DH7 7RQ	£ 214,995	122	£ 1,762	30/03/2017	Detached
			£ 220,995	123	£ 1,794		
12 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 134,995	68	£ 1,985	01/12/2015	Semi
10 LINDSAY ROAD	USHAW MOOR	DH7 7RG	£ 124,995	68	£ 1,838	04/03/2016	Semi
			£ 129,995	68	£ 1,912		

- 6.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.
- 6.3.4. Furthermore, according to Zoopla the average value in Ushaw Moor is currently £106,213, compared to £130,874 Bearpark. In this regard, Bearpark is likely to attract a small premium when compared to values achieved in Ushaw Moor. Again, this should be reflected in the analysis.
- 6.3.5. Finally, as indicated above, this scheme comprises smaller dwellings. For reasons of quantum, smaller dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.
- 6.3.6. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £1,900 per sq m. For the purposes of this assessment we have increased this to £2,000 per sq m for the market value dwellings.
- 6.3.7. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.
- 6.4. Gross Development Cost (outgoings to implement the development)
- 6.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 6.4.2. Taylor Wimpey are currently looking to progress the site. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.
- 6.4.3. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing. We have also assumed a SUDS allowance at £25,000 per gross Ha.
- 6.4.4. According to the draft Heads of Terms shown on the planning file, the following other policy requirements apply to this scheme:
- Open space provision. The sum is not shown, however we have assumed this is equivalent to £2,000 per dwelling (given the size of the scheme we have assumed some of the requirement is off-site by on-site provision).
 - Targeted recruitment and training. The sum is not given. We have allowed a spot figure of £50,000.
 - Health £507 per dwelling
 - Ecology £662 per dwelling

- 6.4.5. The Council has also indicated it is seeking an ecology sum totalling £10,000. This is not included within the draft Heads of Terms, however we have included this within the assessment.
- 6.4.6. At this stage the abnormal costs are unknown and Taylor Wimpey have been unable to provide any further information in this regard. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 6.4.7. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 6.4.8. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 6.4.9. For finance we have assumed a 5.5% debit rate, plus a 3% credit.
- 6.4.10. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 6.4.11. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

6.4.12. The Local Plan Viability testing shows a BLV in the region of £325,000 per Ha for this type of site in a medium value location.

6.4.13. The subject site comprises undeveloped agricultural land. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

6.4.14. Having considered the above, we have arrived at a BLV of £1,500,000 for the site. This is equivalent to circa £266,000 per Ha, which represents an uplift of around 18 times the EUV. This is considered to be reasonable given the nature of the site.

6.4.15. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

6.4.16. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,684,087. This is therefore above our benchmark land value of £1,500,000. **We therefore conclude that the site is currently viable based on the planning policies set out above.**

7. H8 – Cook Avenue North, Bearpark



7.1. Property Description

7.1.1. Bearpark is a village located around 2 miles to the west of Durham city. The main access into the city is via B6302 to the south, although Auton Stile also provides an alternative route to the A167 to the east.

7.1.2. According to the Zoopla Zed-Index, Bearpark has a current average value of £130,874. The average for County Durham is currently £167,604. Bearpark can therefore be regarded as being a below average value location, within the context of the wider County.

7.1.3. The site itself is located on the northern edge of Bearpark village, a short distance from Bearpark school. There are established houses to south and west, with the northern section mainly looking out towards undeveloped agricultural land / woodland. There are also some industrial buildings immediately adjacent to the site. The site is also immediately to the north of site allocation H7 (separated only by a road).

7.1.4. The site currently comprises paddock land. However, we understand that historically this comprised a row of terraced houses, which have since been demolished and the site fully cleared. The site is a long, thin rectangular shape and is understood to extend to 2.16 Ha (5.33 acres) on a gross basis. Broadly, the site is level.

7.2. General scheme assumptions

7.2.1. We are advised that the site is allocated for 50 dwellings.

7.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

7.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 1.84 Ha (4.54 acres).

7.2.4. At 50 dwellings, the scheme therefore reflects a development ratio of 27.23 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

7.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

7.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m for the market value units.

7.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

7.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

7.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision (albeit we note the next door site is proposing a 20% provision). At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

7.3. Gross Development Value (sales revenue)

7.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

7.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Taylor Wimpey development (now completed) at Ushaw Moor. The sales identified are shown above on Pg 42.

- 7.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.
- 7.3.4. Furthermore, according to Zoopla the average value in Ushaw Moor is currently £106,213, compared to £130,874 Bearpark. In this regard, Bearpark is likely to attract a small premium when compared to values achieved in Ushaw Moor. Again, this should be reflected in the analysis.
- 7.3.5. Finally, as indicated above, we have assumed this scheme will comprise more detached dwellings. For reasons of demand detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.
- 7.3.6. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £1,900 per sq m. For the purposes of this assessment we have increased this to £2,000 per sq m for the market value dwellings, and £2,250 per sq m for the bungalows.
- 7.3.7. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.
- 7.3.8. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

7.4. Gross Development Cost (outgoings to implement the development)

- 7.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.
- 7.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.
- 7.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.
- 7.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 7.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

- 7.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 7.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 7.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 7.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 7.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Ecology	- Total £5,000
Health	- £507 per dwelling
Ecology	- £662 per dwelling

7.4.11. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

7.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

7.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

7.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

7.4.15. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

7.4.16. The subject site currently comprises paddock land (albeit its previous use historically was for housing). Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

7.4.17. Having considered the above, we have arrived at a BLV of £550,000 for the site.

This is equivalent to circa £254,630 per Ha, which represents an uplift of around 17 times the EUV. This is considered to be reasonable given the nature of the site.

7.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

7.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £620,993. This is therefore above our benchmark land value of £550,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

8. H9 – Land adj to Woodlands, Langley Park



8.1. Property Description

8.1.1. Langley Park is a village of Durham located around 5 miles to the north west of Durham city. The main access to and from the village is via the A691 to the north.

8.1.2. According to the Zoopla Zed-Index, Langley Park has a current average value of £130,558. The average for County Durham is currently £167,604. Langley Park can therefore be regarded as a below average value location, within the context of the wider County. It is noted that Langley Park has an almost identical average value to Bearpark.

8.1.3. The site comprises undeveloped grassland. This is situated adjacent to some modern housing to the west and woodland to the north and south. We understand the site extends to circa 0.95 Ha (2.35 acres), on a gross basis.

8.2. General scheme assumptions

8.2.1. We are advised that the site is allocated for 25 dwellings.

8.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

8.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.86 Ha (2.11 acres). At 25 dwellings, the scheme therefore reflects a development ratio of 29.24 dwellings per net Ha. This is broadly in line with that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having an average density.

8.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). However, for this scheme we have increased the average dwelling size to 115 sq m (to ensure the overall density is in line with expectations).

8.2.5. We understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

8.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

8.2.7. The subject site falls within the 'medium' value area (albeit on the edge of the highest value area) under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to around 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

8.3. Gross Development Value (sales revenue)

8.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

8.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Taylor Wimpey development (now completed) at Ushaw Moor. The sales identified are shown above on Pg 42.

8.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

8.3.4. Furthermore, according to Zoopla the average value in Ushaw Moor is currently £106,213, compared to £130,558 Langley Park. In this regard, Langley Park is likely to attract a small premium when compared to values achieved in Ushaw Moor. Again, this should be reflected in the analysis.

8.3.5. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £1,900 per sq m. For the purposes of this assessment we have increased this to £2,050 per sq m for the market value dwellings, and £2,300 per sq m for the bungalows.

8.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

8.3.7. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

8.4. Gross Development Cost (outgoings to implement the development)

8.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,148 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,270 per sq m.

8.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).

- 8.4.3. For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 8.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.
- 8.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 8.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 8.4.7. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 8.4.8. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

8.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

8.4.10. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

8.4.11. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

8.4.12. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

8.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

- 8.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 8.4.15. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.
- 8.4.16. The subject site currently comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.
- 8.4.17. Having considered the above, we have arrived at a BLV of £250,000 for the site. This is equivalent to circa £263,158 per Ha, which represents an uplift of around 17.5 times the EUV. This is considered to be reasonable given the nature of the site.
- 8.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.
- 8.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. This is therefore below our benchmark land value of £250,000. **We therefore conclude that the site is currently unviable if the full planning policies are applied.**
- 8.4.20. However, we note the planning policy capital contribution total around £275,000 and furthermore our appraisal assumes an on-site affordable housing provision of 16%. If these policies are sufficiently relaxed we anticipate the scheme will show a viable outcome.

9. H10 – Former Arizona Chemicals, Vigo Lane, Birtley, Chester-le-Street



9.1. Property Description

9.1.1. The site is situated to the southern edge of Birtley, north of Chester-le-Street. This is located around 12.5 miles south of Newcastle City centre and around 4 miles north of Chester-le-Street. The site sits close to Junction 64 of the A1 (M).

9.1.2. According to the Zoopla Zed-Index, Birtley has a current average value of £154,421. The average for County Durham is currently £167,604. On this evidence, Birtley can therefore be regarded as being a broadly average value location, within the context of the wider County. However, in recent years there have been a number of new housing estates in this general area which have performed strongly, with above average values being recorded. This is because this location provides an easy commuter route into Newcastle.

9.1.3. The site itself is located immediately to the south of Vigo Lane in a predominantly residential area. The site is located immediately adjacent to an ongoing development by Avant Homes called Barley Gate (on land which was also part of the former chemical works). Works have commenced and houses have been sold at this scheme. For clarity, however, no works appear to have commenced on the subject site.

9.1.4. The site therefore comprises part of former chemical works, which has since been demolished and the site cleared and levelled. The site is broadly rectangular in shape and is understood to extend to 2.68 Ha (6.61 acres) on a gross basis. The site is generally level.

9.2. General scheme assumptions

9.2.1. We are advised that the site is allocated for 60 dwellings.

9.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

9.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.28 Ha (5.63 acres).

9.2.4. At 60 dwellings, the scheme therefore reflects a development ratio of 26.34 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

- 9.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.
- 9.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 125 sq m for the market value units.
- 9.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).
- 9.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.
- 9.2.9. The subject site falls within the 'highest' value area under the Local Plan Viability testing, therefore attracts a 25% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 2,900 sq m per net Ha. This is considered to be reasonable for this location (albeit at the lower end of expectations).

9.3. Gross Development Value (sales revenue)

9.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the ‘highest’ value area for County Durham. The average sales values adopted in this study for this area equates to £2,500 per sq m.

9.3.2. The most relevant transactional evidence identified from a new build residential scheme is Avant Homes adjacent Barley Gate scheme. The sales achieved so far, as shown on the Land Registry, are as follows:

Address	Pcode	Price	Size (sq m)	£ / psm	Date	Type
10 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 234,995	84	£ 2,798	20/12/2017	Detached
13 WANSTEAD CRESCENT	BIRTLEY DH3 2BN	£ 194,995	93	£ 2,097	21/12/2017	Semi
16 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 194,995	93	£ 2,097	16/03/2018	Semi
18 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 194,995	93	£ 2,097	23/03/2018	Semi
				£ 2,097		
36 Highbury Close	BIRTLEY DH3 2EF	£ 242,995	113	£ 2,150	27/04/2018	Semi
42 Highbury Close	BIRTLEY DH3 2EF	£ 239,995	113	£ 2,124	27/04/2018	Semi
43 Highbury Close	BIRTLEY DH3 2EF	£ 239,995	113	£ 2,124	27/04/2018	Semi
				£ 2,133		
21 WANSTEAD CRESCENT	BIRTLEY DH3 2BN	£ 254,995	95	£ 2,684	27/04/2018	Detached
8 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 259,995	95	£ 2,737	29/03/2018	Detached
41 Highbury Close	BIRTLEY DH3 2EF	£ 254,995	95	£ 2,684	29/03/2018	Detached
6 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 249,995	96	£ 2,604	26/01/2018	Detached
38 Highbury Close	BIRTLEY DH3 2EF	£ 249,995	96	£ 2,604	27/04/2018	Detached
				£ 2,663		
12 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 269,995	112	£ 2,411	23/02/2018	Detached
20 WANSTEAD CRESCENT	BIRTLEY DH3 2BP	£ 344,995	132	£ 2,614	29/03/2018	Detached

9.3.3. As indicated above, we have assumed this scheme will comprise more detached dwellings. For reasons of demand detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

9.3.4. Having considered the above, we consider the Local Plan Viability testing allowances of £2,400 per sq m for the market value dwellings and £2,600 per sq m for the bungalows to be reasonable.

9.3.5. For the affordable dwellings, the total provision included in our assessment is 25%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

9.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 45% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 65% of the equivalent market value.

9.4. Gross Development Cost (outgoings to implement the development)

9.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

9.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

- 9.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.
- 9.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 9.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.
- 9.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 9.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

9.4.8. At this stage abnormal costs are unknown. However, given the previous use of the land there is the potential for some remediation / decontamination works. We have subsequently allowed a spot figure of £500,000 to cover any potential works on this nature. However, it is stressed that the PPG (July 2018) on viability states that abnormal costs should be reflected in the benchmark land value ('BLV'), therefore if abnormal costs increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormal costs at a later date may not therefore change the viability outcome of the scheme.

9.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

9.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

9.4.11. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

- 9.4.12. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 9.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.
- 9.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 9.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 9.4.16. The Local Plan Viability testing shows a BLV of £800,000 per Ha for this type of site in the highest value location.
- 9.4.17. The subject site currently comprises industrial land (albeit the site has been cleared). Given its location we would expect an existing use value of say £500,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 20% above the EUV is considered reasonable, giving a BLV equivalent to £600,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.
- 9.4.18. Having considered the above, we have arrived at a BLV of £1,600,000 for the site. This is equivalent to circa £597,015 per Ha, which represents an uplift of around 20% above the EUV. This is considered to be reasonable given the nature of the site.
- 9.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.



9.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,607,144 This is therefore above our benchmark land value of £1,600,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

10. H11 – Former Roseberry Comprehensive, Newfield, Pelton



10.1. Property Description

10.1.1. Pelton is a village situated around 2 miles to the north west of Chester-le-Street and 9 miles to the north of Durham. The main access to and from the village is via the A693, which provides a direct route to Junction 63 of the A1 (M) to the east.

10.1.2. According to the Zoopla Zed-Index, Pelton has a current average value of £114,550. The average for County Durham is currently £167,604. On this evidence, Pelton can therefore be regarded as being a below average value location, within the context of the wider County.

10.1.3. The site itself comprises a former school site, situated close to established housing. The site is an irregular shape and is understood to extend to 2.84 Ha (7.01 acres) on a gross basis. The site is generally level.

10.1.4. We are advised by the Council that the site is currently under offer to a national volume housebuilder.

10.2. General scheme assumptions

10.2.1. We are advised that the site is allocated for 65 dwellings.

10.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

10.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.27 Ha (5.61 acres).

10.2.4. At 65 dwellings, the scheme therefore reflects a development ratio of 28.61 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

10.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

10.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m.

10.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

10.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

10.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,100 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

10.3. Gross Development Value (sales revenue)

10.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

10.3.2. The most relevant transactional evidence identified for new build schemes in this location are summarised below:

Address	Pcode	Price	NSA (sq m)	£ per sq m	Date	Type	
22 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£164,950	79	£ 2,088	21/12/2016	Detached
24 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£160,000	79	£ 2,025	30/11/2016	Detached
25 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£164,950	79	£ 2,088	30/06/2016	Detached
110 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£164,950	79	£ 2,088	19/12/2016	Detached
108 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£164,950	79	£ 2,088	20/12/2016	Detached
27 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£164,950	79	£ 2,088	30/06/2016	Detached
			£164,125	79	£ 2,078		
10 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£199,950	83	£ 2,409	23/03/2016	Detached
11 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£199,950	83	£ 2,409	25/11/2016	Detached
21 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£190,000	83	£ 2,289	25/11/2016	Detached
131 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£169,950	89	£ 1,910	18/12/2015	Detached
127 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£179,950	89	£ 2,022	08/03/2016	Detached
104 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£179,950	89	£ 2,022	27/10/2016	Detached
143 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£179,950	89	£ 2,022	31/03/2017	Detached
102 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£174,950	89	£ 1,966	17/12/2015	Detached
			£184,331	87	£ 2,131		
29 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£164,950	91	£ 1,813	13/03/2015	Detached
8 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£204,950	100	£ 2,050	31/03/2017	Detached
			£184,950	96	£ 1,931		
17 CRAIGOWAN WALK	NEWFIELD	DH2 2FA	£210,950	112	£ 1,883	22/06/2015	Detached
11 CRAIGOWAN WALK	NEWFIELD	DH2 2FA	£199,950	112	£ 1,785	13/11/2015	Detached
100 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£209,950	112	£ 1,875	17/06/2016	Detached
106 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£209,950	112	£ 1,875	03/03/2017	Detached
2 GATCOMBE WAY	NEWFIELD	DH2 2FF	£209,000	112	£ 1,866	07/10/2016	Detached
20 GATCOMBE WAY	NEWFIELD	DH2 2FF	£204,950	112	£ 1,830	09/12/2016	Detached
19 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£199,950	112	£ 1,785	03/04/2017	Detached
18 GATCOMBE WAY	NEWFIELD	DH2 2FF	£209,950	114	£ 1,842	09/12/2016	Detached
89 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£195,950	115	£ 1,704	04/12/2015	Detached
111 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£194,950	115	£ 1,695	27/05/2016	Detached
94 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£199,950	115	£ 1,739	30/06/2016	Detached
			£204,136	113	£ 1,807		
5 ST JAMES CRESCENT	NEWFIELD	DH2 2FB	£240,000	134	£ 1,791	31/05/2017	Detached
6 ST JAMES CRESCENT	NEWFIELD	DH2 2FB	£249,950	134	£ 1,865	31/03/2017	Detached
			£244,975	134	£ 1,828		
135 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£139,950	70	£ 1,999	22/12/2016	Semi
137 SANDRINGHAM WAY	NEWFIELD	DH2 2FD	£139,950	70	£ 1,999	20/12/2016	Semi
16A SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£137,950	70	£ 1,971	30/10/2015	Semi
14 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£139,950	70	£ 1,999	17/12/2015	Semi
			£139,450	70	£ 1,992		
70 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£145,000	79	£ 1,835	30/10/2015	Semi
70A SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£149,950	79	£ 1,898	27/11/2015	Semi
5 GATCOMBE WAY	NEWFIELD	DH2 2FF	£149,950	79	£ 1,898	11/12/2015	Semi
9 GATCOMBE WAY	NEWFIELD	DH2 2FF	£149,950	79	£ 1,898	17/12/2015	Semi
11 GATCOMBE WAY	NEWFIELD	DH2 2FF	£149,950	79	£ 1,898	17/12/2015	Semi
7 GATCOMBE WAY	NEWFIELD	DH2 2FF	£149,950	79	£ 1,898	18/12/2015	Semi
15 GATCOMBE WAY	NEWFIELD	DH2 2FF	£149,950	79	£ 1,898	27/05/2016	Semi
			£149,243	79	£ 1,889		
1A ST JAMES CRESCENT	NEWFIELD	DH2 2FB	£199,950	83	£ 2,409	22/12/2016	Semi
21 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£190,000	83	£ 2,289	25/11/2016	Semi
			£194,975	83	£ 2,349		
66 SANDRINGHAM WAY	NEWFIELD	DH2 2FE	£164,950	91	£ 1,813	29/05/2015	Semi
23 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£195,950	100	£ 1,960	27/10/2016	Semi
			£180,450	96	£ 1,886		
15 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£209,950	112	£ 1,875	21/04/2017	Semi
17 BUCKINGHAM WALK	NEWFIELD	DH2 2FG	£199,950	112	£ 1,785	13/12/2016	Semi
			£204,950	112	£ 1,830		

10.3.3. As indicated above, we have assumed this scheme will comprise more detached dwellings. For reasons of demand detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

10.3.4. Having considered the above, we consider the Local Plan Viability testing allowances of £2,150 per sq m for the market value dwellings and £2,350 per sq m for the bungalows to be reasonable.

10.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

10.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

10.4. Gross Development Cost (outgoings to implement the development)

10.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 10.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.
- 10.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.
- 10.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.
- 10.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.
- 10.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

10.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

10.4.8. The Council has provided a list of abnormal costs associated with the site (including grouting, demolition, asbestos removal, enhanced foundations and removal of non-hazardous material). We calculate the total as £881,274. Please note, some of the costs referred to as abnormals were regarded as being 'normal' externals (such as gas, electricity, drainage etc). So as to avoid double counting we have removed these costs from the abnormals allowances, as they are included elsewhere in our appraisal under 'external' works.

10.4.9. It is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

10.4.10. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

10.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (lower as on-site provided)
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

10.4.12. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

10.4.13. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

10.4.14. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

10.4.15. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

10.4.16. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

10.4.17. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in the highest value location.

10.4.18. The subject site comprises a former school, therefore it can be regarded as being largely redundant for this use. There would therefore be a limited market to take on this land as an existing use. On this basis, the existing use value would be naturally modest and perhaps in the order to £150,000 to £300,000 per Ha. However, as discussed above, there are significant abnormal costs, which would serve to push down the existing use value for the purposes of the appraisal.

10.4.19. In terms of a premium uplift (designed to encourage a landowner to release for development) this would also be relatively modest as the existing use is effectively redundant therefore an alternative use would be in the interests of the landowner. A premium uplift of 5% to 10% is therefore considered to be more than reasonable for this type of land.

10.4.20. Having considered this, we consider a BLV of say £850,000 (around £300,000 per gross Ha) to be realistic based on the existing use value of the site, without any allowance for hope value (as per the approach advocated in the PPG viability July 2018 publication).

10.4.21. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

10.4.22. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £854,694. This is therefore below our benchmark land value of £850,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

11. H12 – Brackenbeds Lane, Pelton



11.1. Property Description

11.1.1. Pelton is a village situated around 2 miles to the north west of Chester-le-Street and 9 miles to the north of Durham. The main access to and from the village is via the A693, which provides a direct route to Junction 63 of the A1 (M).

11.1.2. According to the Zoopla Zed-Index, Pelton has a current average value of £114,550. The average for County Durham is currently £167,604. On this evidence, Birtley can therefore be regarded as being a below average value location, within the context of the wider County.

11.1.3. The site itself comprises undeveloped grassland, situated adjacent to Pelton Community Primary school former school. The site is an irregular shape and is understood to extend to 2.33 Ha (5.75 acres) on a gross basis. The site is generally level.

11.2. General scheme assumptions

11.2.1. We are advised that the site is allocated for 50 dwellings. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

11.2.2. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 80%. This gives a net site area of 1.86 Ha (4.61 acres).

11.2.3. At 50 dwellings, the scheme therefore reflects a development ratio of 26.82 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

11.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m.

11.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

11.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

11.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 2,800 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

11.3. Gross Development Value (sales revenue)

11.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

11.3.2. The most relevant transactional evidence identified for new build schemes is shown above on Pg 74.

11.3.3. As indicated above, we have assumed this scheme will comprise more detached dwellings. For reasons of demand detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

11.3.4. Having considered the above, we consider the Local Plan Viability testing allowances of £2,050 per sq m for the market value dwellings and £2,300 per sq m for the bungalows to be reasonable.

11.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

11.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

11.4. Gross Development Cost (outgoings to implement the development)

11.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

11.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

11.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift. For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

11.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

11.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

11.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

11.4.7. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

11.4.8. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

11.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Ecology	- Total £5,000
Health	- £507 per dwelling
Ecology	- £662 per dwelling

11.4.10. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

11.4.11. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

11.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

11.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

11.4.14. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

11.4.15. The subject site currently comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

11.4.16. Having considered the above, we have arrived at a BLV of £600,000 for the site. This is equivalent to circa £257,511 per Ha, which represents an uplift of around 17 times the EUV. This is considered to be reasonable given the nature of the site.

11.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

11.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £826,706. This is therefore above our benchmark land value of £600,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

12. H13 – Former Harelaw School, North Road, Annfield Plain



12.1. Property Description

12.1.1. Annfield Plain is a village located in between the towns of Stanley and Consett, circa 10 miles north west of Durham. The main access to and from the village is via the A693.

12.1.2. According to the Zoopla Zed-Index, Langley Park has a current average value of £78,368. The average for County Durham is currently £167,604. Annfield Plain can therefore be regarded as being an area significantly below the wider value average, within the context of the wider County.

12.1.3. The site comprises a former school site which has since been demolished and cleared, with the site note effectively comprising undeveloped grassland. The site is broadly rectangular in shape and generally level (although access to the site is via a small downward slope off North Road). We understand the site extends to circa 1.23 Ha (3.04 acres), on a gross basis.

12.2. General scheme assumptions

12.2.1. We are advised that the site is allocated for 30 dwellings.

12.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

12.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 1.11 Ha (2.74 acres). At 25 dwellings, the scheme therefore reflects a development ratio of 27.10 dwellings per net Ha. This is slightly below that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having a low density.

12.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Given the low density we have increased the market value average to 120 sq m.

12.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

12.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

12.2.7. The subject site falls within the 'low' value area under the Local Plan Viability testing. In accordance with the July 2018 NPPF we have applied a minimum 10% affordable housing provision, based on affordable ownership. At this level, based on our average dwelling size assumptions, the overall density equates to around 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

12.3. Gross Development Value (sales revenue)

12.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales values adopted in this study for this area equates to £1,750 per sq m.

12.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Gleasons development (now completed) at New Kyo, Stanley. The sales identified area shown below:

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
5 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 94,995	60	£ 1,583	27/05/2016	Detached
67 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 121,995	72	£ 1,694	05/03/2015	Detached
29 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 115,895	72	£ 1,610	25/06/2015	Detached
8 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 119,995	72	£ 1,667	12/05/2016	Detached
19 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 125,995	72	£ 1,750	17/06/2016	Detached
66 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 122,995	75	£ 1,640	02/04/2015	Detached
75 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 122,995	75	£ 1,640	31/07/2015	Detached
27 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 124,995	75	£ 1,667	26/06/2015	Detached
12 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 124,995	75	£ 1,667	20/04/2017	Detached
7 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 118,745	75	£ 1,583	19/05/2016	Detached
1 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 124,995	75	£ 1,667	26/05/2016	Detached
20 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 124,995	75	£ 1,667	27/05/2016	Detached
		£ 120,299	73	£ 1,653		
76 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 147,245	97	£ 1,518	16/01/2015	Detached
30 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 142,495	97	£ 1,469	15/05/2015	Detached
28 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 149,245	97	£ 1,539	12/06/2015	Detached
18 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 154,995	97	£ 1,598	11/07/2016	Detached
23 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 143,445	99	£ 1,449	18/12/2015	Detached
9 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 142,495	99	£ 1,439	22/03/2016	Detached
		£ 146,653	98	£ 1,502		
25 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 150,395	102	£ 1,474	18/12/2015	Detached
22 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 96,895	60	£ 1,615	29/04/2016	Semi
10 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 94,995	60	£ 1,583	11/05/2017	Semi
16 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 94,995	60	£ 1,583	07/10/2016	Semi
		£ 95,628	60	£ 1,594		
21 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 110,195	71	£ 1,552	14/04/2016	Semi
3 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 108,295	71	£ 1,525	18/04/2016	Semi
65 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 109,995	72	£ 1,528	24/04/2015	Semi
11 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 113,995	71	£ 1,606	11/05/2017	Semi
14 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 109,995	72	£ 1,528	23/12/2016	Semi
15 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 109,995	72	£ 1,528	23/12/2016	Semi
64 GERARD CLOSE	NEW KYO STANLEY DH9 7BY	£ 109,995	72	£ 1,528	04/06/2015	Semi
26 HEDLEY CLOSE	NEW KYO STANLEY DH9 7BZ	£ 116,845	72	£ 1,623	30/11/2015	Semi
		£ 111,164	72	£ 1,552		

12.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time. Adjustments also need to be made to reflect the higher proportion of larger detached dwellings assumed on site.

12.3.4. Having considered the above, we have adopted an average value of £1,800 per sq m for the market value units and £2,000 per sq m for the bungalows, in line with the Local Plan Viability testing.

12.3.5. For the affordable dwellings, the total provision included in our assessment is 10%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

12.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 70% of the equivalent market value.

12.4. Gross Development Cost (outgoings to implement the development)

12.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme (and given that it is likely a low-cost house builder would look to bring this forward) the lower quartile rate is considered to be appropriate, which is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,132 per sq m.

12.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

12.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

12.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

12.4.5. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

12.4.6. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal.

12.4.7. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

12.4.8. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

12.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

12.4.10. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

12.4.11. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

12.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

12.4.13. As for profit, for a scheme of this size and nature (and likely to be delivered by a low-cost housebuilder) we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

12.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

12.4.15. The Local Plan Viability testing shows a BLV of £200,000 per Ha for this type of site in a low value location.

12.4.16. Whilst a former school site, at the current time the land currently effectively comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 times the EUV is considered reasonable, giving a BLV equivalent to £150,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

12.4.17. Having considered the above, we have arrived at a BLV of £250,000 for the site. This is equivalent to circa £203,252 per Ha, which represents an uplift of around 13.5 times the EUV. This is considered to be reasonable given the nature of the site.

12.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

12.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £50,389. This is therefore below our benchmark land value of £250,000. **We therefore conclude that the site is currently unviable if the full planning policies are applied.**

12.4.20. However, we note the planning policy capital contribution total around £327,630 and furthermore our appraisal assumes an on-site affordable housing provision of 10%. If these policies are sufficiently relaxed we anticipate the scheme will show a viable outcome.

13. H14 – Former Annfield Community Centre, Annfield Plain



13.1. Property Description

13.1.1. Annfield Plain is a village located in between the towns of Stanley and Consett, circa 10 miles north west of Durham. The main access to and from the village is via the A693.

13.1.2. According to the Zoopla Zed-Index, Langley Park has a current average value of £78,368. The average for County Durham is currently £167,604. Annfield Plain can therefore be regarded as being an area significantly below the wider value average, within the context of the wider County.

13.1.3. The site comprises a former community centre which has since been demolished and cleared. The site is broadly rectangular in shape and generally level. We understand the site extends to circa 0.41 Ha (1.01 acres), on a gross basis.

13.2. General scheme assumptions

13.2.1. We are advised that the site is allocated for 10 dwellings.

13.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

13.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.37 Ha (0.91 acres). At 10 dwellings, the scheme therefore reflects a development ratio of 27.10 dwellings per net Ha. This is slightly below that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied.

13.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m. Given the higher proportion of detached units assumed on site we have increased this to 115 sq m per market value dwelling.

13.2.5. We understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

13.2.6. Given that the scheme is only to provide 10 dwellings, the affordable housing policy does not apply.

13.2.7. The subject site falls within the 'low' value area under the Local Plan Viability testing. Based on our average dwelling size assumptions, the overall density equates to around 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

13.3. Gross Development Value (sales revenue)

13.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales values adopted in this study for this area equates to £1,750 per sq m.

13.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Gleasons development (now completed) at New Kyo, Stanley. The sales achieved are shown above on Pg 90.

13.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

13.3.4. Having considered the above, we have adopted an average value of £1,800 per sq m for the market value units and £2,000 per sq m for the bungalows, in line with the Local Plan Viability testing.

13.4. Gross Development Cost (outgoings to implement the development)

13.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

13.4.2. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

13.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).

13.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

13.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

13.4.6. It is assumed the Council's SUDS policy does not apply to this scheme.

13.4.7. The Council has provided some further details on likely abnormal costs associated with the scheme. This includes abnormal foundations, site clearance, demolition / cart away and off-site works. The total equates to £550,782.

13.4.8. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

13.4.9. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

13.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

13.4.11. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

13.4.12. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

13.4.13. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

13.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

13.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

13.4.16. The subject site comprises a cleared brownfield site, however the former use is likely to be regarded as largely redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking into account of the Council policies, a BLV of £75,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £180,000 per ha).

13.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

13.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. **We therefore conclude that the site is currently unviable and is likely to continue to be unviable even if all of the Council policies are removed.**

14. H15 – Former swimming baths, Consett



14.1. Property Description

14.1.1. Consett is a town located around 13 miles to the north west of Durham city and 15 miles south west of Newcastle. The main access to the town is via A691 and A692. The site itself is located close to a school, sports centre and a variety of established residential dwellings.

14.1.2. According to the Zoopla Zed-Index, Consett has a current average value of £136,203. The average for County Durham is currently £167,604. Consett can therefore be regarded as below average value location, within the context of the wider County.

14.1.3. The site comprises a former swimming pool site, which has been demolished and cleared. Part of the property is currently used as a free to access car park, with the remainder scrubland. The land is an irregular shape and generally level. We understand the site extends to circa 0.80 Ha (1.98 acres), on a gross basis.

14.2. General scheme assumptions

14.2.1. We are advised that the site is allocated for 20 dwellings.

14.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

14.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.72 Ha (1.78 acres). At 20 dwellings, the scheme therefore reflects a development ratio of 27.78 dwellings per net Ha. This is slightly below what has been adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having a below average density.

14.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Given the slightly lower density ratio we have increased the average dwelling size to 120 sq m.

14.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

14.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

14.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

14.3. Gross Development Value (sales revenue)

14.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

14.3.2. In terms of transactional evidence we note the following from a Gleasons scheme around 1.5miles from the subject site:

Address	Pcode	Price	Size		Date	Type
			(sq m)	£ per sq m		
72 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	12/10/2015	Detached
23 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 111,145	71	£ 1,565	29/07/2016	Detached
3 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,795	72	£ 1,636	28/08/2015	Detached
8 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,795	72	£ 1,636	14/09/2015	Detached
71 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 123,995	72	£ 1,722	13/11/2015	Detached
20 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 125,995	72	£ 1,750	31/03/2016	Detached
55 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 125,995	72	£ 1,750	26/05/2017	Detached
19 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 121,795	75	£ 1,624	17/03/2016	Detached
14 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 119,895	75	£ 1,599	27/05/2016	Detached
22 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 116,995	75	£ 1,560	04/07/2016	Detached
24 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	75	£ 1,720	18/08/2016	Detached
59 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	75	£ 1,720	23/09/2016	Detached
21 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 123,695	76	£ 1,628	26/05/2016	Detached
10 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	76	£ 1,697	10/06/2016	Detached
		£ 121,577	74	£ 1,654		
9 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 154,995	102	£ 1,520	09/06/2016	Detached
29 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 157,995	106	£ 1,491	12/05/2017	Detached
58 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 155,995	106	£ 1,472	14/04/2016	Detached
		£ 156,328	105	£ 1,494		
1 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 90,245	60	£ 1,504	28/08/2015	Semi
26 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 94,995	60	£ 1,583	19/12/2016	Semi
27 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 94,995	60	£ 1,583	10/04/2017	Semi
69 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 89,295	60	£ 1,488	25/04/2016	Semi
		£ 92,383	60	£ 1,540		
7 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	11/09/2015	Semi
4 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	14/09/2015	Semi
18 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	22/12/2015	Semi
52 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,995	71	£ 1,662	31/05/2017	Semi
25 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 111,145	71	£ 1,565	19/12/2016	Semi
66 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 110,995	71	£ 1,563	30/05/2017	Semi
12 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 105,995	71	£ 1,493	29/12/2015	Semi
68 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	04/07/2016	Semi
57 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 103,745	72	£ 1,441	14/04/2016	Semi
15 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	72	£ 1,528	16/06/2016	Semi
16 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	72	£ 1,528	30/06/2016	Semi
2 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 114,995	75	£ 1,533	27/08/2015	Semi
5 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,245	75	£ 1,457	18/09/2015	Semi
30 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,995	75	£ 1,573	18/05/2017	Semi
67 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 116,995	75	£ 1,560	28/11/2016	Semi
6 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,245	75	£ 1,457	12/10/2015	Semi
17 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 115,995	75	£ 1,547	15/01/2016	Semi
11 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 115,995	75	£ 1,547	22/01/2016	Semi
		£ 111,684	73	£ 1,536		

14.3.3. We have also identified the following from a Barratt David Wilson Homes scheme, around 2 miles from the subject site.

Address	Pcode		Price	Size (sq m)	£ per sq m	Date	Type
1 ELLIOTT WAY	CONSETT DH8 5XY		£ 164,995	72	£ 2,292	26/06/2015	Detached
3 ELLIOTT WAY	CONSETT DH8 5XY		£ 160,000	72	£ 2,222	09/10/2015	Detached
84 RICHARDSON WAY	CONSETT DH8 5YF		£ 165,995	72	£ 2,305	23/06/2017	Detached
73 RICHARDSON WAY	CONSETT DH8 5YF		£ 165,995	72	£ 2,305	28/04/2017	Detached
42 ELLIOTT WAY	CONSETT DH8 5XY		£ 172,995	72	£ 2,403	11/12/2015	Detached
40 ELLIOTT WAY	CONSETT DH8 5XY		£ 159,995	72	£ 2,222	27/05/2016	Detached
			£ 164,996	72	£ 2,292		
30 ELLIOTT WAY	CONSETT DH8 5XY		£ 159,995	84	£ 1,905	29/04/2016	Detached
3 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 157,950	85	£ 1,858	23/03/2016	Detached
43 RICHARDSON WAY	CONSETT DH8 5YF		£ 154,995	85	£ 1,823	01/12/2016	Detached
75 RICHARDSON WAY	CONSETT DH8 5YF		£ 159,995	85	£ 1,882	28/06/2017	Detached
53 RICHARDSON WAY	CONSETT DH8 5YF		£ 172,995	84	£ 2,059	24/10/2016	Detached
43 RICHARDSON WAY	CONSETT DH8 5YF		£ 154,995	85	£ 1,823	01/12/2016	Detached
31 ELLIOTT WAY	CONSETT DH8 5XY		£ 167,995	87	£ 1,931	26/06/2015	Detached
			£ 161,274	85	£ 1,898		
64 ELLIOTT WAY	CONSETT DH8 5XY		£ 155,000	92	£ 1,685	06/03/2015	Detached
71 ELLIOTT WAY	CONSETT DH8 5XY		£ 154,000	92	£ 1,674	20/03/2015	Detached
81 ELLIOTT WAY	CONSETT DH8 5XY		£ 155,995	94	£ 1,660	09/01/2015	Detached
			£ 154,998	93	£ 1,673		
33 ELLIOTT WAY	CONSETT DH8 5XY		£ 192,500	104	£ 1,851	22/05/2015	Detached
25 RICHARDSON WAY	CONSETT DH8 5YF		£ 193,500	104	£ 1,861	24/06/2016	Detached
76 RICHARDSON WAY	CONSETT DH8 5YF		£ 197,500	104	£ 1,899	29/06/2017	Detached
27 RICHARDSON WAY	CONSETT DH8 5YF		£ 203,995	107	£ 1,906	27/05/2016	Detached
59 RICHARDSON WAY	CONSETT DH8 5YF		£ 203,995	107	£ 1,906	25/11/2016	Detached
29 RICHARDSON WAY	CONSETT DH8 5YF		£ 205,995	107	£ 1,925	27/05/2016	Detached
7 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 169,950	108	£ 1,574	29/04/2016	Detached
			£ 195,348	106	£ 1,846		
6 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 179,950	121	£ 1,487	11/03/2016	Detached
47 ELLIOTT WAY	CONSETT DH8 5XY		£ 226,995	125	£ 1,816	20/02/2015	Detached
41 ELLIOTT WAY	CONSETT DH8 5XY		£ 205,000	125	£ 1,640	27/11/2015	Detached
			£ 203,982	124	£ 1,648		
8 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 203,450	131	£ 1,553	24/03/2016	Detached
45 RICHARDSON WAY	CONSETT DH8 5YF		£ 217,495	135	£ 1,611	19/12/2016	Detached
47 RICHARDSON WAY	CONSETT DH8 5YF		£ 237,995	135	£ 1,763	04/11/2016	Detached
5 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 199,950	131	£ 1,526	15/04/2016	Detached
			£ 214,723	133	£ 1,613		
6 QUEEN ELIZABETH DRIVE	CONSETT DH8 5YL		£ 114,950	70	£ 1,642	11/09/2015	Semi
87 ELLIOTT WAY	CONSETT DH8 5XY		£ 127,500	73	£ 1,747	16/01/2015	Semi
59 ELLIOTT WAY	CONSETT DH8 5XY		£ 119,995	73	£ 1,644	06/03/2015	Semi
57 ELLIOTT WAY	CONSETT DH8 5XY		£ 119,995	73	£ 1,644	17/04/2015	Semi
49 ELLIOTT WAY	CONSETT DH8 5XY		£ 124,995	73	£ 1,712	19/06/2015	Semi
51 ELLIOTT WAY	CONSETT DH8 5XY		£ 124,995	73	£ 1,712	31/07/2015	Semi
			£ 122,072	73	£ 1,683		
17 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,000	94	£ 1,553	08/05/2015	Semi
15 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,000	94	£ 1,553	26/05/2015	Semi
53 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,995	94	£ 1,564	29/05/2015	Semi
			£ 146,332	94	£ 1,557		

14.3.4. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

14.3.5. Furthermore, as discussed above, given the lower density of the scheme we have assumed there would be a higher number of larger, detached dwellings on site. For reasons of demand, detached dwellings tend to attract a higher rate per sq m. This has therefore also been factored into the analysis.

14.3.6. Having considered the above and the specific location of the subject site, we have conclude that an average of £2,000 per sq m for the market value dwellings is appropriate, increasing to £2,250 per sq m for the bungalows (in line with the Local Plan Viability testing).

14.3.7. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

14.3.8. For the affordable dwellings we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 70% of the equivalent market value. This is in line with the Local Plan Viability testing assumptions.

14.3.9. The Council has also indicated that the site is subject to grant funding. However, the grant is unknown at this stage and as such has been excluded from our assessment.

14.4. Gross Development Cost (outgoings to implement the development)

14.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

14.4.2. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

14.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates these costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

14.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

- 14.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 14.4.6. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal.
- 14.4.7. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 14.4.8. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 14.4.9. For policy contributions, the Council has confirmed that only an open space contribution totalling £28,657, a health contribution of £10,140 and an ecology off-setting allowance of £13,240 apply to this site.
- 14.4.10. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 14.4.11. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

14.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

14.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

14.4.14. The subject site comprises a cleared brownfield site, however the former use is likely to be regarded as largely redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking into account of the Council policies, a BLV of £220,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £275,000 per ha).

14.4.15. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

14.4.16. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a residual land value of £95,143. This is therefore below our benchmark of £220,000. **We therefore conclude that the site is currently unviable with the full policies applied.**

14.4.17. However, as indicated above, it is understood that the scheme is likely to be subject to grant funding (which has been excluded from our assessment). Should this come forward, it is likely that the scheme will return a viable outcome.

15. H16 – Former Blackfyne School, Consett



15.1. Property Description

15.1.1. Consett is a town located around 13 miles to the north west of Durham city and 15 miles south west of Newcastle. The main access to the town is via A691 and A692. The site is located off recreational space immediately around the subject site (including a golf course, cricket pitch and playing fields). To the east there is an industrial estate and the south a variety of established housing.

15.1.2. According to the Zoopla Zed-Index, Consett has a current average value of £136,203. The average for County Durham is currently £167,604. Consett can therefore be regarded as below average value location, within the context of the wider County.

15.1.3. The site comprises a former school site which has been demolished and cleared. The land now is mostly grass covered. This is an irregular shape and is understood to extend to 4.22 Ha (10.42 acres) on a gross basis. Generally, the site is relatively flat, with some gentle sloping in parts.

15.2. General scheme assumptions

15.2.1. We are advised that the site is allocated for 100 dwellings.

15.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

15.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 80%. This gives a net site area of 3.38 Ha (8.34 acres).

15.2.4. At 100 dwellings, the scheme therefore reflects a development ratio of 29.62 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

15.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

15.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 115 sq m.

15.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

15.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

15.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,100 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

15.3. Gross Development Value (sales revenue)

15.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

15.3.2. In terms of transactional evidence, please see above Pgs 105 and 106.

15.3.3. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

15.3.4. Furthermore, as discussed above, given the lower density of the scheme we have assumed there would be a higher number of larger, detached dwellings on site. For reasons of demand, detached dwellings tend to attract a higher rate per sq m. This has therefore also been factored into the analysis.

15.3.5. Having considered the above, we have conclude that an average of £2,000 per sq m for the market value dwellings is appropriate, increasing to £2,250 per sq m for the bungalows (in line with the Local Plan Viability testing).

15.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

15.3.7. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

15.4. Gross Development Cost (outgoings to implement the development)

15.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

15.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

15.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

15.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

15.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

15.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

15.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

15.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs (other than a potential for a ransom strip, however this would be net from the land price). On this basis we have therefore adopted a nil figure in the appraisal.

15.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

15.4.10. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

15.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (plus on-site provision)
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

15.4.12. Please note, with regards ecology, the Council has advised that it is anticipated that a biodiversity net gain can be achieved, therefore no capital costs are needed in the viability assessment.

15.4.13. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

15.4.14. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

15.4.15. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

15.4.16. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

15.4.17. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

15.4.18. Whilst a former school site, at the current time the land currently effectively comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

15.4.19. Having considered the above, we have arrived at a BLV of £1,000,000 for the site. This is equivalent to circa £236,967 per Ha, which represents an uplift of around 16 times the EUV. This is considered to be reasonable given the nature of the site.

15.4.20. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

15.4.21. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,136,681. This is therefore above our benchmark land value of £1,000,000. **We therefore conclude that the site is currently viable with the full policies applied.**

16. H17 – Muirfield Close, Shotley Bridge, Consett



16.1. Property Description

16.1.1. Shotley Bridge is a village which effectively adjoins the town of Consett, circa 10 miles north west of Durham. The main access to and from the village is via the A694.

16.1.2. According to the Zoopla Zed-Index, Shotley Bridge has a current average value of £198,413. The average for County Durham is currently £167,604. Shotley Bridge can therefore be regarded as being an above average value area, within the context of the wider County.

16.1.3. The site comprising undeveloped grassland. The site is an irregular shape and slopes broadly from west to east.

16.1.4. In the site allocation this is shown to extend to circa 1.95 Ha (4.82 acres), on a gross basis. However, we are aware that the site is currently being assessed by the Council in relation to 'Land Release Funding' and the Council has undertaken a feasibility study testing a variety of options in relation to bringing the site forward. In this feasibility study the gross area is given as 1.60Ha (3.95 acres).

16.2. General scheme assumptions

16.2.1. We are advised that the site is allocated for 30 dwellings. However, the Council's feasibility study shows 37 dwellings. For the purposes of this assessment we have assumed 37 dwellings can be delivered on site.

16.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

16.2.3. We understand that a large proportion of the site will not be developed on, for ecological reasons. Based on the feasibility study, a net developable area of 1.44Ha (3.56 acres) has been assumed).

16.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Again, following the Council's feasibility study we have increased the market value dwellings to an average of 130 sq m.

16.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

16.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

16.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing (albeit on the edge of the 'high' value area), therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

16.3. Gross Development Value (sales revenue)

16.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

16.3.2. We have identified the following sales from a recent Story Homes development in Shotley Bridge:

Address		Pcode		Price	Size (sq m)	£ per sq m	Date	Type
16 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 197,950	94	£ 2,106	23/01/2015	Detached
22 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 199,950	94	£ 2,127	16/12/2015	Detached
39 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 179,950	94	£ 1,914	24/07/2015	Detached
2 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 189,950	94	£ 2,021	06/11/2015	Detached
				£ 191,950	94	£ 2,042		
12 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 226,950	112	£ 2,026	23/01/2015	Detached
18 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 225,950	112	£ 2,017	19/02/2015	Detached
16 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 229,950	112	£ 2,053	20/03/2015	Detached
7 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 229,950	112	£ 2,053	27/03/2015	Detached
3 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 228,950	112	£ 2,044	24/04/2015	Detached
21 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 232,950	112	£ 2,080	28/10/2015	Detached
15 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 249,950	115	£ 2,173	27/03/2015	Detached
9 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 259,950	115	£ 2,260	04/09/2015	Detached
15 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 259,950	115	£ 2,260	18/09/2015	Detached
21 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 259,950	115	£ 2,260	13/03/2017	Detached
26 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 246,952	115	£ 2,147	25/11/2016	Detached
5 CATURANI WAY	SHOTLEY BRIDGE	CONSETT	DH8 OUG	£ 187,950	115	£ 1,634	16/12/2016	Semi
17 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 262,950	115	£ 2,287	25/09/2015	Detached
4 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 262,950	115	£ 2,287	01/03/2016	Detached
				£ 240,379	114	£ 2,113		
32 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 266,950	125	£ 2,136	11/03/2015	Detached
20 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 269,950	125	£ 2,160	10/07/2015	Detached
11 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 272,950	125	£ 2,184	24/07/2015	Detached
23 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 272,950	125	£ 2,184	13/11/2015	Detached
11 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 279,950	125	£ 2,240	27/01/2017	Detached
3 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 279,950	125	£ 2,240	31/03/2017	Detached
28 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 284,950	125	£ 2,280	10/02/2017	Detached
1 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 269,950	125	£ 2,160	11/12/2015	Detached
5 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 274,950	125	£ 2,200	16/12/2015	Detached
				£ 274,728	125	£ 2,198		
14 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 304,950	150	£ 2,033	27/02/2015	Detached
1 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 308,950	150	£ 2,060	24/04/2015	Detached
19 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 319,950	150	£ 2,133	16/10/2015	Detached
1 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 324,950	150	£ 2,166	31/03/2017	Detached
11 CATURANI WAY	SHOTLEY BRIDGE	CONSETT	DH8 OUG	£ 365,000	166	£ 2,199	24/03/2017	Detached
9 CATURANI WAY	SHOTLEY BRIDGE	CONSETT	DH8 OUG	£ 322,950	150	£ 2,153	17/03/2017	Detached
2 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 316,750	150	£ 2,112	15/01/2016	Detached
5 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 359,950	166	£ 2,168	12/06/2015	Detached
3 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 359,950	166	£ 2,168	16/12/2015	Detached
				£ 331,489	155	£ 2,132		
11 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 179,950	94	£ 1,914	26/06/2015	Semi
23 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 179,950	98	£ 1,836	11/03/2016	Semi
11 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 185,950	94	£ 1,978	16/12/2016	Semi
16 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 181,450	98	£ 1,852	06/05/2016	Terrace
15 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 184,950	94	£ 1,968	27/01/2017	Semi
4 MASON AVENUE	SHOTLEY BRIDGE	CONSETT	DH8 OTS	£ 176,950	98	£ 1,806	27/02/2015	Semi
18 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 181,450	98	£ 1,852	29/04/2016	Semi
				£ 181,521	96	£ 1,886		
24 FRAZER ROAD	SHOTLEY BRIDGE	CONSETT	DH8 OTH	£ 144,950	85	£ 1,705	12/06/2015	Terrace
6 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 147,202	85	£ 1,732	27/05/2016	Terrace
5 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 159,950	85	£ 1,882	16/12/2016	Terrace
7 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 144,950	85	£ 1,705	16/12/2016	Terrace
9 LAWATHER WALK	SHOTLEY BRIDGE	CONSETT	DH8 OTT	£ 149,950	85	£ 1,764	09/12/2016	Terrace
10 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 152,950	85	£ 1,799	02/10/2015	Terrace
8 BARNESLEY WAY	SHOTLEY BRIDGE	CONSETT	DH8 OTW	£ 149,950	85	£ 1,764	18/12/2015	Terrace
				£ 149,986	85	£ 1,765		

16.3.3. A large proportion of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

16.3.4. Having considered the above, we believe there is a justification to increase the sales values above that applied in the Local Plan Viability testing. We have increased the market value dwellings to £2,100 per sq m and the bungalows to £2,350 per sq m.

16.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

16.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

16.4. Gross Development Cost (outgoings to implement the development)

16.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the lower quartile rate is considered to be appropriate, which is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,132 per sq m.

16.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

16.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

16.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

16.4.5. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

16.4.6. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal.

16.4.7. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

16.4.8. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

16.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

16.4.10. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

16.4.11. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

- 16.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 16.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 16.4.14. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.
- 16.4.15. The land currently comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.
- 16.4.16. Having considered the above, we have arrived at a BLV of £600,000 for the site. This is equivalent to circa £300,000 per Ha, which represents an uplift of around 20 times the EUV. This is considered to be reasonable given the nature of the site.
- 16.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.
- 16.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £840,367. This is therefore above our benchmark land value of £600,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

17. H18 – Laurel Drive, Leadgate, Consett



17.1. Property Description

17.1.1. Leadgate is a village located Consett is a village located around 2 miles to the north east of Consett. The main access to the village is via the A692.

17.1.2. According to the Zoopla Zed-Index, Leadgate has a current average value of £90,218. The average for County Durham is currently £167,604. Leadgate can therefore be regarded as below average value location, within the context of the wider County.

17.1.3. The site itself is located on the southern edge of Leadgate village, a short distance from Leadgate Primary Lower School. The site is bounded mostly by housing to the north and the A692 to the south. We understand Taylor Wimpey are currently look to bring forward a scheme for part of this site.

17.1.4. The site comprises undeveloped agricultural land. This is an irregular shape and is understood to extend to 14.31 Ha (35.35 acres) on a gross basis. Broadly, the site slopes north to south, towards the A692.

17.2. General scheme assumptions

17.2.1. We are advised that the site is allocated for 290 dwellings.

17.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

17.2.3. Taylor Wimpey have referred to a number of site constraints that limit the developable area to the part of the site they are looking to bring forward. IN light of this, we have assumed similar constraints exist across the wider site. To reflect this we have assumed a gross to net ratio of 70%. This gives a net site area of 10.02 Ha (24.75 acres).

17.2.4. At 290 dwellings, the scheme therefore reflects a development ratio of 28.95 dwellings per net Ha. It is noted that this is significantly lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

17.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

17.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the location and lower density, we have increased this average to 110 sq m for the market value units.

17.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

17.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

17.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

17.3. Gross Development Value (sales revenue)

17.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

17.3.2. In terms of transactional evidence please see above Pgs 105 and 106.

17.3.3. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

17.3.4. Also, as indicated above, this scheme comprises a higher proportion of detached dwellings. For reasons of demand, detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

17.3.5. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £1,900 per sq m. For the purposes of this assessment we have increased this to £2,000 per sq m for the market value dwellings, and £2,250 per sq m for the bungalows.

17.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

17.3.7. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

17.4. Gross Development Cost (outgoings to implement the development)

17.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

17.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

17.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

17.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

17.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

17.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

17.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

17.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs (other than a potential for a ransom strip, however this would be net from the land price). On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

17.4.9. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

17.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- All on-site delivery
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

17.4.11. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

17.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

17.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

17.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

17.4.15. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

17.4.16. The subject site comprises undeveloped agricultural land. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

17.4.17. Having considered the above, we have arrived at a BLV of £3,250,000 for the site. This is equivalent to circa £227,000 per Ha, which represents an uplift of around 15 times the EUV. This is considered to be reasonable given the nature of the site.

17.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.



17.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £3,266,256. This is therefore below our benchmark land value of £3,250,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

18. H19 – Land south of Knitsley Lane, Consett



18.1. Property Description

18.1.1. Consett is a town located around 13 miles to the north west of Durham city and 15 miles south west of Newcastle. The main access to the town is via A691 and A692. The site is located to the southern side of Consett, in an area known as Templtown (south of the A692). This is close to the village of Delves Lane, to the east.

18.1.2. According to the Zoopla Zed-Index, Consett has a current average value of £136,203. The average for County Durham is currently £167,604. Consett can therefore be regarded as below average value location, within the context of the wider County.

18.1.3. The site comprises undeveloped agricultural land. This is an irregular shape and is understood to extend to 13.64 Ha (33.71 acres) on a gross basis. There is some gentle sloping in parts.

18.2. General scheme assumptions

18.2.1. We are advised that the site is allocated for 290 dwellings. We understand Persimmon are currently looking to bring a scheme forward on the site.

18.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

18.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 75%. This gives a net site area of 10.23 Ha (25.28 acres).

18.2.4. At 290 dwellings, the scheme therefore reflects a development ratio of 28.35 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

18.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

18.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the location and lower density, we have increased this average to 110 sq m for the market value units.

18.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria).

18.2.8. However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

18.2.9. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

18.2.10. The subject site falls within the 'low' value area under the Local Plan Viability testing. A 10% affordable housing provision is applied. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

18.3. Gross Development Value (sales revenue)

18.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales values adopted in this study for this area equates to £1,750 per sq m.

18.3.2. In terms of transactional evidence please above Pgs 105 to 106.

18.3.3. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

18.3.4. Also, as indicated above, this scheme comprises a higher proportion of detached dwellings. For reasons of demand, detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

18.3.5. Having considered the above, we consider there to be sufficient evidence to support an uplift above the Local Plan Viability testing figure of £1,750 per sq m. For the purposes of this assessment we have increased this to £1,850 per sq m for the market value dwellings, and £2,050 per sq m for the bungalows.

18.3.6. For the intermediate / shared ownership units we have assumed the transfer price would equate to 70% of the equivalent market value.

18.4. Gross Development Cost (outgoings to implement the development)

18.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

18.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). We also anticipate that this type of location would be brought forward by a ‘low-cost# developer whose build costs would be further reduced to reflect the nature of the product being constructed.

18.4.3. Having considered this, we have adopted a build cost equivalent to £900 per sq m for the market value units and £1,100 per sq m for the bungalows.

18.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

18.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

18.4.6. To cover externals, we have adopted an additional 20% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

18.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

18.4.8. In terms of abnormal costs, Persimmon have indicated that it is likely grouting will be required, a pumping station, a substation, a new community centre and structural planning along the southern boundary. However, detailed costs have not been provided.

18.4.9. Some of the above items are not regarded as abnormals and instead would be covered by our external cost allowance. However, some of the costs are legitimate. Without further details, we have adopted a spot allowance of £1million to cover these costs. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

18.4.10. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

18.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (plus on-site provision)
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

18.4.12. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

18.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

18.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

18.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

18.4.16. The Local Plan Viability testing shows a BLV of £200,000 per Ha for this type of site in a low value location.

18.4.17. The subject site comprises undeveloped agricultural land. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 to 15 times the EUV is considered reasonable. A rate of £200,000 per Ha falls within this range.

18.4.18. Having considered the above, we have arrived at a BLV of £2,750,000 for the site. This is equivalent to circa £201,500 per Ha, which represents an uplift of around 13 times the EUV. This is considered to be reasonable given the nature of the site.

18.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

18.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £2,831,813. This is therefore below our benchmark land value of £2,750,000. **We therefore conclude that the site is currently viable with the full policies applied.**

19. H20 – Rosedale Avenue, Shotley Bridge, Consett



19.1. Property Description

19.1.1. Shotley Bridge is a village which effectively adjoins the town of Consett, circa 10 miles north west of Durham. The main access to and from the village is via the A694. The site itself is located on the southern half of Shotley Bridge, surrounded by residential dwellings.

19.1.2. According to the Zoopla Zed-Index, Shotley Bridge has a current average value of £198,413. The average for County Durham is currently £167,604. Shotley Bridge can therefore be regarded as being an above average value area, within the context of the wider County.

19.1.3. The site comprising undeveloped grassland. The site is an irregular shape and slopes broadly from north to south. We understand the site extends to circa 2.10 Ha (5.19 acres), on a gross basis.

19.2. General scheme assumptions

19.2.1. We are advised that the site is allocated for 50 dwellings.

19.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

19.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.10 Ha (1.79 acres).

19.2.4. At 50 dwellings, the scheme therefore reflects a development ratio of 28.01 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

19.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

19.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m.

19.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

19.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

19.2.9. The subject site falls within the 'high' value area under the Local Plan Viability testing, therefore attracts a 20% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

19.3. Gross Development Value (sales revenue)

19.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'high' value area for County Durham. The average sales values adopted in this study for this area equates to £2,150 per sq m.

19.3.2. We have identified the following sales from a recent Story Homes development in Shotley Bridge:

Address	Pcode	Price	Size		Date	Type
			(sq m)	£ per sq m		
16 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 197,950	94	£ 2,106	23/01/2015	Detached
22 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 199,950	94	£ 2,127	16/12/2015	Detached
39 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 179,950	94	£ 1,914	24/07/2015	Detached
2 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 189,950	94	£ 2,021	06/11/2015	Detached
		£ 191,950	94	£ 2,042		
12 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 226,950	112	£ 2,026	23/01/2015	Detached
18 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 225,950	112	£ 2,017	19/02/2015	Detached
16 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 229,950	112	£ 2,053	20/03/2015	Detached
7 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 229,950	112	£ 2,053	27/03/2015	Detached
3 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 228,950	112	£ 2,044	24/04/2015	Detached
21 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 232,950	112	£ 2,080	28/10/2015	Detached
15 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 249,950	115	£ 2,173	27/03/2015	Detached
9 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 259,950	115	£ 2,260	04/09/2015	Detached
15 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 259,950	115	£ 2,260	18/09/2015	Detached
21 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 259,950	115	£ 2,260	13/03/2017	Detached
26 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 246,952	115	£ 2,147	25/11/2016	Detached
5 CATURANI WAY	SHOTLEY BRIDGE CONSETT DH8 OUG	£ 187,950	115	£ 1,634	16/12/2016	Semi
17 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 262,950	115	£ 2,287	25/09/2015	Detached
4 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 262,950	115	£ 2,287	01/03/2016	Detached
		£ 240,379	114	£ 2,113		
32 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 266,950	125	£ 2,136	11/03/2015	Detached
20 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 269,950	125	£ 2,160	10/07/2015	Detached
11 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 272,950	125	£ 2,184	24/07/2015	Detached
23 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 272,950	125	£ 2,184	13/11/2015	Detached
11 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 279,950	125	£ 2,240	27/01/2017	Detached
3 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 279,950	125	£ 2,240	31/03/2017	Detached
28 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 284,950	125	£ 2,280	10/02/2017	Detached
1 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 269,950	125	£ 2,160	11/12/2015	Detached
5 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 274,950	125	£ 2,200	16/12/2015	Detached
		£ 274,728	125	£ 2,198		
14 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 304,950	150	£ 2,033	27/02/2015	Detached
1 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 308,950	150	£ 2,060	24/04/2015	Detached
19 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 319,950	150	£ 2,133	16/10/2015	Detached
1 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 324,950	150	£ 2,166	31/03/2017	Detached
11 CATURANI WAY	SHOTLEY BRIDGE CONSETT DH8 OUG	£ 365,000	166	£ 2,199	24/03/2017	Detached
9 CATURANI WAY	SHOTLEY BRIDGE CONSETT DH8 OUG	£ 322,950	150	£ 2,153	17/03/2017	Detached
2 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 316,750	150	£ 2,112	15/01/2016	Detached
5 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 359,950	166	£ 2,168	12/06/2015	Detached
3 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 359,950	166	£ 2,168	16/12/2015	Detached
		£ 331,489	155	£ 2,132		
11 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 179,950	94	£ 1,914	26/06/2015	Semi
23 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 179,950	98	£ 1,836	11/03/2016	Semi
11 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 185,950	94	£ 1,978	16/12/2016	Semi
16 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 181,450	98	£ 1,852	06/05/2016	Terrace
15 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 184,950	94	£ 1,968	27/01/2017	Semi
4 MASON AVENUE	SHOTLEY BRIDGE CONSETT DH8 OTS	£ 176,950	98	£ 1,806	27/02/2015	Semi
18 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 181,450	98	£ 1,852	29/04/2016	Semi
		£ 181,521	96	£ 1,886		
24 FRAZER ROAD	SHOTLEY BRIDGE CONSETT DH8 OTH	£ 144,950	85	£ 1,705	12/06/2015	Terrace
6 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 147,202	85	£ 1,732	27/05/2016	Terrace
5 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 159,950	85	£ 1,882	16/12/2016	Terrace
7 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 144,950	85	£ 1,705	16/12/2016	Terrace
9 LAWATHER WALK	SHOTLEY BRIDGE CONSETT DH8 OTT	£ 149,950	85	£ 1,764	09/12/2016	Terrace
10 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 152,950	85	£ 1,799	02/10/2015	Terrace
8 BARNSELY WAY	SHOTLEY BRIDGE CONSETT DH8 OTW	£ 149,950	85	£ 1,764	18/12/2015	Terrace
		£ 149,986	85	£ 1,765		

19.3.3. A large proportion of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

19.3.4. Having considered the above, we believe there is a justification to increase the sales values above that applied in the Local Plan Viability testing. We have increased the market value dwellings to £2,200 per sq m and the bungalows to £2,400 per sq m.

19.3.5. For the affordable dwellings, the total provision included in our assessment is 20%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

19.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

19.4. Gross Development Cost (outgoings to implement the development)

19.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

19.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

19.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

19.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

19.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

19.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

19.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

19.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

19.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

19.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

19.4.11. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

19.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

19.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

19.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

19.4.15. The Local Plan Viability testing shows a BLV of £500,000 per Ha for this type of site in a high value location.

19.4.16. The subject site currently comprises undeveloped grassland / paddock land. Given its location we would expect an existing use value of say £25,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 to 20 times the EUV is considered reasonable.

19.4.17. Having considered the above, we have arrived at a BLV of £1,000,000 for the site. This is equivalent to circa £475,000 per Ha, which represents an uplift of around 19 times the EUV. This is considered to be reasonable given the nature of the site and within the anticipated parameters.

19.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

19.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,224,272. This is therefore above our benchmark land value of £1,000,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

20. H21 – Chaytor Road, Consett



20.1. Property Description

20.1.1. Consett is a town located around 13 miles to the north west of Durham city and 15 miles south west of Newcastle. The main access to the town is via A691 and A692. The site is located to the north west side of Consett, in an area known as Bridgehill. To the south there is a variety of residential dwellings, a large proportion appear to have originally been constructed as Local Authority housing. To the north there is some undeveloped grassland leading to a wooded area.

20.1.2. According to the Zoopla Zed-Index, Consett has a current average value of £136,203. The average for County Durham is currently £167,604. Consett can therefore be regarded as below average value location, within the context of the wider County.

20.1.3. We are advised the land comprises a cleared former housing site. However, the land is now mostly grass covered effectively provided 'scrubland' (but also includes part of Valley View road). The site is an irregular shape and slopes from south to north. We understand this extends to circa 1.47 Ha (3.64 acres), on a gross basis.

20.2. General scheme assumptions

20.2.1. We are advised that the site is allocated for 40 dwellings.

20.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. However, the Council has confirmed that this is an "Accelerated Construction" site, which has been subject to a bid from Homes England for 40 dwellings.

20.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 1.25 Ha (3.09 acres).

20.2.4. At 40 dwellings, the scheme therefore reflects a development ratio of 32.01 dwellings per net Ha. It is noted that this is broadly in line with what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

20.2.5. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme we have slightly increased this to 105 sq m for the market value units.

20.2.6. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

20.2.7. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

20.2.8. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,100 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

20.3. Gross Development Value (sales revenue)

20.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

20.3.2. In terms of transactional evidence in and around Consett we note the following:

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
72 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	12/10/2015	Detached
23 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 111,145	71	£ 1,565	29/07/2016	Detached
3 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,795	72	£ 1,636	28/08/2015	Detached
8 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,795	72	£ 1,636	14/09/2015	Detached
71 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 123,995	72	£ 1,722	13/11/2015	Detached
20 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 125,995	72	£ 1,750	31/03/2016	Detached
55 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 125,995	72	£ 1,750	26/05/2017	Detached
19 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 121,795	75	£ 1,624	17/03/2016	Detached
14 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 119,895	75	£ 1,599	27/05/2016	Detached
22 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 116,995	75	£ 1,560	04/07/2016	Detached
24 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	75	£ 1,720	18/08/2016	Detached
59 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	75	£ 1,720	23/09/2016	Detached
21 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 123,695	76	£ 1,628	26/05/2016	Detached
10 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 128,995	76	£ 1,697	10/06/2016	Detached
		£ 121,577	74	£ 1,654		
9 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 154,995	102	£ 1,520	09/06/2016	Detached
29 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 157,995	106	£ 1,491	12/05/2017	Detached
58 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 155,995	106	£ 1,472	14/04/2016	Detached
		£ 156,328	105	£ 1,494		
1 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 90,245	60	£ 1,504	28/08/2015	Semi
26 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 94,995	60	£ 1,583	19/12/2016	Semi
27 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 94,995	60	£ 1,583	10/04/2017	Semi
69 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 89,295	60	£ 1,488	25/04/2016	Semi
		£ 92,383	60	£ 1,540		
7 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	11/09/2015	Semi
4 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	14/09/2015	Semi
18 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	22/12/2015	Semi
52 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,995	71	£ 1,662	31/05/2017	Semi
25 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 111,145	71	£ 1,565	19/12/2016	Semi
66 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 110,995	71	£ 1,563	30/05/2017	Semi
12 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 105,995	71	£ 1,493	29/12/2015	Semi
68 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	71	£ 1,549	04/07/2016	Semi
57 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 103,745	72	£ 1,441	14/04/2016	Semi
15 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	72	£ 1,528	16/06/2016	Semi
16 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,995	72	£ 1,528	30/06/2016	Semi
2 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 114,995	75	£ 1,533	27/08/2015	Semi
5 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,245	75	£ 1,457	18/09/2015	Semi
30 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 117,995	75	£ 1,573	18/05/2017	Semi
67 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 116,995	75	£ 1,560	28/11/2016	Semi
6 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 109,245	75	£ 1,457	12/10/2015	Semi
17 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 115,995	75	£ 1,547	15/01/2016	Semi
11 DEWHIRST CLOSE	CONSETT DH8 6LF	£ 115,995	75	£ 1,547	22/01/2016	Semi
		£ 111,684	73	£ 1,536		

20.3.3. We have also identified the following from a Barratt David Wilson Homes scheme, around 2 miles from the subject site.

Address	Pcode		Price	Size (sq m)	£ per sq m	Date	Type
1 ELLIOTT WAY	CONSETT DH8 5XY		£ 164,995	72	£ 2,292	26/06/2015	Detached
3 ELLIOTT WAY	CONSETT DH8 5XY		£ 160,000	72	£ 2,222	09/10/2015	Detached
84 RICHARDSON WAY	CONSETT DH8 5YF		£ 165,995	72	£ 2,305	23/06/2017	Detached
73 RICHARDSON WAY	CONSETT DH8 5YF		£ 165,995	72	£ 2,305	28/04/2017	Detached
42 ELLIOTT WAY	CONSETT DH8 5XY		£ 172,995	72	£ 2,403	11/12/2015	Detached
40 ELLIOTT WAY	CONSETT DH8 5XY		£ 159,995	72	£ 2,222	27/05/2016	Detached
			£ 164,996	72	£ 2,292		
30 ELLIOTT WAY	CONSETT DH8 5XY		£ 159,995	84	£ 1,905	29/04/2016	Detached
3 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 157,950	85	£ 1,858	23/03/2016	Detached
43 RICHARDSON WAY	CONSETT DH8 5YF		£ 154,995	85	£ 1,823	01/12/2016	Detached
75 RICHARDSON WAY	CONSETT DH8 5YF		£ 159,995	85	£ 1,882	28/06/2017	Detached
53 RICHARDSON WAY	CONSETT DH8 5YF		£ 172,995	84	£ 2,059	24/10/2016	Detached
43 RICHARDSON WAY	CONSETT DH8 5YF		£ 154,995	85	£ 1,823	01/12/2016	Detached
31 ELLIOTT WAY	CONSETT DH8 5XY		£ 167,995	87	£ 1,931	26/06/2015	Detached
			£ 161,274	85	£ 1,898		
64 ELLIOTT WAY	CONSETT DH8 5XY		£ 155,000	92	£ 1,685	06/03/2015	Detached
71 ELLIOTT WAY	CONSETT DH8 5XY		£ 154,000	92	£ 1,674	20/03/2015	Detached
81 ELLIOTT WAY	CONSETT DH8 5XY		£ 155,995	94	£ 1,660	09/01/2015	Detached
			£ 154,998	93	£ 1,673		
33 ELLIOTT WAY	CONSETT DH8 5XY		£ 192,500	104	£ 1,851	22/05/2015	Detached
25 RICHARDSON WAY	CONSETT DH8 5YF		£ 193,500	104	£ 1,861	24/06/2016	Detached
76 RICHARDSON WAY	CONSETT DH8 5YF		£ 197,500	104	£ 1,899	29/06/2017	Detached
27 RICHARDSON WAY	CONSETT DH8 5YF		£ 203,995	107	£ 1,906	27/05/2016	Detached
59 RICHARDSON WAY	CONSETT DH8 5YF		£ 203,995	107	£ 1,906	25/11/2016	Detached
29 RICHARDSON WAY	CONSETT DH8 5YF		£ 205,995	107	£ 1,925	27/05/2016	Detached
7 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 169,950	108	£ 1,574	29/04/2016	Detached
			£ 195,348	106	£ 1,846		
6 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 179,950	121	£ 1,487	11/03/2016	Detached
47 ELLIOTT WAY	CONSETT DH8 5XY		£ 226,995	125	£ 1,816	20/02/2015	Detached
41 ELLIOTT WAY	CONSETT DH8 5XY		£ 205,000	125	£ 1,640	27/11/2015	Detached
			£ 203,982	124	£ 1,648		
8 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 203,450	131	£ 1,553	24/03/2016	Detached
45 RICHARDSON WAY	CONSETT DH8 5YF		£ 217,495	135	£ 1,611	19/12/2016	Detached
47 RICHARDSON WAY	CONSETT DH8 5YF		£ 237,995	135	£ 1,763	04/11/2016	Detached
5 KENSINGTON CLOSE	CONSETT DH8 5YN		£ 199,950	131	£ 1,526	15/04/2016	Detached
			£ 214,723	133	£ 1,613		
6 QUEEN ELIZABETH DRIVE	CONSETT DH8 5YL		£ 114,950	70	£ 1,642	11/09/2015	Semi
87 ELLIOTT WAY	CONSETT DH8 5XY		£ 127,500	73	£ 1,747	16/01/2015	Semi
59 ELLIOTT WAY	CONSETT DH8 5XY		£ 119,995	73	£ 1,644	06/03/2015	Semi
57 ELLIOTT WAY	CONSETT DH8 5XY		£ 119,995	73	£ 1,644	17/04/2015	Semi
49 ELLIOTT WAY	CONSETT DH8 5XY		£ 124,995	73	£ 1,712	19/06/2015	Semi
51 ELLIOTT WAY	CONSETT DH8 5XY		£ 124,995	73	£ 1,712	31/07/2015	Semi
			£ 122,072	73	£ 1,683		
17 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,000	94	£ 1,553	08/05/2015	Semi
15 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,000	94	£ 1,553	26/05/2015	Semi
53 ELLIOTT WAY	CONSETT DH8 5XY		£ 146,995	94	£ 1,564	29/05/2015	Semi
			£ 146,332	94	£ 1,557		

20.3.4. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

20.3.5. Having considered the above, we have applied £1,900 per sq m for the market value dwellings and £2,150 per sq m for the bungalows, both being in line with the allowances in the Local Plan Viability testing for medium value locations.

20.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

20.3.7. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

20.3.8. In addition, the Council has indicated a grant offer in relation to the site, totalling £311,163. We have therefore included this within the appraisal testing.

20.4. Gross Development Cost (outgoings to implement the development)

20.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

20.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

20.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

20.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

20.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

20.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

20.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

20.4.8. The Council has advised that the estimated abnormal costs associated with the scheme total £302,100. We have included these costs within our assessment.

20.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

20.4.10. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

20.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

20.4.12. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

20.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

20.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

20.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

20.4.16. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

20.4.17. Whilst the site formerly provided housing, it currently effectively comprises undeveloped grassland. On this basis we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 to 15 times the EUV is considered reasonable.

20.4.18. Having considered the above, we have arrived at a BLV of £250,000 for the site. This is equivalent to circa £170,000 per Ha, which represents an uplift of around 11 times the EUV. Whilst below the allowance in the Local Plan Viability Testing, given the nature of the site this is considered to be reasonable.

20.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

20.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £128,335 This is therefore below our benchmark land value of £250,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

20.4.21. However, if some of the Council's policies could be reduced the scheme would return a viable outcome (particularly with the inclusion of the grant funding).

21. H22 – High West Road, Crook



21.1. Property Description

21.1.1. Crook is a market town located around 9 miles to the south west of Durham city and 5 miles north west of Bishop Auckland. The main access to the town is via A689 and the A690. The site is located to the western edge of the town, immediately to the north of the A689. To the south and east there is a variety of residential dwellings, whilst the northern and western boundaries front onto open fields.

21.1.2. According to the Zoopla Zed-Index, Crook has a current average value of £123,592. The average for County Durham is currently £167,604. Crook can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Crook is regarded as a 'medium' value area within the context of the wider region.

21.1.3. The site mostly comprises undeveloped agricultural land. The site is an irregular shape and slopes from north to south. We understand this extends to circa 19.10 Ha (47.20 acres), on a gross basis.

21.2. General scheme assumptions

21.2.1. We are advised that the site is allocated for 350 dwellings.

21.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

21.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 60%. This gives a net site area of 11.46 Ha (28.32 acres).

21.2.4. At 350 dwellings, the scheme therefore reflects a development ratio of 30.54 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

21.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

21.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the location and lower density, we have increased this average to 105 sq m for the market value units.

21.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). For the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

21.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

21.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

21.3. Gross Development Value (sales revenue)

21.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

21.3.2. In terms of transactional evidence in and around Crook we note the following:

Address		Pcode	Price	Size (sq m)	£ per sq m	Date	Type	
29 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 139,950	90	£ 1,555	15/05/2015	Detached
6 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 159,950	90	£ 1,777	30/11/2016	Detached
12 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 159,950	90	£ 1,777	16/12/2016	Detached
31 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 139,950	90	£ 1,555	29/06/2015	Detached
				£ 149,950	90	£ 1,666		
26 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 169,950	108	£ 1,574	18/03/2015	Detached
32 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 164,950	108	£ 1,527	22/05/2015	Detached
2 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 194,950	108	£ 1,805	30/06/2017	Detached
6 HAWTHORN DRIVE	WILLINGTON	CROOK	DL15 OGH	£ 179,950	108	£ 1,666	31/03/2017	Detached
10 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 179,950	108	£ 1,666	20/12/2016	Detached
4 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 189,950	108	£ 1,759	31/05/2017	Detached
29 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 179,950	108	£ 1,666	17/03/2017	Detached
27 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 169,950	108	£ 1,574	29/06/2015	Detached
19 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 179,950	108	£ 1,666	29/01/2016	Detached
				£ 178,839	108	£ 1,656		
28 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 194,950	124	£ 1,572	07/07/2016	Detached
33 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 189,950	124	£ 1,532	26/02/2015	Detached
4 KASHER ROAD	WILLINGTON	CROOK	DL15 OGN	£ 189,950	124	£ 1,532	18/11/2016	Detached
14 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 199,950	124	£ 1,613	20/12/2016	Detached
8 HAWTHORN DRIVE	WILLINGTON	CROOK	DL15 OGH	£ 199,950	124	£ 1,613	16/12/2016	Detached
8 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 194,950	124	£ 1,572	19/12/2016	Detached
24 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 189,950	124	£ 1,532	10/03/2015	Detached
17 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 189,950	124	£ 1,532	26/02/2016	Detached
33 SURTEES DRIVE	WILLINGTON	CROOK	DL15 OGR	£ 184,950	124	£ 1,492	19/02/2015	Detached
				£ 192,728	124	£ 1,554		
18 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 194,950	138	£ 1,413	19/08/2016	Detached
22 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 224,950	139	£ 1,618	30/06/2016	Detached
2 KASHER ROAD	WILLINGTON	CROOK	DL15 OGN	£ 219,950	139	£ 1,582	09/10/2015	Detached
20 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 209,950	139	£ 1,510	13/11/2015	Detached
31 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 219,950	139	£ 1,582	28/04/2017	Detached
21 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 234,950	139	£ 1,690	16/05/2016	Detached
34 SURTEES DRIVE	WILLINGTON	CROOK	DL15 OGR	£ 204,950	139	£ 1,474	20/03/2015	Detached
21 FLEMING WAY	WILLINGTON	CROOK	DL15 OGS	£ 206,950	139	£ 1,489	30/10/2015	Detached
				£ 214,575	139	£ 1,545		
7 KASHER ROAD	WILLINGTON	CROOK	DL15 OGN	£ 274,950	171	£ 1,608	19/05/2015	Detached
7 DOVER COURT	WILLINGTON	CROOK	DL15 OGP	£ 279,950	171	£ 1,637	31/03/2016	Detached
5 DOVER COURT	WILLINGTON	CROOK	DL15 OGP	£ 279,950	173	£ 1,618	07/08/2015	Detached
9 DOVER COURT	WILLINGTON	CROOK	DL15 OGP	£ 279,950	176	£ 1,591	10/06/2016	Detached
27 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 289,950	176	£ 1,647	25/11/2016	Detached
30 HILL MEADOWS	WILLINGTON	CROOK	DL15 OJG	£ 275,000	171	£ 1,608	04/11/2016	Detached
6 KASHER ROAD	WILLINGTON	CROOK	DL15 OGN	£ 279,950	184	£ 1,521	10/06/2016	Detached
6 DOVER COURT	WILLINGTON	CROOK	DL15 OGP	£ 279,950	184	£ 1,521	15/05/2015	Detached
8 DOVER COURT	WILLINGTON	CROOK	DL15 OGP	£ 249,950	184	£ 1,358	04/03/2016	Detached
				£ 276,622	177	£ 1,568		
4 HAWTHORN DRIVE	WILLINGTON	CROOK	DL15 OGH	£ 139,950	90	£ 1,555	17/03/2017	Semi
11 CLEMENT WAY	WILLINGTON	CROOK	DL15 OGQ	£ 144,950	90	£ 1,611	28/04/2017	Semi
				£ 142,450	90	£ 1,583		

Address				Pcode	Price	Size (sq m)	£ per sq m	Date	Type
15	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 119,950	79	£ 1,518	26/06/2015	Detached
16	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 119,950	79	£ 1,518	26/06/2015	Detached
17	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 139,950	79	£ 1,772	26/06/2015	Detached
					£ 126,617	79	£ 1,603		
14	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 144,950	90	£ 1,611	26/06/2015	Detached
21	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 159,450	100	£ 1,595	18/06/2015	Detached
9	DEERNESS HEIGHTS	STANLEY	CROOK	DL15 9TJ	£ 154,950	107	£ 1,448	06/02/2015	Detached
11	DEERNESS HEIGHTS	STANLEY	CROOK	DL15 9TJ	£ 154,950	107	£ 1,448	26/03/2015	Detached
					£ 156,450	105	£ 1,497		
14	DEERNESS HEIGHTS	STANLEY	CROOK	DL15 9TJ	£ 174,950	115	£ 1,521	09/03/2015	Detached
3	DEERNESS HEIGHTS	STANLEY	CROOK	DL15 9TJ	£ 198,000	117	£ 1,692	07/07/2016	Detached
					£ 186,475	116	£ 1,607		
10	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 87,450	69	£ 1,267	18/12/2015	Semi
11	WOOLEY MEADOWS	STANLEY	CROOK	DL15 9UE	£ 83,500	69	£ 1,210	24/03/2016	Semi
					£ 146,075	97	£ 1,460		

Address				Pcode	Price	Size (sq m)	£ per sq m	Date	Type
26	WOODIFIELD HILL	CROOK	DL15 9NU	DL15 9NU	£ 275,000	135	£ 2,037	15/01/2016	Detached
24	WOODIFIELD HILL	CROOK	DL15 9NU	DL15 9NU	£ 315,000	137	£ 2,299	07/09/2015	Detached
25	WOODIFIELD HILL	CROOK	DL15 9NU	DL15 9NU	£ 285,000	137	£ 2,080	06/11/2015	Detached
					£ 291,667	136	£ 2,139		

21.3.3. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

21.3.4. In addition, we also note the Fir Tree development by Redcastle Homes in Crook, which is currently being marketed for sale. Asking prices for 4 bed detached houses range from £300,000 to £395,000.

21.3.5. The evidence therefore points to more modest values achieved in the surrounding villages of Willington and Stanley. However, within the town of Crook itself there is some (albeit limited) evidence of new sales achieving and being marketed at a higher level

21.3.6. Having considered the above, and having compared High West Rd to other schemes we have appraised in medium value areas, we have applied £2,000 per sq m for the market value dwellings and £2,200 per sq m for the bungalows, both being in line with the allowances in the Local Plan Viability testing for medium value locations.

21.3.7. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

21.3.8. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

21.4. Gross Development Cost (outgoings to implement the development)

21.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

21.4.2. Given the size of the scheme it is likely that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

21.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

21.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

21.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

21.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

21.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

21.4.8. At this stage abnormal costs are unknown. However, Persimmon (who are looking to bring the site forward), have indicated they anticipate there will be abnormal costs associated with an offsite surface water sewer connection to the east of High West Rd, a 4 arm access roundabout, grouting and a sub station. Full costings of these works have yet to be undertaken, however at this stage we have allowed £200,000 per net ha to cover these works (and any other abnormal costs). However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

21.4.9. For professional fees we have allowed 5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

21.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- on-site provision
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

21.4.11. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

21.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

21.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

21.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

21.4.15. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

21.4.16. Whilst the site formerly provided housing, it currently effectively comprises undeveloped grassland. On this basis we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 to 15 times the EUV is considered reasonable (equating to £225,000 per net Ha). This is therefore below the Local Plan testing.

21.4.17. Having considered the above, and also taking into account the larger scale of the project (with a reduction in rate per net Ha required for reasons of quantum) we have arrived at a BLV of £2,600,000 for the site. This is equivalent to circa £225,000 per Ha, which represents an uplift of around 15 times the EUV. Whilst below the allowance in the Local Plan Viability Testing, given the nature of the site this is considered to be reasonable.

21.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 4 per calendar month.

21.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £2,693,670. This is therefore above our benchmark land value of £2,600,000. **We therefore conclude that the site is currently viable with the full policies applied.**

22. H23 – Spennymoor Day Centre, Spennymoor



22.1. Property Description

22.1.1. Spennymoor is a town located around 6 miles to the south of Durham city and 6 miles north east of Bishop Auckland. The town is well connected with regards to roadways, being located around the A688 and close to A167. The A1 (M) is also less than 4 miles away to the east. Spennymoor has also seen significant development proposals in recent years, with the town earmarked for regeneration. The subject site is centrally located in an established residential area.

22.1.2. According to the Zoopla Zed-Index, Spennymoor has a current average value of £128,423. The average for County Durham is currently £167,604. Spennymoor can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Spennymoor is regarded as a 'medium' value area within the context of the wider region.

22.1.3. The site comprises a former day centre, with the original building (brick built, single storey) still in situ, albeit vacant and boarded up. The site also currently comprises of a small tarmac covered driveway / parking area, plus some open space (including a number of mature trees). The land is broadly rectangular in shape and generally level. We understand the site extends to circa 0.50 Ha (1.23 acres), on a gross basis.

22.2. General scheme assumptions

22.2.1. We are advised that the site is allocated for 15 dwellings.

22.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. However, the Council has confirmed that it owns the site. It is also understood to have been previously been used as a gas works.

22.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.45 Ha (1.11 acres). At 15 dwellings, the scheme therefore reflects a development ratio of 33.33 dwellings per net Ha. This is slightly above what has been adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having an above average density.

22.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). This is considered appropriate for this scheme.

22.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

22.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

22.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

22.3. Gross Development Value (sales revenue)

22.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

22.3.2. In terms of transactional evidence we note the following from a Barratts scheme around 1 mile south of the subject site (please note we have only shown houses of a broadly similar size to 95 sq m):

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
22 WOODWARD ROAD	DL16 7US	£ 152,995	84	£ 1,821	21/12/2015	Detached
29 SWAN WALK	DL16 7UU	£ 152,995	84	£ 1,821	16/12/2015	Detached
52 ROKEBY WAY	DL16 7FB	£ 169,995	87	£ 1,954	22/12/2015	Detached
58 ROKEBY WAY	DL16 7FD	£ 169,995	87	£ 1,954	27/11/2015	Detached
27 WOODWARD ROAD	DL16 7US	£ 157,500	87	£ 1,810	18/06/2015	Detached
25 WOODWARD ROAD	DL16 7US	£ 157,500	87	£ 1,810	26/06/2015	Detached
32 WOODWARD ROAD	DL16 7US	£ 162,500	87	£ 1,868	17/06/2016	Detached
22 ROKEBY WAY	DL16 7FB	£ 173,000	87	£ 1,989	16/12/2016	Detached
14 ROKEBY WAY	DL16 7FB	£ 184,995	89	£ 2,079	15/06/2017	Detached
11 SPENCER ROAD	DL16 7WA	£ 164,995	87	£ 1,896	16/12/2016	Detached
15 SPENCER ROAD	DL16 7WA	£ 164,995	87	£ 1,896	05/01/2017	Detached
2 WOODROW WAY	DL16 7WB	£ 159,995	89	£ 1,798	11/11/2016	Detached
23 WOODWARD ROAD	DL16 7US	£ 157,599	89	£ 1,771	12/06/2015	Detached
21 WOODWARD ROAD	DL16 7US	£ 159,599	89	£ 1,793	26/06/2015	Detached
		£ 163,476	87	£ 1,876		
1 BENINGBOROUGH COURT	DL16 7GG	£ 179,950	92	£ 1,956	29/06/2015	Detached
2 BENINGBOROUGH COURT	DL16 7GG	£ 179,950	92	£ 1,956	14/08/2015	Detached
34 LOTHERTON DRIVE	DL16 7FE	£ 189,995	93	£ 2,043	26/06/2015	Detached
		£ 183,298	92	£ 1,985		
24 WOODWARD ROAD	DL16 7US	£ 153,995	102	£ 1,510	22/12/2015	Detached
27 SWAN WALK	DL16 7UU	£ 153,995	102	£ 1,510	23/10/2015	Detached
4 WOODWARD ROAD	DL16 7US	£ 183,500	104	£ 1,764	20/06/2016	Detached
48 ROKEBY WAY	DL16 7FB	£ 189,000	107	£ 1,766	03/06/2016	Detached
44 STUDLEY DRIVE	DL16 7GB	£ 185,203	108	£ 1,715	25/09/2015	Detached
51 SLEDMORE DRIVE	DL16 7GP	£ 199,950	108	£ 1,851	26/06/2015	Detached
4 WOODROW WAY	DL16 7WB	£ 187,995	109	£ 1,725	22/12/2016	Detached
6 WOODROW WAY	DL16 7WB	£ 198,995	109	£ 1,826	25/11/2016	Detached
8 WOODROW WAY	DL16 7WB	£ 184,995	108	£ 1,713	31/03/2017	Detached
32 ROKEBY WAY	DL16 7FB	£ 199,995	108	£ 1,852	30/06/2017	Detached
37 ROKEBY WAY	DL16 7FD	£ 200,000	108	£ 1,852	30/06/2017	Detached
17 EDISON DRIVE	DL16 7UW	£ 189,995	108	£ 1,759	26/05/2017	Detached
34 ROKEBY WAY	DL16 7FB	£ 205,000	107	£ 1,916	31/03/2017	Detached
39 SLEDMORE DRIVE	DL16 7GP	£ 169,995	108	£ 1,574	11/12/2015	Detached
8 WOODWARD ROAD	DL16 7US	£ 194,995	109	£ 1,789	08/03/2016	Detached
29 SPENCER ROAD	DL16 7WA	£ 196,995	108	£ 1,824	25/11/2016	Detached
31 SPENCER ROAD	DL16 7WA	£ 189,995	109	£ 1,743	23/02/2017	Detached
14 WOODWARD ROAD	DL16 7US	£ 194,995	109	£ 1,789	18/03/2016	Detached
6 WOODWARD ROAD	DL16 7US	£ 194,995	109	£ 1,789	20/04/2016	Detached
30 WOODWARD ROAD	DL16 7US	£ 194,995	109	£ 1,789	17/06/2016	Detached
		£ 188,479	107	£ 1,753		
56 ROKEBY WAY	DL16 7FB	£ 212,500	112	£ 1,897	06/05/2016	Detached
20 WOODWARD ROAD	DL16 7US	£ 199,995	112	£ 1,786	24/03/2016	Detached
35 WOODWARD ROAD	DL16 7US	£ 191,500	113	£ 1,695	25/09/2015	Detached
16 ROKEBY WAY	DL16 7FB	£ 212,995	112	£ 1,902	15/06/2017	Detached
36 ROKEBY WAY	DL16 7FB	£ 214,995	112	£ 1,920	25/11/2016	Detached
85 LOTHERTON DRIVE	DL16 7FF	£ 239,995	113	£ 2,124	29/06/2017	Detached
23 SPENCER ROAD	DL16 7WA	£ 196,000	113	£ 1,735	02/12/2016	Detached
47 WOODWARD ROAD	DL16 7US	£ 191,500	113	£ 1,695	25/09/2015	Detached
16 WOODWARD ROAD	DL16 7US	£ 182,875	113	£ 1,618	26/02/2016	Detached
10 WOODROW WAY	DL16 7WB	£ 194,500	113	£ 1,721	10/06/2016	Detached
		£ 203,686	113	£ 1,809		

22.3.3. We have also identified the following from a Persimmon scheme, around 1.3 miles east of the subject site.

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
37 ABBEY GREEN	DL16 6PD	£ 165,000	88	£ 1,875	27/02/2015	Detached
34 ABBEY GREEN	DL16 6PD	£ 159,995	88	£ 1,818	02/10/2015	Detached
65 ABBEY GREEN	DL16 6PD	£ 156,495	88	£ 1,778	12/11/2015	Detached
67 ABBEY GREEN	DL16 6PD	£ 159,995	88	£ 1,818	27/11/2015	Detached
32 ABBEY GREEN	DL16 6PD	£ 131,036	88	£ 1,489	10/12/2015	Detached
		£ 154,504	88	£ 1,756		
33 ABBEY GREEN	DL16 6PD	£ 181,995	100	£ 1,820	06/02/2015	Detached
4 HEWICK ROAD	DL16 6PF	£ 178,950	94	£ 1,904	17/01/2017	Detached
31 ABBEY GREEN	DL16 6PD	£ 169,000	100	£ 1,690	12/06/2015	Detached
47 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	17/06/2015	Detached
57 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	26/06/2015	Detached
35 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	17/07/2015	Detached
61 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	27/07/2015	Detached
63 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	18/09/2015	Detached
30 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	25/09/2015	Detached
38 ABBEY GREEN	DL16 6PD	£ 169,995	100	£ 1,700	20/11/2015	Detached
28 ABBEY GREEN	DL16 6PD	£ 167,995	100	£ 1,680	08/12/2015	Detached
69 ABBEY GREEN	DL16 6PD	£ 167,995	100	£ 1,680	08/01/2016	Detached
18 BIRCH PARK AVENUE	DL16 6NU	£ 204,995	108	£ 1,898	21/10/2016	Detached
16 BIRCH PARK AVENUE	DL16 6NU	£ 174,995	103	£ 1,699	04/12/2015	Detached
		£ 173,992	100	£ 1,734		

22.3.4. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

22.3.5. Having considered the above, we have concluded that an average of £2,000 per sq m for the market value dwellings is appropriate, increasing to £2,250 per sq m for the bungalows (in line with the Local Plan Viability testing).

22.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

22.3.7. For the affordable dwellings we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.50% of the equivalent market value. This is in line with the Local Plan Viability testing assumptions.

22.4. Gross Development Cost (outgoings to implement the development)

22.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

22.4.2. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

22.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates these costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

22.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

22.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

22.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

22.4.7. The Council has advised that there are significant abnormal costs affecting the site, relating to the land's historic use as a former gas works. These costs are estimated as being circa £1,000,000.

22.4.8. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

22.4.9. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

22.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

22.4.11. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

22.4.12. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

22.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

22.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

22.4.15. The subject site comprises a cleared brownfield site, however the former use is likely to be regarded as largely redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking into account of the Council policies, a BLV of £100,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £200,000 per ha).

22.4.16. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

22.4.17. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. This is therefore below the benchmark land value and as such is considered to be unviable with the full policies applied.

22.4.18. Please note, given the high abnormal costs the loss shown in the appraisal is significant. Even if the planning policies were removed the scheme would still show an unviable outcome.

23. H24 – Former Tudhoe Grange Lower School, Durham Rd, Spennymoor



23.1. Property Description

23.1.1. Spennymoor is a town located around 6 miles to the south of Durham city and 6 miles north east of Bishop Auckland. The town is well connected with regards to roadways, being located around the A688 and close to A167. The A1 (M) is also less than 4 miles away to the east. Spennymoor has also seen significant development proposals in recent years, with the town earmarked for regeneration. The subject site is centrally located in an established residential area.

23.1.2. According to the Zoopla Zed-Index, Spennymoor has a current average value of £128,423. The average for County Durham is currently £167,604. Spennymoor can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Spennymoor is regarded as a 'medium' value area within the context of the wider region.

23.1.3. The site comprises a former school site which has been demolished and cleared. The land now is mostly grass covered. This is an irregular shape and is understood to extend to 3.74 Ha (9.23 acres) on a gross basis. Generally, the site is relatively flat.

23.2. General scheme assumptions

23.2.1. We are advised that the site is allocated for 85 dwellings.

23.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

23.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 80%. This gives a net site area of 2.99 Ha (7.39 acres).

23.2.4. At 85 dwellings, the scheme therefore reflects a development ratio of 28.41 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

23.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

23.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 115 sq m for the market value units.

23.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

23.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

23.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

23.3. Gross Development Value (sales revenue)

23.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

23.3.2. In terms of transactional evidence please see above Pages 176 and 177.

23.3.3. Please note, a further allowance has been made to reflect the increase of detached dwellings assumed on site.

23.3.4. Having considered the above, we have conclude that an average of £2,100 per sq m for the market value dwellings is appropriate, increasing to £2,300 per sq m for the bungalows (in line with the Local Plan Viability testing).

23.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

23.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

23.4. Gross Development Cost (outgoings to implement the development)

23.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

23.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

23.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

23.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

23.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

23.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

23.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

23.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

23.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

23.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (plus on-site provision)
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

23.4.11. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

23.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

23.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

23.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

23.4.15. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

23.4.16. Whilst a former school site, at the current time the land currently effectively comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

23.4.17. Having considered the above, we have arrived at a BLV of £1,000,000 for the site. This is equivalent to £267,380 per Ha, which represents an uplift of around 18 times the EUV. This is considered to be reasonable given the nature of the site.

23.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.



23.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,268,937 This is therefore above our benchmark land value of £1,000,000. **We therefore conclude that the site is currently viable with the full policies applied.**

24. H25 – Former Tudhoe Grange Upper School, St Charles Rd, Spennymoor



24.1. Property Description

24.1.1. Spennymoor is a town located around 6 miles to the south of Durham city and 6 miles north east of Bishop Auckland. The town is well connected with regards to roadways, being located around the A688 and close to A167. The A1 (M) is also less than 4 miles away to the east. Spennymoor has also seen significant development proposals in recent years, with the town earmarked for regeneration. The subject site is located to the northern edge of the town, close to the southern edge of Tudhoe Village.

24.1.2. According to the Zoopla Zed-Index, Spennymoor has a current average value of £128,423. The average for County Durham is currently £167,604. Spennymoor can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Spennymoor is regarded as a 'medium' value area within the context of the wider region.

24.1.3. The site comprises a former school site which has been demolished and cleared. The land now is mostly grass covered. This is an irregular shape and is understood to extend to 6.89 Ha (17.02 acres) on a gross basis. The site slopes significantly in parts.

24.2. General scheme assumptions

24.2.1. We are advised that the site is allocated for 110 dwellings.

24.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

24.2.3. For a scheme of this size and nature, in accordance with the Council's recent Local Plan Viability testing a gross to net ratio of 80% is expected. However, for this scheme, this would return a level of density significantly below market expectations. We have subsequently adjusted the gross to net ratio to 50% (which is considered reasonable given that parts of the site slope significantly which we anticipate has reduced the level of dwellings in the allocation). This gives a net site area of 3.45 Ha (8.51 acres).

24.2.4. At 110 dwellings, the scheme therefore reflects a development ratio of 31.93 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

24.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

24.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). This has been increased to 105 sq m.

24.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

24.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

24.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,100 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

24.3. Gross Development Value (sales revenue)

24.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study equates to £1,900 per sq m.

24.3.2. In terms of transactional evidence please see above Pages 176 and 177.

24.3.3. Please note, a further allowance has been made to reflect the increase of detached dwellings assumed on site.

24.3.4. Having considered the above, we have conclude that an average of £2,075 per sq m for the market value dwellings is appropriate, increasing to £2,300 per sq m for the bungalows (in line with the Local Plan Viability testing).

24.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

24.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

24.4. Gross Development Cost (outgoings to implement the development)

24.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

24.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

24.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

24.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

24.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

24.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

24.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

24.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

24.4.9. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

24.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- On-site provision
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

24.4.11. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

24.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

24.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

24.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

24.4.15. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

24.4.16. Whilst a former school site, at the current time the land currently effectively comprises undeveloped grassland. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

24.4.17. However, as indicated above the subject site has an adjusted gross to net ratio. An allowance therefore has to be made to reflect the reduced net area that is capable of delivering residential development. This has also been factored into our analysis.

24.4.18. Having considered the above, we have arrived at a BLV of £1,150,000 for the site. This is considered to be reasonable given the nature of the site (and in light of the Lower School site in Tudhoe).

24.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

24.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,558,994. This is therefore above our benchmark land value of £1,150,000. **We therefore conclude that the site is currently viable with the full policies applied.**

25. H26 – Land to the East of Ash Drive, Willington



25.1. Property Description

25.1.1. Willington is a former mining village located around 8 miles to the south west of Durham City and 5 miles north of Bishop Auckland. The village is reasonably well connected with regard to roadways, being located around the A690 leading to the east to Durham and the A167. The A1 (M) is also around 7 miles away to the east. Willington has seen significant development proposals in recent years, with the town earmarked for regeneration. The subject site is located on the A690 on the eastern edge of the village.

25.1.2. According to the Zoopla Zed-Index, Willington has a current average value of £121,408. The average for County Durham is currently £167,604. Willington can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Willington is regarded as a 'medium' value area within the context of the wider region.

25.1.3. The site partly comprises a disused former commercial garage and car sales site fronting the A690, but the vast majority of the site is agricultural in nature and still in use as such. It is a broadly rectangular shape and is understood to extend to 8.92 Ha (22.04 acres) on a gross basis. The site slopes gently upwards from the road towards the southern boundary.

25.2. General scheme assumptions

25.2.1. We are advised that the site is allocated for 200 dwellings.

25.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

25.2.3. For a scheme of this size and nature, in accordance with the Council's recent Local Plan Viability testing a gross to net ratio of 80% is expected. This gives a net site area of 7.14 Ha (17.64 acres).

25.2.4. At 200 dwellings, the scheme therefore reflects a development ratio of 28 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

25.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

25.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Given the increased number of detached dwellings that could be delivered on site, we have increased the average dwelling size to 120 sq m.

25.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

25.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

25.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

25.3. Gross Development Value (sales revenue)

25.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study equates to £1,900 per sq m.

25.3.2. In terms of sales values, the most relevant transactional evidence identified from a new build residential scheme is a Charles Church scheme (The Ridings) to the north west of the subject site, details of which are shown below:

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
29 CLEMENT WAY	DL15 0GQ	£ 139,950	90	£ 1,555	15/05/2015	Detached
6 CLEMENT WAY	DL15 0GQ	£ 159,950	90	£ 1,777	30/11/2016	Detached
12 CLEMENT WAY	DL15 0GQ	£ 159,950	90	£ 1,777	16/12/2016	Detached
31 CLEMENT WAY	DL15 0GQ	£ 139,950	90	£ 1,555	29/06/2015	Detached
		£ 149,950	90	£ 1,666		
26 CLEMENT WAY	DL15 0GQ	£ 169,950	108	£ 1,574	18/03/2015	Detached
32 CLEMENT WAY	DL15 0GQ	£ 164,950	108	£ 1,527	22/05/2015	Detached
2 CLEMENT WAY	DL15 0GQ	£ 194,950	108	£ 1,805	30/06/2017	Detached
6 HAWTHORN DRIVE	DL15 0GH	£ 179,950	108	£ 1,666	31/03/2017	Detached
10 CLEMENT WAY	DL15 0GQ	£ 179,950	108	£ 1,666	20/12/2016	Detached
4 CLEMENT WAY	DL15 0GQ	£ 189,950	108	£ 1,759	31/05/2017	Detached
29 HILL MEADOWS	DL15 0GJ	£ 179,950	108	£ 1,666	17/03/2017	Detached
27 CLEMENT WAY	DL15 0GQ	£ 169,950	108	£ 1,574	29/06/2015	Detached
19 CLEMENT WAY	DL15 0GQ	£ 179,950	108	£ 1,666	29/01/2016	Detached
		£ 178,839	108	£ 1,656		
28 HILL MEADOWS	DL15 0GJ	£ 194,950	124	£ 1,572	07/07/2016	Detached
33 CLEMENT WAY	DL15 0GQ	£ 189,950	124	£ 1,532	26/02/2015	Detached
4 KASHER ROAD	DL15 0GN	£ 189,950	124	£ 1,532	18/11/2016	Detached
14 CLEMENT WAY	DL15 0GQ	£ 199,950	124	£ 1,613	20/12/2016	Detached
8 HAWTHORN DRIVE	DL15 0GH	£ 199,950	124	£ 1,613	16/12/2016	Detached
8 CLEMENT WAY	DL15 0GQ	£ 194,950	124	£ 1,572	19/12/2016	Detached
24 CLEMENT WAY	DL15 0GQ	£ 189,950	124	£ 1,532	10/03/2015	Detached
17 CLEMENT WAY	DL15 0GQ	£ 189,950	124	£ 1,532	26/02/2016	Detached
33 SURTEES DRIVE	DL15 0GR	£ 184,950	124	£ 1,492	19/02/2015	Detached
		£ 192,728	124	£ 1,554		

25.3.3. The majority of the above sales took place over an extended period between 2015 and 2016, therefore adjustments should be made to older transactional evidence for revenue inflation since this time. Those sales that occurred in 2017 were around £1,800 per sq m.

25.3.4. Having considered the above, we a rate equivalent to £1,950 per sq m to be reasonable for the market value dwellings, increased to £2,200 per sq m for the bungalows.

25.3.5. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

25.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

25.4. Gross Development Cost (outgoings to implement the development)

25.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

25.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

25.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

25.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

25.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

25.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

25.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

25.4.8. At this stage abnormal costs are unknown. Based on our site inspection, there will be an element of abnormal costs incurred due to the presence on site of the former garage buildings (requiring demolition) and the potential presence of underground fuel tanks (requiring removal). On this basis we have therefore adopted a budget cost of £150,000 for these items.

25.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

25.4.10. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

25.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need, some policies won't apply to all sites, therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (plus on-site provision)
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

25.4.12. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

25.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

- 25.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 25.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 25.4.16. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.
- 25.4.17. The subject site comprises undeveloped agricultural land. Given its location we would expect an existing use value of say £17,500 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of circa 10 to 15 times the EUV is considered reasonable.
- 25.4.18. Having considered the above, we have arrived at a BLV of £2,000,000 for the site. This is equivalent to circa £224,000 per Ha, which represents an uplift of around 12.5 times the EUV. This is considered to be reasonable given the nature of the site.
- 25.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 25.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £2,046,715. This is therefore above our benchmark land value of £2,000,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

26. H27 – Etherley Lane Depot, (Etherley Dene), Bishop Auckland



26.1. Property Description

26.1.1. Etherley Dene is a suburb of Bishop Auckland, a market town circa 9 miles south west of Durham. The main access to and from this part of Bishop Auckland is via the B6282 and then to the A688.

26.1.2. According to the Zoopla Zed-Index, Bishop Auckland has a current average value of £121,546. The average for County Durham is currently £167,604. Bishop Auckland can therefore be regarded as being an area below the wider value average, within the context of the wider County.

26.1.3. The site comprises a former Council depot, the buildings on which have since been demolished and cleared, with the site effectively having a brownfield character with an area of hardstanding and other parts overgrown vegetation.

26.1.4. The site is broadly regular in shape and generally level with an established access off Etherley Lane. We understand that the site extends to circa 1.00 Ha (2.47 acres), on a gross basis.

26.2. General scheme assumptions

26.2.1. We are advised that the site is allocated for 10 dwellings. However, the Council has confirmed that there is a restrictive covenant limiting the number of dwellings to 6. For the purposes of this assessment we have assumed this restriction could be lifted, albeit at a cost of £75,000.

26.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

26.2.3. The gross site area is large given the number of proposed dwellings. We have therefore assumed that the net developable area is reduced (and in line with 25 dwellings per net Ha). This gives a net site area of 0.4 Ha (0.99 acre).

26.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Given the low density we have increased the market value average to 125 sq m.

26.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

26.2.6. Given that the scheme is only to provide 10 dwellings, the affordable housing policy does not apply.

26.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

26.3. Gross Development Value (sales revenue)

26.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

26.3.2. The most relevant transactional evidence identified from a new build residential scheme is a Keepmoat development in Bishop Auckland. The sales identified are summarised below:

Address	Pcode	Price	Size (sq m)		Type		
			Price	£ per sq m			
7 LIDDELL WAY	BISHOP AUCKLAND	DL14 8EX	£ 149,995	81	£ 1,852	24/03/2016	Detached
1 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 159,995	82	£ 1,951	27/01/2017	Detached
7 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 149,995	82	£ 1,829	26/05/2017	Detached
8 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 159,995	82	£ 1,951	10/03/2017	Detached
			£ 154,995	82	£ 1,896		
73 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 167,995	93	£ 1,806	28/04/2017	Detached
31 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 167,995	93	£ 1,806	20/03/2017	Detached
77 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 167,995	93	£ 1,806	28/04/2017	Detached
			£ 167,995	93	£ 1,806		
14 LIDDELL WAY	BISHOP AUCKLAND	DL14 8EX	£ 184,995	108	£ 1,713	31/03/2016	Detached
71 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 194,995	110	£ 1,773	21/04/2017	Detached
16 LIDDELL WAY	BISHOP AUCKLAND	DL14 8EX	£ 184,995	108	£ 1,713	31/03/2016	Detached
			£ 188,328	109	£ 1,733		
17 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 130,995	71	£ 1,845	27/05/2016	Semi
6 LIDDELL WAY	BISHOP AUCKLAND	DL14 8EX	£ 117,895	71	£ 1,660	28/07/2017	Semi
1 LIDDELL WAY	BISHOP AUCKLAND	DL14 8EX	£ 134,995	78	£ 1,731	30/06/2016	Semi
27 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 134,995	78	£ 1,731	07/10/2016	Semi
27 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 134,995	78	£ 1,731	31/01/2017	Semi
29 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 134,995	78	£ 1,731	24/03/2017	Semi
9 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 130,995	79	£ 1,658	10/06/2016	Semi
			£ 131,409	76	£ 1,727		
3 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 156,995	98	£ 1,602	29/04/2016	Semi
3 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 156,995	98	£ 1,602	29/04/2017	Semi
5 BRADFORD DRIVE	BISHOP AUCKLAND	DL14 8EE	£ 156,995	98	£ 1,602	14/12/2016	Semi
			£ 156,995	98	£ 1,602		
11 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 128,995	71	£ 1,817	24/02/2017	Terrace
12 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 128,995	71	£ 1,817	22/06/2017	Terrace
14 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 128,995	71	£ 1,817	14/07/2017	Terrace
15 MALING CLOSE	BISHOP AUCKLAND	DL14 8EU	£ 128,995	71	£ 1,817	16/12/2016	Terrace
			£ 128,995	71	£ 1,817		

26.3.3. It is noted that the majority of the above sales took place in 2016 and 2017, therefore adjustments should be made for revenue inflation since this time.

26.3.4. Having considered the above, we have consider an average of £2,000 per sq m for the market value dwellings, increasing to £2,200 per sq m for the bungalows to be reasonable.

26.4. Gross Development Cost (outgoings to implement the development)

26.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

26.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates these costs at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).

26.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

26.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

26.4.5. As indicated above, we have assumed the restrictive covenant limiting the number of dwellings on site can be lifted, for a capital payment of £75,000. No other abnormal costs are allowed for in our assessment.

26.4.6. It is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

26.4.7. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

26.4.8. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need, some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Open space	- on-site provision only
Space standards	- £2,000 per dwelling
House Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

26.4.9. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling for legal fees.

26.4.10. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

26.4.11. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units. This is in line with the Local Plan Viability testing.

26.4.12. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

26.4.13. The subject site comprises a cleared brownfield site, however the former use is likely to be regarded as largely redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking account of the Council policies, a BLV of £225,000 is considered to be a reasonable incentive to encourage a landowner to release this site.

26.4.14. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

26.4.15. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. This is therefore below our benchmark land value of £225,000 therefore we conclude the scheme is unviable with the full planning policies applied.

26.4.16. Furthermore, even if the planning policies are removed the scheme still produces a land value below the benchmark. The scheme is therefore unlikely to return a viable outcome, even if the Council relaxes its planning policies.

27. H28 – Former Chamberlain Phipps, (Catkin Way), Tindale Crescent, Bishop Auckland



29.1 Property Description

27.1.1. Tindale Crescent is a south west suburb of Bishop Auckland, a market town situated around 9 miles to the south west of Durham. The main access to and from this part of Bishop Auckland is the A688 north east towards Bishop Auckland and Spennymoor and the A68 towards the A1(M) motorway and Darlington to the south east.

27.1.2. According to the Zoopla Zed-Index, Bishop Auckland has a current average value of £121,546. The average for County Durham is currently £167,604. Bishop Auckland can therefore be regarded as being an area below the wider value average, within the context of the wider County.

27.1.3. The site itself comprises a cleared former industrial site on Greenfields Industrial Estate, situated close to established light industrial uses, although those that remain are on the north side of the estate road, with the subject site on the south side. Existing housing is to the east of Greenfields Road. The site is a mostly regular shape and is understood to extend to 2.35 Ha (5.81 acres) on a gross basis. The site is generally level.

27.2. General scheme assumptions

27.2.1. We are advised that the site is allocated for 75 dwellings.

27.2.2. We note that Gleesons have recently submitted a planning application on the site (ref DM/17/00466/FPA) for the erection of 75 dwellings. This is pending consideration. The scheme is based on the following:

Market value – 3 bed semi	x 23
Market value – 3 bed detached	x 23
Market value – 4 bed detached	x 4
Starter Homes – 2 bed	x 25

27.2.3. We have based our assessment on the scheme put forward by Gleesons.

27.2.4. In terms of a more detailed breakdown of the proposed dwellings, as shown on the planning application file, we note that Gleesons are proposing to erect the following:

Name	Dwelling	Size (sq m)	Number
Type 201	2 bed semi	60.48	21
Type 202	2 bed semi	62.37	4
Type 301	3 bed semi	70.56	7
Type 309	3 bed semi	73.24	4
Type 310	3 bed semi	73.24	4
Type 311	3 bed semi	70.56	6
Type 313	3 bed semi	75.31	2
Type 304	3 bed detached	75	11
Type 307	3 bed detached	75	9
Type 314	3 bed detached	75.31	3
Type 403	4 bed detached	97.36	4

27.2.5. Based on the above, the total net sales area of the scheme equates to 5,289 sq m (equivalent to an average of 70.52 per sq m).

27.2.6. Given the size of the scheme and in accordance with the Council’s recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.00 Ha (4.94 acres).

27.2.7. At 75 dwellings, the scheme therefore reflects a development ratio of 37.55 dwellings per net Ha. This is considered to be broadly in line with expectations for a scheme of this size and in this location.

27.2.8. The subject site falls within the ‘medium’ value area under the Local Plan Viability testing (albeit on the edge of a low value area), therefore attracts a 15% affordable housing provision. However, the scheme prepared by Gleasons includes 25 Starter Homes (equivalent to 33.33%). We have adopted the same approach in our assessment.

27.3. Gross Development Value (sales revenue)

27.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

27.3.2. The most relevant transactional evidence identified for new build schemes in this location is shown above on Pg 209.

27.3.3. Having considered the identified evidence, we consider an average value of £2,000 per sq m to be reasonable based on the size and nature of the proposed dwellings.

27.3.4. For the affordable dwellings (being provided as Starter Homes) we have assumed an 80% discount on market value.

27.4. Gross Development Cost (outgoings to implement the development)

27.4.1. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). We also anticipate that this type of location would be brought forward by a 'low-cost' developer (e.g. Gleasons or Keepmoat) whose build costs would be further reduced to reflect the nature of the product being constructed.

27.4.2. Having considered this, we have adopted a build cost equivalent to £900 per sq m for the market value units.

27.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

27.4.4. To cover externals, we have adopted an additional 20% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

27.4.5. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

27.4.6. At this stage abnormal costs are unknown and as such have assumed to be zero in our appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

27.4.7. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

27.4.8. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education- £2,500 per dwelling

Open space- £2,000 per dwelling (plus on-site provision)

House of Standards Review- £2,000 per dwelling (applies to 10% of units)

Home Quality Mark- £45 per dwelling

Health - £507 per dwelling

Ecology - £662 per dwelling

27.4.9. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees.

27.4.10. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

27.4.11. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 10% for the Starter Homes.

27.4.12. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

27.4.13. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

27.4.14. The subject site comprises a brownfield former industrial site, and in an area where such a use is no longer in demand; therefore, it can be regarded as being largely redundant for this use. There would therefore be a limited market to take on this land as an existing use. On this basis, the existing use value would be naturally modest and perhaps in the order to £150,000 to £250,000 per Ha.

27.4.15. In terms of a premium uplift (designed to encourage a landowner to release for development) this would also be relatively modest as the existing use is effectively redundant therefore an alternative use would be in the interests of the landowner. A premium uplift of circa 10% is therefore considered to be more than reasonable for this type of land.

27.4.16. Having considered this, we consider a BLV of say £700,000 to be realistic based on the existing use value of the site, without any allowance for hope value (as per the approach advocated in the PPG viability July 2018 publication). This is equivalent to just under £300,000 per Ha.

27.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

27.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £798,710. This is therefore above our benchmark land value of £700,000. **We therefore conclude that the site is currently viable, based on the Gleasons scheme and the above assumptions.**

28. H29 – Bracks Road, Bishop Auckland



28.1. Property Description

28.1.1. The site is in the Auckland Park area, an eastern suburb of Bishop Auckland, a market town situated around 9 miles to the south west of Durham. The main access to and from this area is via the A688 to Spennymoor, and the A689 to the A1(M) 6 miles to the east.

28.1.2. According to the Zoopla Zed-Index, Auckland Park has a current average value of £138,563. The average for County Durham is currently £167,604. On this evidence, Auckland Park can therefore be regarded as being a below average value location, within the context of the wider County.

28.1.3. The site itself comprises undeveloped agricultural land, situated between Bracks Road and the A688. The site is triangular in shape and is understood to extend to 2.31 Ha (5.71 acres) on a gross basis. The site slopes upwards significantly from south to north.

28.2. General scheme assumptions

28.2.1. We are advised that the site is allocated for 50 dwellings.

28.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

28.2.3. Given the size of the scheme and having considered the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 80%. This gives a net site area of 1.85 Ha (4.57 acres).

28.2.4. At 50 dwellings, the scheme therefore reflects a development ratio of circa 27 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

28.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

28.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m.

28.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

28.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

28.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

28.3. Gross Development Value (sales revenue)

28.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales value adopted in this study for this area equates to £1,900 per sq m.

28.3.2. Evidence from a comparable scheme is shown above on Pg 209.

28.3.3. In addition, we note the following sales from a Persimmon scheme at Coundon Gate (which is only a short distance from the subject site). However, it should be noted that Coundon Gate is regarded as being within a 'low' value area, whereas the subject site is considered to be in a 'medium' value area, therefore adjustments need to be made in the analysis to reflect this.

Address	Pcode	Price	Size		Type
			(sq m)	£ per sq m	
30 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 154,995	79	£ 1,962	27/04/2015 Detached
26 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 155,000	79	£ 1,962	29/06/2015 Detached
35 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 154,950	79	£ 1,961	30/06/2015 Detached
		£ 154,982	79	£ 1,962	
40 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 144,950	79	£ 1,835	26/06/2015 Semi
29 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 194,950	100	£ 1,950	22/05/2015 Detached
25 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 174,950	100	£ 1,750	11/12/2015 Detached
22 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 174,950	100	£ 1,750	18/12/2015 Detached
17 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 170,000	100	£ 1,700	15/06/2016 Detached
		£ 178,713	100	£ 1,787	
33 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 229,950	112	£ 2,053	30/04/2015 Detached
32 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 209,950	115	£ 1,826	22/06/2015 Detached
24 HAZELBANK COUNDON GATE BISHOP AUCKLAND DL14 8QL	DL14 8QL	£ 199,950	115	£ 1,739	30/09/2015 Detached
		£ 213,283	114	£ 1,872	

28.3.4. As indicated above, we have assumed this scheme will comprise more detached dwellings. For reasons of demand detached dwellings tend to attract higher rates per sq m, therefore this should also be factored into the analysis.

28.3.5. Having considered the above, we have adopted £2,000 per sq m for the market value dwellings and £2,200 per sq m for the bungalows.

28.3.6. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

28.3.7. For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed 67.5% of the equivalent market value.

28.4. Gross Development Cost (outgoings to implement the development)

28.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

28.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

28.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

28.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

28.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

28.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

28.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

28.4.8. At this stage abnormal costs are unknown. However, bearing in mind the site's current use, there are no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

28.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

28.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £2,000 per dwelling (plus on-site provision)

House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

28.4.11. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

28.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

28.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

28.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

28.4.15. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

28.4.16. The subject site currently comprises undeveloped agricultural land. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

28.4.17. Having considered the above, we have arrived at a BLV of £525,000 for the site. This is equivalent to circa £227,000 per Ha, which represents an uplift of around 15 times the EUV. This is considered to be reasonable given the nature of the site.

28.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

28.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £699,090. This is therefore above our benchmark land value of £525,000. **We therefore conclude that the site is currently viable with the full planning policies applied.**

29. H30 – Copelaw, Newton Aycliffe





29.1. Property Description

29.1.1. Newton Aycliffe is a town established in 1947 as one of the North East's New Towns by the Act of 1946. It adjoins the A167 (originally part of the old A1 London to Edinburgh trunk road) which links it directly to Durham City (10 miles to the north) and Darlington (5 miles to the south). The A1(M) motorway is less than 2 miles to the east of the town.

29.1.2. According to the Zoopla Zed-Index, Newton Aycliffe has a current average value of £144,340. The average for County Durham is currently £167,604. Newton Aycliffe can therefore be regarded as below average value location, within the context of the wider County.

29.1.3. The site itself is located on the eastern edge of Newton Aycliffe, on the east side of the A167. In that sense it is physically separated from the rest of the town. The site is bounded mainly by agricultural land to the north, south and east and by the A167 to the west.

29.1.4. The site comprises mixed uses, with the northern third of the site having originally been the Ministry of Supply's hostel site supporting munitions workers in WWII, which subsequently became used as an approved school in 1942. This part of the site has had a range of similar uses since that time, and although the new Aycliffe Secure Centre was opened in 2011 at the most northern part of this area, many of the other existing buildings have been (and are still) used and/or replaced by other related care/education type organisations. The remaining two thirds of the site comprise undeveloped agricultural land, apart from the fairly centrally located High Copelaw Farm farmstead, and two cottages just off Ricknall Lane at the southern extremity of the site. The site is relatively flat but falling very gently to the south and to the east with a very shallow valley running through the site in the north. It has an irregular shape and is understood to extend to 93.93 Ha (232.1 acres) on a gross basis.

29.2. General scheme assumptions

29.2.1. We are advised that the site was initially allocated for 600 dwellings. However, we understand that in the longer term there is a proposal to bring forward 1,400 dwellings on site. We have subsequently been instructed to base our assessment on the large proposal of 1,400 dwellings.

29.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. However, the Council has recently applied for Homes Infrastructure Funding ('HIF'), which is currently pending consideration. As part this application process the site was appraised in 2017 (based on 1,400 dwellings). To ensure consistency we have had consideration to the key assumptions made in the HIF bid assessment, albeit making adjustments to reflect current market conditions:

Scheme design	<ul style="list-style-type: none"> • Gross area originally given as 87.41Ha. However, according to the allocation this is now 93.93Ha (we have used this latter figure). • Net site area 48.08Ha. • Average dwelling size 103.49 sq m. • Density equivalent to 3,014 sq m per net Ha.
Market values	<ul style="list-style-type: none"> • Newton Aycliffe was categorised as a ‘medium’ value area within the Local Plan viability testing, which was factored into our assessment. • In terms of direct sales evidence we identified new build transactions at Gleeson Chilton scheme, Bett Homes Chilton scheme, Persimmon at Shildon, Keepmoat at Newton Aycliffe and Gleeson’s ongoing Travellers Green scheme at Newton Aycliffe. • Low Copelaw £1,700 to £1,800 per sq m. • However, given current market conditions this has been adjusted to circa £1,850 per sq m.
Affordable housing	<ul style="list-style-type: none"> • Following discussions with the Council a 10% on-site provision was applied. • Where possible we looked to apply a 70/30 split between affordable rent and shared ownership / intermediate. • For affordable rent the transfer values were assumed to be 50% of market value. This increased to 67.50% for the shared ownership / intermediate.
Build costs – plot construction	<ul style="list-style-type: none"> • BCIS was assessed. • The lower quartile BCIS rate was therefore deemed more appropriate as the schemes would likely be delivered by large regional or national volume housebuilders. • The current lower quartile rate is £1,008 per sq m.
Build costs – external works	<ul style="list-style-type: none"> • For Low Copelaw the allowance adopted at 20% of the BCIS rate, reflecting the likely increase in infrastructure works required for larger scale projects.
Contingency	<ul style="list-style-type: none"> • 3% of the plot construction / externals.
General abnormal	<ul style="list-style-type: none"> • The Council provided a more detailed breakdown of abnormal / infrastructure cost estimates, as follows:

	<ul style="list-style-type: none"> - Abnormal foundations £4.9million (average £3,500 per dwelling). - Loop road to transport interchange £1million. - Sports pitches £200,000. - Central Avenue Junction £1,802,613. - Power connect Aycliffe Forest Park £1,601,371. - Water & foul £1,623,393. - Ecology £3,920. - Demolition & fees £697,840. - Total £11,829,137
Rushyford Roundabout costs	<ul style="list-style-type: none"> • Pro-rata approach with 3 other schemes to reflect number of dwellings in the scheme • Low Copelaw has the highest burden at £624,228.
Section 106	<ul style="list-style-type: none"> • Allowance equivalent to £5,000 per dwelling. •
Professional fees	<ul style="list-style-type: none"> • 5% of plot construction / externals.
Marketing / sales	<ul style="list-style-type: none"> • 2.5% of revenue.
Legal fees	<ul style="list-style-type: none"> • Market value £600 per dwelling. • Affordable housing £300 per dwelling.
Finance	<ul style="list-style-type: none"> • Debit rate 5.5% • Credit rate 2% (deemed reasonable that if any surplus of cash was generated this would be inputted into either another project, i.e. an opportunity cost, or invested into an asset would which generate some income).
Programme of works / sales	<ul style="list-style-type: none"> • 84 per annum (based on 3 outlets bringing houses forward simultaneously).
Developer profit	<ul style="list-style-type: none"> • 20% on revenue for market value dwellings. • Circa 6% on revenue for affordable. • 19.51% blended.
Benchmark land value ('BLV')	<ul style="list-style-type: none"> • The scheme is a mix of brownfield and greenfield, therefore the approach was adjusted accordingly. Furthermore, the scheme was also a significantly large scale therefore a purchaser would expect some sort of discount on the 'rate per acre' to reflect the 'bulk' of land being acquired. • The approach adopted for Low Copelaw was as follows:

	<ul style="list-style-type: none">- EUV at circa £18,500 per Ha plus a premium of 10.- Brownfield 18.44 Ha with an EUV at circa £150,000 per Ha, plus a premium uplift of an additional 25% (deemed reasonable based on the Local Plan viability testing).• BLV therefore equates to £18,348,150 (circa £185,000 per gross Ha).
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29.2.3. Based on the above assumptions, our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. We therefore conclude that the scheme is currently unviable based on the assumptions outlined above. If the scheme successfully secures HIF funding and the Council is willing to relax its planning policies then it is conceivable that a viable outcome could be delivered.

30. H31 – Eldon Whins, Newton Aycliffe



30.1. Property Description

30.1.1. Newton Aycliffe is a town established in 1947 as one of the North East's New Towns by the Act of 1946. It adjoins the A167 (originally part of the old A1 London to Edinburgh trunk road) which links it directly to Durham City (10 miles to the north) and Darlington (5 miles to the south). The A1(M) motorway is less than 2 miles to the east of the town.

30.1.2. According to the Zoopla Zed-Index, Newton Aycliffe has a current average value of £144,340. The average for County Durham is currently £167,604. Newton Aycliffe can therefore be regarded as below average value location, within the context of the wider County.

30.1.3. The subject site is located on the north west fringe of the town on an unclassified road (Middridge Road) leading via Greenfield Way and Pease Way to the town centre. It comprises undeveloped agricultural land is still in use as such. It is rectangular in shape and mainly flat, but is elevated slightly above the adjoining Middridge Road.

30.1.4. The site itself is the subject of a full planning application by Persimmon Homes for a scheme of 72 dwellings (DM/17/01436/FPA), which is pending consideration.

30.1.5. This also adjoins a site for which Homes England (previously the Homes and Communities Agency) secured outline planning permission for 240 dwellings in March 2016, which has been followed by a reserved matters application by Keepmoat Homes, again still under consideration.

30.2. General scheme assumptions

30.2.1. We are advised that the site is allocated for 80 dwellings. However, for the purposes of this assessment we have followed the scheme layout as stated within Persimmon's pending planning application, which provides for 72 dwellings.

30.2.2. According to the Design and Access Statement prepared on behalf of Persimmon, H/31 comprises a site extending to 3.06 Ha (which is higher than the allocation figure of 2.26Ha). However, we note that 3.06 Ha includes some land which falls outside the allocation (and is to provide public open space and SUDS wetland). For the purposes of this assessment we have assumed that the gross site area is therefore 3.06Ha, with a net developable area of 2.26Ha.

30.2.3. At 72 dwellings, based on the assumed net developable area this equates to 31.86 dwellings per net Ha.

30.2.4. In terms of a more detailed breakdown of the proposed dwellings, as shown on the planning application file, we note that Persimmon are proposing to erect the following:

Name	Dwelling	Size (sq m)	Number
Chedworth	4 bed detached	113.52	7
Hanbury	2 bed semi	70.70	4
Hatfield	3 bed detached	91.88	7
Roseberry	4 bed detached	101.82	13
Chatsworth	3 bed detached	85.28	13
Souter	3 bed terr / semi	88.35	10
Winstar	4 bed detached	118.45	8
Alnwick	2 bed terr / semi	59.27	10

30.2.5. Based on the above, the total net sales area of the scheme equates to 6,577 sq m (equivalent to an average of 91.34 per sq m).

30.2.6. Persimmon propose to deliver 11 affordable units (15.28%). These are to be provided as follows:

- Social rent - Alnwick x 6
- Social rent - Souter x 3
- Discounted MV - Souter x 2

30.2.7. We note the scheme equates to an overall density of 2,910 sq m per net Ha.

30.3. Gross Development Value (sales revenue)

30.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

30.3.2. In terms of evidence, in particular we have assessed other schemes identified in Newton Aycliffe, including recent developments by Keepmoat, Chapter Homes and Gleasons. These are detailed as follows:

Address	Pcode	Price	Size		Date	Type	
			(sq m)	£ per sq m			
69 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 159,995	91	£ 1,758	24/03/2016	Detached
67 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 159,995	91	£ 1,758	01/04/2016	Detached
16 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 166,995	91	£ 1,835	21/12/2016	Detached
11 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 166,995	93	£ 1,796	13/04/2017	Detached
					£ 1,787		
12 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 179,995	108	£ 1,667	27/01/2017	Detached
17 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 179,995	109	£ 1,651	24/03/2017	Detached
9 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 179,995	109	£ 1,651	24/03/2017	Detached
					£ 1,656		
66 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 114,945	71	£ 1,619	27/10/2016	Semi
64 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 120,995	71	£ 1,704	27/10/2016	Semi
27 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 124,995	71	£ 1,760	29/01/2016	Semi
50 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 120,995	71	£ 1,704	20/05/2016	Semi
					£ 1,697		
25 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 121,995	78	£ 1,564	11/02/2016	Semi
51 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 121,995	78	£ 1,564	29/02/2016	Semi
31 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 121,995	78	£ 1,564	18/03/2016	Semi
30 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 121,995	78	£ 1,564	30/11/2017	Semi
58 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 122,995	78	£ 1,577	31/05/2017	Semi
32 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 122,995	78	£ 1,577	05/10/2017	Semi
18 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 122,995	78	£ 1,577	20/12/2016	Semi
1 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 122,995	78	£ 1,577	31/05/2017	Semi
20 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 127,670	78	£ 1,637	19/12/2016	Semi
53 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 124,995	79	£ 1,582	31/03/2016	Semi
57 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 133,995	79	£ 1,696	28/01/2016	Semi
59 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 133,995	79	£ 1,696	24/03/2016	Semi
					£ 1,598		
60 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 153,995	98	£ 1,571	21/10/2016	Semi
62 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 153,995	98	£ 1,571	28/10/2016	Semi
54 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 158,995	98	£ 1,622	30/06/2017	Semi
42 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 149,995	98	£ 1,531	24/06/2016	Semi
3 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 158,995	98	£ 1,622	28/04/2017	Semi
5 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 158,995	98	£ 1,622	28/04/2017	Semi
2 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 158,995	98	£ 1,622	06/10/2017	Semi
					£ 1,595		
73 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 105,995	62	£ 1,710	29/04/2016	Terrace
26 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 107,995	62	£ 1,742	30/11/2017	Terrace
16 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 107,995	62	£ 1,742	20/12/2017	Terrace
10 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 107,995	62	£ 1,742	02/02/2018	Terrace
37 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 109,995	62	£ 1,774	29/01/2016	Terrace
45 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 109,995	62	£ 1,774	29/01/2016	Terrace
63 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 109,995	62	£ 1,774	26/02/2016	Terrace
41 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 105,995	62	£ 1,710	28/11/2016	Terrace
33 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 105,995	62	£ 1,710	16/12/2016	Terrace
35 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 105,995	62	£ 1,710	16/12/2016	Terrace
24 SUGARHILL CRESCENT	NEWTON AYCLIFFE	DL5 4FH	£ 107,995	62	£ 1,742	14/10/2016	Terrace
					£ 1,739		
43 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 118,995	71	£ 1,676	18/03/2016	Terrace
65 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 118,995	71	£ 1,676	18/03/2016	Terrace
71 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 118,995	71	£ 1,676	29/04/2016	Terrace
28 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 119,995	71	£ 1,690	27/10/2017	Terrace
14 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 119,995	71	£ 1,690	20/12/2017	Terrace
8 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 119,995	71	£ 1,690	31/01/2018	Terrace
24 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 121,995	71	£ 1,718	15/12/2017	Terrace
61 WELLHOUSE ROAD	NEWTON AYCLIFFE	DL5 4FF	£ 124,995	71	£ 1,760	07/03/2016	Terrace
41 BLUESTONE CLOSE	NEWTON AYCLIFFE	DL5 4FG	£ 124,995	71	£ 1,760	22/01/2016	Terrace
					£ 1,704		

Address	Pcode	Price	Size		Date	Type
			(sq m)	£ per sq m		
26 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£127,295	72	£ 1,768	16/03/2018 Detached
1 ST GEORGES CLOSE	NEWTON AYCLIFFE	DL5 5ER	£133,995	75	£ 1,787	11/12/2017 Detached
18 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£135,995	75	£ 1,813	30/10/2017 Detached
28 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£131,095	76	£ 1,725	26/03/2018 Detached
					£ 1,773	
3 ST GEORGES CLOSE	NEWTON AYCLIFFE	DL5 5ER	£165,995	97	£ 1,711	30/11/2017 Detached
30 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£161,995	97	£ 1,670	05/04/2018 Detached
33 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£151,996	97	£ 1,567	22/12/2017 Detached
31 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£158,645	99	£ 1,602	05/01/2018 Detached
					£ 1,638	
37 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£99,995	60	£ 1,667	16/04/2018 Semi
39 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£99,995	60	£ 1,667	19/03/2018 Semi
14 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£99,995	61	£ 1,639	30/10/2017 Semi
16 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£99,995	61	£ 1,639	17/11/2017 Semi
					£ 1,653	
22 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£121,995	71	£ 1,718	30/11/2017 Semi
27 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£119,995	71	£ 1,690	22/12/2017 Semi
35 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£122,995	71	£ 1,732	23/03/2018 Semi
41 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£110,195	71	£ 1,552	05/04/2018 Semi
11 ST GEORGES CLOSE	NEWTON AYCLIFFE	DL5 5ER	£126,995	75	£ 1,693	18/05/2018 Semi
34 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£122,995	75	£ 1,640	17/05/2018 Semi
23 ST MARYS CLOSE	NEWTON AYCLIFFE	DL5 5ES	£114,995	71	£ 1,620	29/03/2018 Terrace
					£ 1,664	

Address	Pcode	Price	Size (sq		Date	Type
			m)	£ per sq m		
55 THE PASTURE	NEWTON AY DL5 4BF	£ 159,500	80	£ 1,994	24/11/2017	Detached
65 THE PASTURE	NEWTON AY DL5 4BF	£ 159,500	80	£ 1,994	17/11/2017	Detached
69 THE PASTURE	NEWTON AY DL5 4BF	£ 158,810	80	£ 1,985	30/11/2017	Detached
				£ 1,991		
3 THE SWALE	NEWTON AY DL5 4DF	£ 189,000	88	£ 2,148	31/03/2017	Detached
24 THE PASTURE	NEWTON AY DL5 4BF	£ 161,100	91	£ 1,770	17/11/2017	Detached
18 THE SWALE	NEWTON AY DL5 4DF	£ 160,524	91	£ 1,764	08/12/2017	Detached
9 THE SWALE	NEWTON AY DL5 4DF	£ 159,000	91	£ 1,747	20/12/2016	Detached
				£ 1,857		
67 THE PASTURE	NEWTON AY DL5 4BF	£ 192,500	117	£ 1,645	17/11/2017	Detached
1 THE PASTURE	NEWTON AY DL5 4BF	£ 188,250	117	£ 1,609	31/03/2017	Detached
				£ 1,627		
20 THE PASTURE	NEWTON AY DL5 4BF	£ 153,650	80	£ 1,921	01/12/2017	Semi
5 THE PASTURE	NEWTON AY DL5 4BF	£ 136,233	88	£ 1,548	26/04/2017	Semi
2 THE PASTURE	NEWTON AY DL5 4BF	£ 160,000	108	£ 1,481	28/03/2018	Semi
16 THE MOORLAND	NEWTON AY DL5 4DE	£ 169,000	108	£ 1,565	24/11/2017	Semi
				£ 1,523		
57 THE PASTURE	NEWTON AY DL5 4BF	£ 112,000	60	£ 1,867	19/03/2018	Terrace
59 THE PASTURE	NEWTON AY DL5 4BF	£ 109,000	60	£ 1,817	23/03/2018	Terrace
63 THE PASTURE	NEWTON AY DL5 4BF	£ 115,000	60	£ 1,917	24/11/2017	Terrace
				£ 1,867		
41 THE PASTURE	NEWTON AY DL5 4BF	£ 137,970	88	£ 1,568	01/10/2017	Terrace
2 THE MOORLAND	NEWTON AY DL5 4DE	£ 139,000	88	£ 1,580	18/12/2017	Terrace
				£ 1,574		

30.3.3. Values therefore typically range from around £1,600 to £1,900 per sq m, dependent on the size, nature and location of the dwellings. Adjustments also need to be made to reflect date of sale.

30.3.4. Having considered the above, we have adopted an average value of £1,875 per sq m for the market value units.

30.3.5. For the affordable rented product we have assumed 50% of the equivalent market value and 80% for the discounted market sale.

30.4. Gross Development Cost (outgoings to implement the development)

30.4.1. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). We also anticipate that this type of location would be brought forward by a 'low-cost' developer whose build costs would be further reduced to reflect the nature of the product being constructed.

30.4.2. Having considered this, we have adopted a build cost equivalent to £900 per sq m.

30.4.3. To cover externals, we have adopted an additional 20% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

30.4.4. In terms of abnormal / infrastructure costs, Persimmon have indicated the following items:

- Offsite drainage connections
- Access roundabout
- Offsite footpath enhancements / creation
- Services: gas governor and sub station
- 10m structural planting on western boundary
- GCN trapping and mitigation

30.4.5. Some of the above costs are assumed to be covered by our externals allowance. However, there will be a requirement for an additional allowance above this. Costings have not been provided by Persimmon. For the purposes of this assessment we have allowed £250,000 per net Ha.

30.4.6. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

30.4.7. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

30.4.8. For policy contributions, we have reviewed the current planning application and note the following:

NHS	- Total £49,680
Cobblers Hall Plantation	- Total £9,200
Open space	- On-site
Ecology	- Total £5,000

30.4.9. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees.

30.4.10. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

30.4.11. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

30.4.12. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

30.4.13. The subject site comprises a greenfield site in agricultural use. Given its location we would expect an existing use value of say £18,500 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £277,500 per Ha.

30.4.14. However, this is considered to be broadly reasonable reflecting the nature of the site and the associated abnormal costs. We have subsequently adopted a benchmark land value of £600,000.

30.4.15. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

30.4.16. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a residual land value of £629,130. **As this is above our benchmark land value of £600,000 we conclude the scheme is viable based on the Persimmon proposal.**

31. H32 – Land at Woodham College, Newton Aycliffe



31.1. Property Description

31.1.1. Newton Aycliffe is a town established in 1947 as one of the North East's New Towns by the Act of 1946. It adjoins the A167 (originally part of the old A1 London to Edinburgh trunk road) which links it directly to Durham City (10 miles to the north) and Darlington (5 miles to the south). The A1(M) motorway is less than 2 miles to the east of the town.

31.1.2. According to the Zoopla Zed-Index, Newton Aycliffe has a current average value of £144,340. The average for County Durham is currently £167,604. Newton Aycliffe can therefore be regarded as below average value location, within the context of the wider County.



31.1.3. The subject site is located to the north east of the town centre in a mainly residential area, adjacent to Woodham Academy Senior School. The site has access via residential roads to the main distributor road (Central Avenue) leading from the town centre to the A167. It comprises undeveloped former school playing fields. It is rectangular in shape and is understood to extend to 4.41 Ha (10.9 acres) on a gross basis. The site is mainly flat.

31.2. General scheme assumptions

31.2.1. We are advised that the site was initially allocated for 100 dwellings. However, we understand that previous testing has assumed 99 dwellings. For the purposes of this exercise we have assumed 99 units.

31.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. However, the Council has recently applied for Homes Infrastructure Funding ('HIF'), which is currently pending consideration. As part this application process the site was appraised in 2017 (based on 99 dwellings). To ensure consistency we have had consideration to the key assumptions made in the HIF bid assessment, albeit making adjustments to reflect current market conditions:

Scheme design	<ul style="list-style-type: none"> • Gross area 4.41Ha. • Net site area 3.31Ha. • Average dwelling size 102.47 sq m. • Density equivalent to 3,067 sq m per net Ha.
Market values	<ul style="list-style-type: none"> • Newton Aycliffe was categorised as a 'medium' value area within the Local Plan viability testing, which was factored into our assessment. • In terms of direct sales evidence we identified new build transactions at Gleeson Chilton scheme, Bett Homes Chilton scheme, Persimmon at Shildon, Keepmoat at Newton Aycliffe

	<p>and Gleeson's ongoing Travellers Green scheme at Newton Aycliffe.</p> <ul style="list-style-type: none"> • Circa £1,800 per sq m. • However, given current market conditions this has been adjusted to circa £1,950 per sq m.
Affordable housing	<ul style="list-style-type: none"> • Following discussions with the Council a 10% on-site provision was applied. • Where possible we looked to apply a 70/30 split between affordable rent and shared ownership / intermediate. • For affordable rent the transfer values were assumed to be 50% of market value. This increased to 67.50% for the shared ownership / intermediate.
Build costs – plot construction	<ul style="list-style-type: none"> • BCIS was assessed. • The lower quartile BCIS rate was therefore deemed more appropriate as the schemes would likely be delivered by large regional or national volume housebuilders. • The current lower quartile rate is £1,008 per sq m.
Build costs – external works	<ul style="list-style-type: none"> • The allowance equated to 17.5% of the BCIS rate.
Contingency	<ul style="list-style-type: none"> • 3% of the plot construction / externals.
General abnormal	<ul style="list-style-type: none"> • Allowance equivalent to £150,000 per net Ha (total £496,125)
Rushyford Roundabout costs	<ul style="list-style-type: none"> • Pro-rata approach with 3 other schemes to reflect number of dwellings in the scheme • Woodham College £44,154.
Section 106	<ul style="list-style-type: none"> • Allowance equivalent to £5,000 per dwelling.
Professional fees	<ul style="list-style-type: none"> • 6% of plot construction / externals.
Marketing / sales	<ul style="list-style-type: none"> • 3% of revenue.
Legal fees	<ul style="list-style-type: none"> • Market value £600 per dwelling. • Affordable housing £300 per dwelling.
Finance	<ul style="list-style-type: none"> • Debit rate 5.5% • Credit rate 4% (deemed reasonable that if any surplus of cash was generated this would be inputted into either another



	project, i.e. an opportunity cost, or invested into an asset would which generate some income).
Programme of works / sales	<ul style="list-style-type: none"> • 2.75 sales per calendar month.
Developer profit	<ul style="list-style-type: none"> • 18.5% on revenue for market value dwellings. • Circa 6% on revenue for affordable. • 18.04% blended.
Benchmark land value ('BLV')	<ul style="list-style-type: none"> • EUV circa £18,500 per Ha. • BLV circa £320,000 per gross Ha • Premium uplift circa 17 times the EUV. • BLV £1,400,000.

31.2.3. Based on the above assumptions, our appraisal (as appended) shows that, based on the above inputs, the scheme returns a residual land value of £814,977. As this is below the benchmark land value of £1,400,000 the scheme is deemed unviable based on the above assumptions. However, if the scheme successfully secures HIF funding and the Council is willing to relax its planning policies then it is conceivable that a viable outcome could be delivered.

32.H33 – Cobblers Hall, Newton Aycliffe



32.1. Property Description

32.1.1. Newton Aycliffe is a town established in 1947 as one of the North East's New Towns by the Act of 1946. It adjoins the A167 (originally part of the old A1 London to Edinburgh trunk road) which links it directly to Durham City (10 miles to the north) and Darlington (5 miles to the south). The A1(M) motorway is less than 2 miles to the east of the town.

32.1.2. According to the Zoopla Zed-Index, Newton Aycliffe has a current average value of £144,340. The average for County Durham is currently £167,604. Newton Aycliffe can therefore be regarded as below average value location, within the context of the wider County.

32.1.3. The subject site is located to the north of the town centre on the west side of an unclassified road (Burnhill Way) leading via Burn Lane to the town centre. The surrounding area is mainly residential, but with a petrol filling station and local shopping parade just to the south of the site. It comprises undeveloped amenity land which is overgrown and with a range of mature shrubs and trees scattered throughout the site. It is broadly rectangular in shape and is understood to extend to 1.83 Ha (4.52 acres) on a gross basis. The site is mainly flat.

32.1.4. The site itself was the subject of an outline planning application for residential development in 2006, permission for which was granted but never implemented.

32.2. General scheme assumptions

32.2.1. We are advised that the site is allocated for 50 dwellings.

32.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. However, the Council has recently applied for Homes Infrastructure Funding ('HIF'), which is currently pending consideration. As part of this application process the site was appraised in 2017 (based on 50 dwellings). To ensure consistency we have had consideration to the key assumptions made in the HIF bid assessment, albeit making adjustments to reflect current market conditions:

Scheme design	<ul style="list-style-type: none"> • Gross area 1.82Ha. • Net site area 1.46Ha. • Average dwelling size 91.60 sq m. • Density equivalent to 3,146 sq m per net Ha.
Market values	<ul style="list-style-type: none"> • Newton Aycliffe was categorised as a 'medium' value area within the Local Plan viability testing, which was factored into our assessment.

	<ul style="list-style-type: none"> • In terms of direct sales evidence we identified new build transactions at Gleeson Chilton scheme, Bett Homes Chilton scheme, Persimmon at Shildon, Keepmoat at Newton Aycliffe and Gleeson's ongoing Travellers Green scheme at Newton Aycliffe. • Circa £1,750 per sq m. • However, given current market conditions this has been adjusted to circa £1,900 per sq m.
Affordable housing	<ul style="list-style-type: none"> • Following discussions with the Council a 10% on-site provision was applied. • Where possible we looked to apply a 70/30 split between affordable rent and shared ownership / intermediate. • For affordable rent the transfer values were assumed to be 50% of market value. This increased to 67.50% for the shared ownership / intermediate.
Build costs – plot construction	<ul style="list-style-type: none"> • BCIS was assessed. • The lower quartile BCIS rate was therefore deemed more appropriate as the schemes would likely be delivered by large regional or national volume housebuilders. • The current lower quartile rate is £1,008 per sq m.
Build costs – external works	<ul style="list-style-type: none"> • The allowance equated to 15% of the BCIS rate.
Contingency	<ul style="list-style-type: none"> • 3% of the plot construction / externals.
General abnormals	<ul style="list-style-type: none"> • Allowance equivalent to £150,000 per net Ha (total £496,125)
Rushyford Roundabout costs	<ul style="list-style-type: none"> • Pro-rata approach with 3 other schemes to reflect number of dwellings in the scheme • Cobblers Hall £22,300.
Section 106	<ul style="list-style-type: none"> • Allowance equivalent to £5,000 per dwelling.
Professional fees	<ul style="list-style-type: none"> • 6% of plot construction / externals.
Marketing / sales	<ul style="list-style-type: none"> • 3% of revenue.
Legal fees	<ul style="list-style-type: none"> • Market value £600 per dwelling. • Affordable housing £300 per dwelling.



Finance	<ul style="list-style-type: none"> • Debit rate 5.5% • Credit rate 4% (deemed reasonable that if any surplus of cash was generated this would be inputted into either another project, i.e. an opportunity cost, or invested into an asset would which generate some income).
Programme of works / sales	<ul style="list-style-type: none"> • 2.63 sales per calendar month.
Developer profit	<ul style="list-style-type: none"> • 18.5% on revenue for market value dwellings. • Circa 6% on revenue for affordable. • 17.97% blended.
Benchmark land value ('BLV')	<ul style="list-style-type: none"> • EUV circa £18,500 per Ha. • BLV circa £320,000 per gross Ha • Premium uplift circa 17 times the EUV. • BLV £580,000.

32.2.3. Based on the above assumptions, our appraisal (as appended) shows that, based on the above inputs, the scheme returns a residual land value of £246,420. As this is below the benchmark land value of £580,000 we therefore conclude that the scheme is currently unviable based on the assumptions outlined above. If the scheme successfully secures HIF funding and the Council is willing to relax its planning policies then it is conceivable that a viable outcome could be delivered.

33.H34 – Land at Eldon Bank Top, (Eldon), Shildon



33.1. Property Description

33.1.1. Eldon is a village located to the north of Shildon a small town 2 miles south east of Bishop Auckland and circa 13 miles south of Durham. The main access to and from the village is via minor roads to join the A688 to Bishop Auckland and Spennymoor.

33.1.2. According to the Zoopla Zed-Index, Eldon has a current average value of £61,417. The average for County Durham is currently £167,604. Eldon can therefore be regarded as being an area significantly below the wider value average, within the context of the wider County.

33.1.3. The site (located between Eldon and Shildon) comprises undeveloped agricultural land. The site is broadly rectangular in shape but slopes moderately from north to south. We understand the site extends to circa 0.49 Ha (1.21 acres), on a gross basis.

33.2. General scheme assumptions

33.2.1. We are advised that the site is allocated for 10 dwellings.

33.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

33.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.44 Ha (1.09 acres). At 10 dwellings, the scheme therefore reflects a development ratio of 22.72 dwellings per net Ha. This is below that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied.

33.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m. Given the low density of the scheme there is an opportunity to provide larger detached dwellings. We have subsequently increased the average dwelling size to 125 sq m.

33.2.5. We understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

33.2.6. Given that the scheme is only to provide 10 dwellings, the affordable housing policy does not apply.

33.2.7. The subject site falls within the 'low' value area under the Local Plan Viability testing. Based on our average dwelling size assumptions, the overall density equates to around 2,732 sq m per net Ha. This is considered to be reasonable and broadly in line with the Local Plan Viability testing.

33.3. Gross Development Value (sales revenue)

33.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales values adopted in this study for this area equates to £1,750 per sq m.

33.3.2. The most relevant transactional evidence identified from new build residential schemes are shown above on Pages 209, 223 and 238 to 240.

33.3.3. The majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

33.3.4. Furthermore, we have assume the subject site would mostly provide detached dwellings and as such the values should be adjusted accordingly.

33.3.5. Having considered the above, we have adopted an average value of £1,850 per sq m for the market value units and £2,100 per sq m for the bungalows.

33.4. Gross Development Cost (outgoings to implement the development)

33.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

33.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).

33.4.3. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

33.4.4. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

33.4.5. Abnormal costs are unknown at this stage. Furthermore, based on our site inspection there are no obvious signs of likely abnormal costs. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

33.4.6. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

33.4.7. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

33.4.8. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees.

33.4.9. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

33.4.10. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

33.4.11. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

33.4.12. The subject site comprises a greenfield site in agricultural use. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 times the EUV is considered reasonable, giving a BLV equivalent to £150,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

33.4.13. Taking account of Council policies, a BLV of £100,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £204,000 per ha).

33.4.14. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

33.4.15. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. As this is below our benchmark land value of £100,000 we conclude the scheme is unviable.

33.4.16. Please note, given the appraisal outcome, even if the planning policies were removed the scheme would still show an unviable outcome.

34. H35 – Land adj to Hunwick Primary School, Hunwick



34.1. Property Description

34.1.1. Hunwick is a village located around 3 miles north west of Bishop Auckland and 9.5 miles south west of Durham city. The main access to and from the village is via minor roads joining it to the A690 to the north and the A689 to the south.

34.1.2. According to the Zoopla Zed-Index, Hunwick has a current average value of £144,126. The average for County Durham is currently £167,604. Hunwick can therefore be regarded as a below average value location, within the context of the wider County.

34.1.3. The site comprises undeveloped grassland which appears to be used for grazing. This is situated adjacent to some average quality post war housing to the south and further agricultural use to the north and west. The primary school is to the east. We understand the site extends to circa 0.9 Ha (2.22 acres), on a gross basis.

34.2. General scheme assumptions

34.2.1. We are advised that the site is allocated for 25 dwellings.

34.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

34.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.81 Ha (2 acres). At 25 dwellings, the scheme therefore reflects a development ratio of 30.86 dwellings per net Ha. This is broadly in line with that adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having an average density.

34.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). We consider have increased this slightly to 105 sq m.

34.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

34.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

34.2.7. The subject site falls within the ‘medium’ value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

34.3. Gross Development Value (sales revenue)

34.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the ‘medium’ value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

34.3.2. There is limited direct evidence for Hunwick itself. We have subsequently reviewed evidence from the wider area (and shown above on Pages 222, 230 and 244).

34.3.3. In addition, we also note the following small scheme in Crook:

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type
26 WOODIFIELD HILL CROOK	DL15 9NU	£ 275,000	135	£ 2,037	15/01/2016	Detached
24 WOODIFIELD HILL CROOK	DL15 9NU	£ 315,000	137	£ 2,299	07/09/2015	Detached
25 WOODIFIELD HILL CROOK	DL15 9NU	£ 285,000	137	£ 2,080	06/11/2015	Detached
		£ 291,667	136	£ 2,139		

34.3.4. Having considered the various transactions identified (allowing for adjustments for different dwelling types, sizes, locations, date of sale etc) and also taking into account the semi-rural nature of the site, we have arrived an at average value of £2,100 per sq m for the market value dwellings, increased to £2,300 per sq m for the bungalows.

34.3.5. For the affordable dwellings, the total provision included in our assessment is 16%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

34.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

34.4. Gross Development Cost (outgoings to implement the development)

34.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

34.4.2. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions).

34.4.3. For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

34.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

34.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

34.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

34.4.7. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

34.4.8. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

34.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

34.4.10. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

34.4.11. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

34.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

34.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

34.4.14. The Local Plan Viability testing shows a BLV of £325,000 per Ha for this type of site in a medium value location.

34.4.15. The subject site currently comprises undeveloped grassland. Given its location we would expect an existing use value of say £20,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £300,000 per Ha. This is therefore slightly below that allowed in the Local Plan Viability Testing.

34.4.16. Having considered the above, we have arrived at a BLV of £275,000 for the site. This is equivalent to circa £305,556 per Ha, which represents an uplift of around 15 times the EUV. This is considered to be reasonable given the nature of the site.

34.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

34.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £20,171. This is therefore above below benchmark land value of £275,000.

34.4.19. We therefore conclude that the site is currently unviable with the full planning policies applied. However, if the Council is willing to relax its planning policies it is likely this scheme could return a viable outcome.

35. H36 – North Blunts, Peterlee



35.1. Property Description

35.1.1. The site is in the North Blunts area, a residential area immediately to the south west of the town centre. Peterlee is a settlement originally created as a new town in 1948. It is situated around 12 miles to the east of Durham. The main access to and from the town is via the A19 (lying just to the west of the town) linking Tyneside and Wearside to the north to Teesside and Yorkshire to the south.

35.1.2. According to the Zoopla Zed-Index, Peterlee has a current average value of £91,221. However, this includes the settlements of Easington and Horden where average values are much lower than for Peterlee itself. The average for County Durham is currently £167,604. On this evidence, Peterlee can therefore be regarded as being a below average value location, within the context of the wider County.

35.1.3. The site itself comprises the extent of two former schools, North Blunts Infants and Juniors, with approximately half of the site consisting of the cleared buildings and external parts of the school, and the remaining half the former playing fields. The site is irregular in shape and is understood to extend to 2.36 Ha (5.83 acres) on a gross basis. The site is mainly flat, but the former playing field part slopes gently to the south east towards the cleared school area, which is at a slightly lower level.

35.2. General scheme assumptions

35.2.1. We are advised that the site is allocated for 65 dwellings.

35.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

35.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 85%. This gives a net site area of 2.01 Ha (4.96 acres).

35.2.4. At 65 dwellings, the scheme therefore reflects a development ratio of 32.34 dwellings per net Ha. It is noted that this is in line with what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

35.2.5. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, we have adopted the average.

35.2.6. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

35.2.7. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

35.2.8. The subject site falls within the 'low' value area under the Local Plan Viability testing, therefore attracts a 10% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

35.3. Gross Development Value (sales revenue)

35.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales value adopted in this study for this area equates to £1,750 per sq m.

35.3.2. The most relevant transactional evidence identified for new build schemes in this location are summarised below:

Address	Pcode	Price	Size (sq m)	£ per sq m	Date	Type	
31 SPRINGBANK	PETERLEE	SR8 1FA	£ 159,950	79	£ 2,025	30/06/2015	Detached
1 SPRINGBANK	PETERLEE	SR8 1FA	£ 169,950	79	£ 2,151	25/11/2016	Detached
			£ 164,950	79	£ 2,088		
17 SPRINGBANK	PETERLEE	SR8 1FA	£ 184,950	100	£ 1,850	30/06/2016	Detached
3 SPRINGBANK	PETERLEE	SR8 1FA	£ 194,950	100	£ 1,950	31/03/2015	Detached
14 SPRINGBANK	PETERLEE	SR8 1FA	£ 194,950	100	£ 1,950	31/03/2016	Detached
14 SPRINGBANK	PETERLEE	SR8 1FA	£ 194,950	100	£ 1,950	31/03/2016	Detached
17 SPRINGBANK	PETERLEE	SR8 1FA	£ 184,950	100	£ 1,850	30/06/2016	Detached
12 SPRINGBANK	PETERLEE	SR8 1FA	£ 199,950	100	£ 2,000	08/05/2015	Detached
27 SPRINGBANK	PETERLEE	SR8 1FA	£ 206,950	102	£ 2,029	29/06/2015	Detached
			£ 194,521	100	£ 1,939		
44 SPRINGBANK	PETERLEE	SR8 1FA	£ 190,000	112	£ 1,696	31/03/2016	Detached
21 SPRINGBANK	PETERLEE	SR8 1FA	£ 209,950	115	£ 1,826	16/12/2016	Detached
26 SPRINGBANK	PETERLEE	SR8 1FA	£ 199,950	115	£ 1,739	15/02/2016	Detached
44 SPRINGBANK	PETERLEE	SR8 1FA	£ 190,000	112	£ 1,696	31/03/2016	Detached
26 SPRINGBANK	PETERLEE	SR8 1FA	£ 199,950	115	£ 1,739	15/02/2016	Detached
			£ 197,970	114	£ 1,739		
50 SPRINGBANK	PETERLEE	SR8 1FA	£ 139,950	79	£ 1,772	17/12/2015	Semi
49 SPRINGBANK	PETERLEE	SR8 1FA	£ 139,950	79	£ 1,772	18/12/2015	Semi
35 SPRINGBANK	PETERLEE	SR8 1FA	£ 149,950	79	£ 1,898	29/06/2015	Semi
34 SPRINGBANK	PETERLEE	SR8 1FA	£ 149,950	79	£ 1,898	30/06/2015	Semi
			£ 144,950	79	£ 1,835		
32 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	29/04/2016	Semi
29 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	20/06/2016	Semi
			£ 119,950	85	£ 1,411		
10 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	69	£ 1,666	31/03/2015	Terrace
38 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	69	£ 1,666	29/05/2015	Terrace
11 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	69	£ 1,666	26/06/2015	Terrace
39 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	69	£ 1,666	30/06/2015	Terrace
			£ 114,950	69	£ 1,666		
23 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	85	£ 1,352	30/06/2016	Terrace
19 SPRINGBANK	PETERLEE	SR8 1FA	£ 114,950	85	£ 1,352	02/09/2016	Terrace
24 SPRINGBANK	PETERLEE	SR8 1FA	£ 118,450	85	£ 1,394	27/09/2016	Terrace
54 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	29/09/2015	Terrace
55 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	18/12/2015	Terrace
30 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	29/04/2016	Terrace
36 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	06/05/2016	Terrace
18 SPRINGBANK	PETERLEE	SR8 1FA	£ 119,950	85	£ 1,411	29/07/2016	Terrace
20 SPRINGBANK	PETERLEE	SR8 1FA	£ 124,950	85	£ 1,470	30/06/2016	Terrace
22 SPRINGBANK	PETERLEE	SR8 1FA	£ 124,950	85	£ 1,470	30/06/2016	Terrace
			£ 119,800	85	£ 1,409		

				Size (sq				
Address	Pcode	Price	m)	£ per sq m	Date	Type		
17 OXFORD CLOSE	PETERLEE SR8 2EF	£ 134,950	79	£ 1,708	30/06/2016	Detached		
3 OXFORD CLOSE	PETERLEE SR8 2EF	£ 142,450	79	£ 1,803	30/10/2015	Detached		
39 OXFORD CLOSE	PETERLEE SR8 2EF	£ 144,950	79	£ 1,835	27/10/2016	Detached		
16 OXFORD CLOSE	PETERLEE SR8 2EF	£ 144,950	79	£ 1,835	31/03/2016	Detached		
17 OXFORD CLOSE	PETERLEE SR8 2EF	£ 134,950	79	£ 1,708	30/06/2016	Detached		
42 OXFORD CLOSE	PETERLEE SR8 2EF	£ 139,950	79	£ 1,772	18/11/2016	Detached		
16 OXFORD CLOSE	PETERLEE SR8 2EF	£ 144,950	79	£ 1,835	31/03/2016	Detached		
		£ 141,021	79	£ 1,785				
8 OXFORD CLOSE	PETERLEE SR8 2EF	£ 149,950	88	£ 1,704	28/04/2016	Detached		
43 OXFORD CLOSE	PETERLEE SR8 2EF	£ 151,950	88	£ 1,727	20/06/2016	Detached		
43 OXFORD CLOSE	PETERLEE SR8 2EF	£ 151,950	88	£ 1,727	20/06/2016	Detached		
25 OXFORD CLOSE	PETERLEE SR8 2EF	£ 156,950	88	£ 1,784	09/12/2016	Detached		
8 OXFORD CLOSE	PETERLEE SR8 2EF	£ 149,950	88	£ 1,704	28/04/2016	Detached		
7 OXFORD CLOSE	PETERLEE SR8 2EF	£ 154,950	88	£ 1,761	27/11/2015	Detached		
		£ 152,617	88	£ 1,734				
37 OXFORD CLOSE	PETERLEE SR8 2EF	£ 179,950	100	£ 1,800	21/11/2016	Detached		
24 OXFORD CLOSE	PETERLEE SR8 2EF	£ 179,950	100	£ 1,800	16/12/2016	Detached		
38 OXFORD CLOSE	PETERLEE SR8 2EF	£ 179,950	100	£ 1,800	04/11/2016	Detached		
		£ 179,950	100	£ 1,800				
20 OXFORD CLOSE	PETERLEE SR8 2EF	£ 89,950	69	£ 1,304	20/12/2016	Semi		
40 OXFORD CLOSE	PETERLEE SR8 2EF	£ 94,950	69	£ 1,376	20/12/2016	Semi		
19 OXFORD CLOSE	PETERLEE SR8 2EF	£ 89,950	69	£ 1,304	21/12/2016	Semi		
41 OXFORD CLOSE	PETERLEE SR8 2EF	£ 89,950	69	£ 1,304	16/12/2016	Semi		
		£ 91,200	69	£ 1,322				
46 OXFORD CLOSE	PETERLEE SR8 2EF	£ 124,950	79	£ 1,582	30/06/2016	Semi		
47 OXFORD CLOSE	PETERLEE SR8 2EF	£ 124,950	79	£ 1,582	30/06/2016	Semi		
45 OXFORD CLOSE	PETERLEE SR8 2EF	£ 127,950	79	£ 1,620	22/04/2016	Semi		
46 OXFORD CLOSE	PETERLEE SR8 2EF	£ 124,950	79	£ 1,582	30/06/2016	Semi		
47 OXFORD CLOSE	PETERLEE SR8 2EF	£ 124,950	79	£ 1,582	30/06/2016	Semi		
45 OXFORD CLOSE	PETERLEE SR8 2EF	£ 127,950	79	£ 1,620	22/04/2016	Semi		
44 OXFORD CLOSE	PETERLEE SR8 2EF	£ 134,950	79	£ 1,708	14/12/2015	Semi		
		£ 127,236	79	£ 1,611				
51 OXFORD CLOSE	PETERLEE SR8 2EF	£ 109,950	85	£ 1,294	10/10/2016	Semi		
2 OXFORD CLOSE	PETERLEE SR8 2EF	£ 114,950	85	£ 1,352	18/11/2016	Semi		
14 OXFORD CLOSE	PETERLEE SR8 2EF	£ 127,950	85	£ 1,505	20/05/2016	Semi		
15 OXFORD CLOSE	PETERLEE SR8 2EF	£ 112,450	85	£ 1,323	28/10/2016	Semi		
51 OXFORD CLOSE	PETERLEE SR8 2EF	£ 109,950	85	£ 1,294	10/10/2016	Semi		
		£ 115,050	85	£ 1,354				
5 OXFORD CLOSE	PETERLEE SR8 2EF	£ 99,950	69	£ 1,449	30/10/2015	Terrace		
4 OXFORD CLOSE	PETERLEE SR8 2EF	£ 104,950	69	£ 1,521	29/10/2015	Terrace		
48 OXFORD CLOSE	PETERLEE SR8 2EF	£ 109,450	69	£ 1,586	20/05/2016	Terrace		
49 OXFORD CLOSE	PETERLEE SR8 2EF	£ 104,950	69	£ 1,521	03/06/2016	Terrace		
50 OXFORD CLOSE	PETERLEE SR8 2EF	£ 109,950	69	£ 1,593	25/11/2016	Terrace		
6 OXFORD CLOSE	PETERLEE SR8 2EF	£ 94,950	69	£ 1,376	16/12/2016	Terrace		
48 OXFORD CLOSE	PETERLEE SR8 2EF	£ 109,450	69	£ 1,586	20/05/2016	Terrace		
		£ 104,807	69	£ 1,519				
11 OXFORD CLOSE	PETERLEE SR8 2EF	£ 107,950	85	£ 1,270	07/10/2016	Terrace		
52 OXFORD CLOSE	PETERLEE SR8 2EF	£ 114,950	85	£ 1,352	17/12/2015	Terrace		
12 OXFORD CLOSE	PETERLEE SR8 2EF	£ 114,950	85	£ 1,352	01/04/2016	Terrace		
9 OXFORD CLOSE	PETERLEE SR8 2EF	£ 120,950	85	£ 1,423	11/02/2016	Terrace		
11 OXFORD CLOSE	PETERLEE SR8 2EF	£ 107,950	85	£ 1,270	07/10/2016	Terrace		
12 OXFORD CLOSE	PETERLEE SR8 2EF	£ 114,950	85	£ 1,352	01/04/2016	Terrace		
21 OXFORD CLOSE	PETERLEE SR8 2EF	£ 114,950	85	£ 1,352	30/11/2016	Terrace		
9 OXFORD CLOSE	PETERLEE SR8 2EF	£ 120,950	85	£ 1,423	11/02/2016	Terrace		
22 OXFORD CLOSE	PETERLEE SR8 2EF	£ 110,950	85	£ 1,305	30/09/2016	Terrace		
23 OXFORD CLOSE	PETERLEE SR8 2EF	£ 115,950	85	£ 1,364	05/09/2016	Terrace		
14 OXFORD CLOSE	PETERLEE SR8 2EF	£ 127,950	85	£ 1,505	20/05/2016	Terrace		
		£ 115,677	85	£ 1,361				

35.3.3. We have made adjustments from the above evidence to reflect the different types of dwellings and also the date of sales.

35.3.4. Having considered the above, we have arrived at an average allowance of £1,850 per sq m for the market value dwellings and £2,100 per sq m for the bungalows.

35.3.5. For the affordable dwellings, the total provision included in our assessment is 10.77%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

35.3.6. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

35.4. Gross Development Cost (outgoings to implement the development)

35.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

35.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

35.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

35.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

35.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

35.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

35.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

35.4.8. At this stage abnormal costs are unknown. However, bearing in mind the site's current use, there are no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal.

35.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

35.4.10. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

35.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

35.4.12. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

35.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

- 35.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.
- 35.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.
- 35.4.16. The Local Plan Viability testing shows a BLV of £200,000 per Ha for this type of site in a low value location.
- 35.4.17. The subject site currently comprises undeveloped former playing fields and a cleared former school site. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 10 to 15 times the EUV is considered reasonable.
- 35.4.18. Having considered the above, we have arrived at a BLV of £475,000 for the site. This is equivalent to circa £201,271 per Ha, which represents an uplift of around 13 times the EUV. This is considered to be reasonable given the nature of the site.
- 35.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 35.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £171,151 This is therefore below our benchmark land value of £475,000.



35.4.21. We therefore conclude that the site is currently unviable with the full planning policies applied. However, if the Council is willing to relax its planning policies it is likely this scheme could return a viable outcome.

36.H37 - Seaham Colliery, Seaham



36.1. Property Description

36.1.1. Seaham is a coastal town located around 6 miles to the south of Sunderland and 13 miles east of Durham. The town is connected by minor roads to the A19 trunk road linking Tyneside and Wearside to the north to Teesside and Yorkshire to the south. Seaham has seen some regeneration in recent years, with the development of new business parks and the recent upgrading of the Seaham Hall Hotel, maintaining its 5 star rating. The subject site is located to the west of the town centre in an established residential area to the south of the B1404 (Station Road).

36.1.2. According to the Zoopla Zed-Index, Seaham has a current average value of £116,019. The average for County Durham is currently £167,604. However, we note that within the recent Local Plan Viability testing Seaham is regarded as a 'medium' value area within the context of the wider region.

36.1.3. This is a split site; each part is separated from the other by a former mineral railway, now a public footpath and “green corridor”, running west to east. Parcel 1, the most northerly part of the site, comprises the eastern section of the former Seaham Colliery which was demolished and cleared many years ago. This part is elevated from the adjoining Station Road, has an irregular shape, but is mostly flat. Parcel 2 was in a number of previous uses, including social housing, playing fields and allotments, but all of this has been cleared and the land is now mostly grass covered, but with the remaining former street network present.

36.2. General scheme assumptions

36.2.1. We are advised that the site is allocated for 335 dwellings.

36.2.2. We understand the Council has entered into a Joint Venture with Homes England in relation to this site and also H/38 Former Seaham School (see below). We are advised that Kier have been appointed preferred developer and have submitted a planning application (ref DM/17/02872/FPA pending consideration) for both housing allocations H/37 and H/38, to be delivered in 3 phases as follows:

Phase 1 – 95 market homes on H/38, plus 45 affordable homes on part of H/37. It is understood that the proposed affordable houses on part of H/37 would meet the Council’s affordable housing requirement for the entire scheme (i.e. H/37 and H/38 combined). To be clear, no affordable housing would therefore be required on H/38.

Phases 2 & 3 – 290 market homes.

36.2.3. For clarity, the application therefore proposes 290 market value homes on H/37, plus an additional 45 affordable dwellings. This totals 335 dwellings. We have subsequently followed this application in our viability testing.

36.2.4. According to the Design and Access Statement prepared on behalf of Kier, H/37 comprises the following elements:

Malvern Crescent Site (45 affordable)	- 1.5Ha gross
Remainder of Malvern Crescent (130 market)	- 6.76Ha gross
Station Road (160 market)	- 6.30Ha gross
Total 335 dwellings	- 14.56Ha gross

36.2.5. This is higher than what is stated in the housing allocation information provided to us by the Council (which states 10.77Ha). For the purposes of this assessment we have assumed that 10.77Ha equates to the net developable area (around 74% of the gross area), which is considered to be in line with expectations.

36.2.6. Given the nature of the scheme we have assumed a gross to net ratio of 85%. This gives a net site area of 9.15 Ha (22.61 acres).

36.2.7. At 335 dwellings, the scheme therefore reflects a development ratio of 31.10 dwellings per net Ha. It is noted that this is higher than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

36.2.8. Taking into account the higher density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 105 sq m for the market value units.

36.2.9. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

36.2.10. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

36.2.11. As indicated above, H/37 will deliver 45 affordable dwellings, which equates to 13.43% of the overall scheme. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

36.3. Gross Development Value (sales revenue)

36.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

36.3.2. Transactional evidence is limited for new build housing in and around Seaham. However, we note the following recent sales at a scheme off Dene House Road (around 1.5 miles east of the subject site).

Address	Pcode	Price	Sq m	£ psm	Type
21 TRINITY COURT	SEAHAM SR7 7AS	£249,950	101	£ 2,475	19/08/2016 Detached
19 TRINITY COURT	SEAHAM SR7 7AS	£146,000	70	£ 2,086	06/12/2016 Semi
20 TRINITY COURT	SEAHAM SR7 7AS	£145,000	70	£ 2,071	09/09/2016 Semi
14 TRINITY COURT	SEAHAM SR7 7AS	£200,000	101	£ 1,980	22/09/2015 Semi
11 TRINITY COURT	SEAHAM SR7 7AS	£179,000	109	£ 1,642	12/03/2015 Semi
15 TRINITY COURT	SEAHAM SR7 7AS	£147,500	70	£ 2,107	19/02/2016 Terrace
18 TRINITY COURT	SEAHAM SR7 7AS	£173,000	98	£ 1,765	29/04/2016 Terrace
16 TRINITY COURT	SEAHAM SR7 7AS	£175,000	109	£ 1,606	01/02/2016 Terrace
17 TRINITY COURT	SEAHAM SR7 7AS	£168,000	109	£ 1,541	09/08/2016 Terrace

36.3.3. It is noted that the majority of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

36.3.4. In terms of the '£ per sq m rates achieved' we note that the lower end of the range related to large, 3 storey terraced dwellings (which tend to achieve lower rates per sq m for reasons of quantum and also reduced demand in the market place). The more traditional 2/2.5 storey products achieved around £2,000 per sq m (or higher dependent on the dwelling type and size).

36.3.5. However, it is recognised that this is a small scheme located in a more attractive position, therefore adjustments should be made.

36.3.6. In terms of housing currently available for sale, we note Keepmoat have recently launched their Byron Mews scheme, which is around 2 miles to the south of the subject site. The following are currently being marketed for sale (dwelling sizes are not available):

The Mulberry – 3 bed detached asking £172,995

The Sycamore – 3 bed 2.5 storey semi asking £170,995

The Larch – 3 bed 2 storey semi asking £148,995

The Hawthorn – 3 bed 2 storey semi asking £138,995

The Cedar – 2 bed 2 storey semi asking £122,995

36.3.7. Furthermore, as discussed above, given the higher density of the scheme we have assumed there would be a lower number of larger, detached dwellings on site. For reasons of demand, detached dwellings tend to attract a higher rate per sq m. This has therefore also been factored into the analysis.

36.3.8. Having considered the above, we conclude that an average of £1,950 per sq m for the market value dwellings is appropriate, increasing to £2,200 per sq m for the bungalows.

36.3.9. For the affordable dwellings, the total provision included in our assessment is 13.43%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

36.3.10. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

36.4. Gross Development Cost (outgoings to implement the development)

36.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

36.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

36.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

36.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

36.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

36.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

36.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

36.4.8. At this stage abnormal costs are unknown. Based on our site inspection, and knowledge of the former use of the site, there is a potential for abnormal costs, in terms of what reclamation work has been carried out to the former colliery site, and what remains of the below ground foundations and the need to remove obsolete road infrastructure and for possible service diversions with the remainder of the site. Consequently, we have therefore adopted a spot figure of £1million in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

36.4.9. For professional fees we have allowed 5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

36.4.10. For policy contributions, we note on the planning file that education contributions equivalent to £3,059 per dwelling have been requested across both H/37 and H/38.

36.4.11. We also note that the open space provision will be provided on site.

36.4.12. For other contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

House of Standards Review- £2,000 per dwelling (applies to 10% of units)

Home Quality Mark- £45 per dwelling

36.4.13. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

36.4.14. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

36.4.15. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

36.4.16. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

36.4.17. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

36.4.18. Whilst part is a former colliery site, the remainder effectively comprises undeveloped grassland, albeit having the previous road network infrastructure present. Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

36.4.19. Having considered the above, we have arrived at a BLV of £3,500,000 for the site.

36.4.20. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

36.4.21. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £3,528,415. This is therefore above our benchmark land value of £3,500,000. **We therefore conclude that the scheme is viable with the full policies applied (in line with the current Kier planning application).**

37.H38 – Former Seaham School, Seaham



37.1. Property Description

37.1.1. Seaham is a coastal town located around 6 miles to the south of Sunderland and 13 miles east of Durham. The town is connected by minor roads to the A19 trunk road linking Tyneside and Wearside to the north to Teesside and Yorkshire to the south. Seaham has seen some regeneration in recent years, with the development of new business parks and the recent upgrading of the Seaham Hall Hotel, maintaining its 5 star rating. The subject site is located to the north west of the town centre in an established mainly residential area.

37.1.2. According to the Zoopla Zed-Index, Seaham has a current average value of £116,019. The average for County Durham is currently £167,604. Seaham can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Seaham is regarded as a 'medium' value area within the context of the wider region.

37.1.3. The site comprises the curtilage of the cleared former Seaham School of Technology. The land is irregular in shape and generally level, with access from Burnhall Drive. At the time of inspection, several mounds of what appear to be crushed demolition material were present on site.

37.2. General scheme assumptions

37.2.1. We are advised that the site is allocated for 95 dwellings.

37.2.2. As discussed above in our assessment of H/37, we understand the Council has entered into a Joint Venture with Homes England in relation to this site and also H/37 (see above). We are advised that Kier have been appointed preferred developer and have submitted a planning application (ref DM/17/02872/FPA pending consideration) for both housing allocations H/37 and H/38, to be delivered in 3 phases as follows:

Phase 1 – 95 market homes on H/38, plus 45 affordable homes on part of H/37. It is understood that the proposed affordable houses on part of H/37 would meet the Council's affordable housing requirement for the entire scheme (i.e. H/37 and H/38 combined). To be clear, no affordable housing would therefore be required on H/38.

Phases 2 & 3 – 290 market homes.

37.2.3. For clarity, the application therefore proposes 95 market value homes on H/38, with no affordable units. We have subsequently followed this application in our viability testing.

37.2.4. According to the Design and Access Statement prepared on behalf of Kier, H/38 comprises a site extending to 4.92Ha. This is higher than what is stated in the housing allocation information provided to us by the Council (which states 3.69Ha), however we have assumed the area stated on the plan is accurate.

37.2.5. In terms of the net area, according to the scheme drawings (publicly available as part planning application) the public open space extends to 1.55Ha. This results in a net developable area of 3.37Ha, which we have used in our assessment.

37.2.6. In terms of a more detailed breakdown of the proposed dwellings, as shown on the planning application file, we note that Kier are proposing to erect the following:

Name	Dwelling	Size (sq m)	Number
Cedarwood	3 bed semi	74.32	12
Hopwood	3 bed semi	86.21	14
Kirkwood	3 bed detached	86.40	12
Lockwood	3 bed detached	87.79	7
Chelmsford	4 bed detached	116.13	22
Dartford	4 bed detached	116.32	12
Stenford	4 bed detached	125.42	10
Newford	4 bed detached	129.78	6

37.2.7. Based on the above, the total net sales area of the scheme equates to 9,733 sq m (equivalent to an average of 102.46 per sq m).

37.3. Gross Development Value (sales revenue)

37.3.1. Please see above Pages 278 to 279 for relevant evidence.

37.3.2. Taking into account the nature of the dwellings being provided and the specific location we consider an average value of £2,000 per sq m to be appropriate.

37.4. Gross Development Cost (outgoings to implement the development)

37.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

37.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

37.4.3. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

- 37.4.4. At this stage abnormal costs are unknown. However, some abnormal works are anticipated. For the purposes of this assessment we have adopted a spot figure of £500,000. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 37.4.5. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 37.4.6. As for planning policies, given that the Kier scheme is for a full planning application we have assumed that the policies outlined in the planning file are all that apply. The only contribution identified relates to education, charged at £3,059 per dwelling.
- 37.4.7. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees.
- 37.4.8. For finance we have assumed a 5.5% debit rate, plus a 3% credit.
- 37.4.9. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

37.4.10. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

37.4.11. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

37.4.12. Whilst a former school site, at the current time the land currently is redundant, therefore we consider the land would attract a modest land value in order of say £150,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 20% the EUV is considered reasonable, giving a BLV equivalent to £180,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

37.4.13. Having considered the above, we have arrived at a BLV of £1,350,000 for the site. This is equivalent to around £275,000 per gross Ha, in line with the Local Plan testing.

37.4.14. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

37.4.15. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,701,535. This is therefore above our benchmark land value of £1,350,000. **We therefore conclude that the site is currently viable based on the Kier scheme currently pending consideration.**

38.H39 – Camden Square, Seaham



38.1. Property Description

38.1.1. Seaham is a coastal town located around 6 miles to the south of Sunderland and 13 miles east of Durham. The town is connected by minor roads to the A19 trunk road linking Tyneside and Wearside to the north to Teesside and Yorkshire to the south. Seaham has seen some regeneration in recent years, with the development of new business parks and the recent upgrading of the Seaham Hall Hotel, maintaining its 5 star rating. The subject site is centrally located in an established residential area.

38.1.2. According to the Zoopla Zed-Index, Seaham has a current average value of £116,019. The average for County Durham is currently £167,604. Seaham can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing Seaham is regarded as a 'medium' value area within the context of the wider region.

38.1.3. The site comprises the curtilage of the cleared former Seaham Camden Square Secondary School. The land is broadly rectangular in shape and generally level, although slightly elevated at the northern end above road level. We understand the site extends to circa 0.59 Ha (1.46 acres), on a gross basis.

38.2. General scheme assumptions

38.2.1. We are advised that the site is allocated for 15 dwellings.

38.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

38.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 0.53 Ha (1.31 acres). At 15 dwellings, the scheme therefore reflects a development ratio of 28.3 dwellings per net Ha. This is slightly below what has been adopted in the Local Plan Viability testing, where 30 dwellings per net Ha was applied, therefore the scheme can be regarded as having a below average density.

38.2.4. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). Taking into account the proposed density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this site. We have therefore increased the average size of the market housing to 120 sq m.

38.2.5. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

38.2.6. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

38.2.7. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable and in line with the Local Plan Viability testing.

38.3. Gross Development Value (sales revenue)

38.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham. The average sales values adopted in this study for this area equates to £1,900 per sq m.

38.3.2. Please see above Pages 278 to 279 for relevant evidence.

38.3.3. Taking into account the nature of the dwellings being provided and the specific location we consider an average value of £2,100 per sq m to be appropriate for the market value dwellings, increased to £2,300 per sq m for the bungalows.

38.3.4. For the affordable dwellings, in line with July 2018 NPPF publication, all sites should look to provide at least 10% affordable ownership products. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

38.3.5. For the affordable dwellings we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.50% of the equivalent market value. This is in line with the Local Plan Viability testing assumptions.

38.4. Gross Development Cost (outgoings to implement the development)

38.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

38.4.2. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings. For the bungalows, the current BCIS median rate is £1,267 per sq m.

38.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates these costs at being equivalent to £5 per sq m.

38.4.4. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

38.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

38.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the marketplace for a scheme of this nature and also the Local Plan Viability Testing.

38.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

38.4.8. At this stage abnormal costs are unknown. However, based on our site inspection, it is possible that some remedial works will be needed, in terms of possible removal of old foundations etc. Based on our experience we consider a spot allowance of £50,000 to be a reasonable assumption.

38.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormalities should be reflected in the benchmark land value ('BLV'), therefore if abnormalities increase the BLV should be broadly decreased at a proportional rate and vice versa. The impact of identifying abnormalities at a later date may not therefore change the viability outcome of the scheme.

38.4.10. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

38.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

38.4.12. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

38.4.13. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

38.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

38.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

38.4.16. The subject site comprises a cleared brownfield site, however the former use can be regarded as redundant. We would therefore anticipate a relatively modest existing use value for this site. Taking into account of the Council policies, a BLV of £150,000 is considered to be a reasonable incentive to encourage a landowner to release this site (equivalent to around £255,000 per ha).

38.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

38.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. This is therefore below our benchmark land value of £150,000.

38.4.19. We therefore conclude that the site is currently unviable with the full planning policies applied.

39.H40 – Murton Colliery, Murton



39.1. Property Description

39.1.1. Murton is a village located around 6 miles to the east of Durham City and 7 miles south of Sunderland. The former mining village is well connected with regards to roadways, being located less than a mile from the A19 trunk road, linking Tyneside and Wearside to the north to Teesside and Yorkshire to the south. Murton has seen some regeneration activity over the last 20 years with the development (on the former colliery spoil heaps site) of Dalton Park, the North East's largest factory outlet retail style shopping centre.

39.1.2. According to the Zoopla Zed-Index, Murton has a current average value of £100,195. The average for County Durham is currently £167,604. Murton can therefore be regarded as below average value location, within the context of the wider County. However, we note that within the recent Local Plan Viability testing part of Murton is regarded as a 'low' value area and part as a 'medium' value area, within the context of the wider region.

39.1.3. The site comprises the reclaimed site of the former Murton Colliery. The land now is mostly grass covered. It is a broadly rectangular shape and is understood to extend to 5.61 Ha (13.86 acres) on a gross basis. The site slopes gently from north to south.

39.2. General scheme assumptions

39.2.1. We are advised that the site is allocated for 130 dwellings.

39.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing. That said we understand Homes England have undertaken a review of the site within the context of an Accelerated Construction Funding bid. Homes England have identified around £11,120,000 of abnormal costs associated with the site. Their own assessment was based on the delivery of 126 dwellings. For clarity, we have adopted 130 in the assessment in line with the allocation.

39.2.3. Given the size and nature of the scheme, we have assumed a gross to net ratio of 75% is expected. This gives a net site area of 4.21 Ha (10.40 acres).

39.2.4. At 130 dwellings, the scheme therefore reflects a development ratio of 30.90 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 35 dwellings per net Ha was applied.

39.2.5. Taking into account the lower density of the scheme, we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

39.2.6. We note the average house size used in the Local Plan Viability Testing was 105 sq m (reducing to 80 sq m for affordable housing). This is considered appropriate.

39.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

39.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

39.2.9. The subject site falls within the 'medium' value area under the Local Plan Viability testing, therefore attracts a 15% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

39.3. Gross Development Value (sales revenue)

39.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'medium' value area for County Durham (albeit on the edge of a low value area). The average sales values adopted in this study equates to £1,900 per sq m.

39.3.2. Please see above Pages 278 to 279 for relevant evidence.

39.3.3. Taking into account the nature of the dwellings being provided and the specific location we consider an average value of £2,000 per sq m to be appropriate for the market value dwellings, increased to £2,200 per sq m for the bungalows.

39.3.4. For the affordable dwellings, the total provision included in our assessment is 15%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

39.3.5. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

39.4. Gross Development Cost (outgoings to implement the development)

39.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

39.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). For this reason, the lower quartile BCIS rate is considered more appropriate for this type of scheme. This is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

39.4.3. For the bungalows, the current BCIS lower quartile rate is £1,132 per sq m.

39.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

39.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

39.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

39.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

39.4.8. As indicated above, Homes England has estimated abnormal costs totalling around £11,120,000. They have also indicated the site would qualify for grant funding totalling £1,148,909.

39.4.9. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

39.4.10. For professional fees we have allowed 5.5% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

39.4.11. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- on-site provision only
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

39.4.12. For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

39.4.13. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

39.4.14. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

39.4.15. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

39.4.16. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

39.4.17. Whilst a former colliery site, at the current time the land currently effectively comprises undeveloped grassland. Given its location we would expect an existing use value of say £10,000 per Ha. In terms of a premium uplift, for a site in this type of location and given the extent of the associated abnormal costs an uplift of say 5 times the EUUV is considered reasonable, giving a BLV equivalent to £50,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

39.4.18. Having considered the above, we have arrived at a BLV of £300,000 for the site.

39.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

39.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a negative land value. As this is below our benchmark land value of £300,000 we conclude the scheme is unviable.

39.4.21. Please note, given the appraisal outcome, even if the planning policies were removed the scheme would still show an unviable outcome.

40.H41 – Dunelm Stables, Thornley



40.1. Property Description

40.1.1. The site is in Thornley, a village situated around 5 miles to the east of Durham and 5 miles west of Peterlee. The main access to and from this area is via the A181 (linking Durham and Hartlepool) to the strategic north/south links of the A1(M) motorway to the north west, and to the A19 trunk road to the south east.

40.1.2. According to the Zoopla Zed-Index, Thornley has a current average value of £106,511. The average for County Durham is currently £167,604. On this evidence, Thornley can therefore be regarded as being a below average value location, within the context of the wider County.

40.1.3. The site itself comprises a former trotting track (no longer in use) and stabling facility (cleared), which is now mainly grassland, situated at the rear of mature housing on Dunelm Road. It adjoins at the western end a relatively modern housing development (Crossways Court). On its eastern side it adjoins land currently under preparation for self-build housing. Both sites will share access (under construction) onto Dunelm Road. The site is irregular in shape and is understood to extend to 3.27 Ha (8.08 acres) on a gross basis. The site splits into two plateaus; the western one is elevated somewhat from the eastern one and slopes moderately from west to east, with the eastern part being mainly flat but with a central undulation and some slope from north to south.

40.2. General scheme assumptions

40.2.1. We are advised that the site is allocated for 50 dwellings.

40.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

40.2.3. Given the size of the scheme against the allocation we have assumed a gross to net ratio of 50%. This gives a net site area of 1.64 Ha (4.04 acres).

40.2.4. At 50 dwellings, the scheme therefore reflects a development ratio of 30.58 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

40.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

40.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 105 sq m.

40.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

40.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

40.2.9. The subject site falls within the 'low' value area under the Local Plan Viability testing, therefore attracts a 10% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

40.3. Gross Development Value (sales revenue)

40.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'low' value area for County Durham. The average sales value adopted in this study for this area equates to £1,750 per sq m.

40.3.2. In terms of transactional evidence, we note the following from nearby villages:

Address	Pcode	Price	NSA (sq m)	£ per sq m	Date	Type	
54 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 139,950	79	£ 1,772	22/04/2016	Detached
34 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 139,950	79	£ 1,772	07/04/2017	Detached
48 SORREL CLOSE	SHOTTON COLLIERY		£ 134,950	79	£ 1,708	18/11/2016	Detached
			£ 138,283	79	£ 1,750		
1 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 149,950	88	£ 1,704	30/11/2015	Detached
19 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 149,950	88	£ 1,704	14/12/2015	Detached
40 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 154,950	88	£ 1,761	10/04/2017	Detached
41 SORREL CLOSE	SHOTTON COLLIERY		£ 151,950	90	£ 1,688	16/01/2017	Detached
9 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 149,950	88	£ 1,704	18/12/2015	Detached
6 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 154,950	90	£ 1,722	29/04/2016	Detached
			£ 151,950	89	£ 1,714		
28 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 164,950	102	£ 1,617	13/03/2015	Detached
26 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 164,950	102	£ 1,617	02/04/2015	Detached
25 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 164,950	102	£ 1,617	15/05/2015	Detached
23 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 174,950	102	£ 1,715	29/05/2015	Detached
43 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 184,950	102	£ 1,813	18/11/2016	Detached
35 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 189,950	102	£ 1,862	23/12/2016	Detached
33 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 184,950	102	£ 1,813	23/03/2017	Detached
22 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 174,950	102	£ 1,715	04/06/2015	Detached
8 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 174,950	102	£ 1,715	06/08/2015	Detached
55 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 174,950	106	£ 1,650	16/12/2015	Detached
			£ 175,450	102	£ 1,714		
7 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 194,950	111	£ 1,756	19/06/2015	Detached
9 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 175,000	112	£ 1,563	18/12/2015	Detached
36 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 181,750	115	£ 1,580	11/03/2016	Detached
50 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 202,950	115	£ 1,765	30/06/2016	Detached
54 SORREL CLOSE	SHOTTON COLLIERY		£ 194,950	112	£ 1,741	10/02/2017	Detached
11 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 179,950	115	£ 1,565	30/06/2016	Detached
21 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 189,950	117	£ 1,624	29/05/2015	Detached
14 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 184,950	117	£ 1,581	30/06/2016	Detached
			£ 188,056	114	£ 1,647		
3 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 94,950	69	£ 1,376	24/06/2016	Semi
37 SORREL CLOSE	SHOTTON COLLIERY		£ 92,950	69	£ 1,347	17/02/2017	Semi
39 SORREL CLOSE	SHOTTON COLLIERY		£ 92,950	69	£ 1,347	16/12/2016	Semi
			£ 93,617	69	£ 1,357		
31 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 129,950	79	£ 1,645	24/03/2016	Semi
35 SORREL CLOSE	SHOTTON COLLIERY	DH6 2LB	£ 132,950	79	£ 1,683	23/06/2016	Semi
60 SORREL CLOSE	SHOTTON COLLIERY		£ 126,950	79	£ 1,607	28/10/2016	Semi
41 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 128,450	79	£ 1,626	09/12/2016	Semi
42 BUTTERCUP CLOSE	SHOTTON COLLIERY	DH6 2LG	£ 129,950	79	£ 1,645	16/12/2016	Semi
18 POPPY LANE	SHOTTON COLLIERY	DH6 2LF	£ 124,950	79	£ 1,582	13/03/2015	Semi
5 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 134,950	79	£ 1,708	14/12/2015	Semi
4 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 139,950	79	£ 1,772	17/12/2015	Semi
			£ 131,013	79	£ 1,658		
8 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 124,450	85	£ 1,464	17/12/2015	Semi
7 ROSEBAY CLOSE	SHOTTON COLLIERY	DH6 2LH	£ 122,450	85	£ 1,441	18/12/2015	Semi
			£ 123,450	85	£ 1,452		

Address	Pcode	Price	NSA (sq m)	£ per sq m	Date	Type	
46 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 89,295	71	£ 1,258	30/06/2016	Detached
10 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 102,995	72	£ 1,430	08/02/2016	Detached
10 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 88,995	71	£ 1,253	25/11/2016	Detached
12 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 104,995	72	£ 1,458	25/11/2016	Detached
9 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 104,245	72	£ 1,448	27/02/2017	Detached
7 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 100,695	72	£ 1,399	21/12/2016	Detached
16 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 103,995	72	£ 1,444	30/06/2016	Detached
11 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 106,995	75	£ 1,427	04/01/2016	Detached
14 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 105,995	75	£ 1,413	25/01/2016	Detached
9 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 101,645	75	£ 1,355	18/02/2016	Detached
45 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 92,145	75	£ 1,229	08/07/2016	Detached
12 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 107,995	75	£ 1,440	23/09/2016	Detached
			£ 100,833	73	£ 1,380		
18 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 74,995	60	£ 1,250	29/07/2016	Semi
19 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 75,995	61	£ 1,246	20/05/2016	Semi
14 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 76,995	61	£ 1,262	04/11/2016	Semi
6 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 77,995	60	£ 1,300	27/02/2017	Semi
15 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 76,995	61	£ 1,262	12/12/2016	Semi
8 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 77,995	61	£ 1,279	20/03/2017	Semi
20 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 75,995	61	£ 1,246	20/05/2016	Semi
14 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 71,245	61	£ 1,168	29/07/2016	Semi
15 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 74,995	61	£ 1,229	31/08/2016	Semi
14 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 76,995	61	£ 1,262	04/11/2016	Semi
			£ 76,020	61	£ 1,250		
11 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 96,995	69	£ 1,406	02/09/2016	Semi
7 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 85,995	71	£ 1,211	15/03/2016	Semi
44 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 84,995	71	£ 1,197	21/03/2016	Semi
17 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 86,995	71	£ 1,225	19/05/2016	Semi
10 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 88,995	71	£ 1,253	25/11/2016	Semi
3 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 89,995	71	£ 1,268	10/03/2017	Semi
5 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 84,995	71	£ 1,197	21/12/2016	Semi
17 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 87,995	71	£ 1,239	27/06/2016	Semi
10 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 88,995	71	£ 1,253	02/09/2016	Semi
7 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 77,245	68	£ 1,136	13/03/2017	Semi
8 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 84,745	71	£ 1,194	24/11/2016	Semi
12 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 104,995	72	£ 1,458	25/11/2016	Semi
8 LUKE TERRACE	WHEATLEY HILL	DH6 3RX	£ 92,995	75	£ 1,240	11/03/2016	Semi
4 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 96,245	75	£ 1,283	21/12/2016	Semi
41 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 105,995	75	£ 1,413	08/04/2016	Semi
16 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 102,595	75	£ 1,368	02/06/2016	Semi
11 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 90,445	75	£ 1,206	18/11/2016	Semi
9 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 95,995	75	£ 1,280	25/11/2016	Semi
11 HENDERSON AVENUE	WHEATLEY HILL	DH6 3RZ	£ 95,995	75	£ 1,280	18/11/2016	Semi
18 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 94,995	75	£ 1,267	24/06/2016	Semi
9 CAIN TERRACE	WHEATLEY HILL	DH6 3SA	£ 95,995	75	£ 1,280	25/11/2016	Semi
			£ 92,105	73	£ 1,269		

40.3.3. It is noted that some of the above sales took place in 2015 and 2016, therefore adjustments should be made for revenue inflation since this time.

40.3.4. Furthermore, as discussed above, given the lower density of the scheme we have assumed there would be a higher number of larger, detached dwellings on site. For reasons of demand, detached dwellings tend to attract a higher rate per sq m. This has therefore also been factored into the analysis.

40.3.5. Having considered the above, we have concluded that an average of £1,700 per sq m for the market value dwellings is appropriate, increasing to £1,950 per sq m for the bungalows (in line with the Local Plan Viability testing).

40.3.6. For the affordable dwellings, the total provision included in our assessment is 10%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

40.3.7. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

40.4. Gross Development Cost (outgoings to implement the development)

40.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works.

40.4.2. Given the size of the scheme it is conceivable that a large regional or a national housebuilder would look to implement the project. This type of house builder is able to bulk buy materials and labour and can therefore make savings on its build costs when expressed on a per sq m basis (savings not reflected within the BCIS data). We also anticipate that this type of location would be brought forward by a 'low-cost' developer whose build costs would be further reduced to reflect the nature of the product being constructed.

40.4.3. Having considered this, we have adopted a build cost equivalent to £900 per sq m for the market value units and £1,100 per sq m for the bungalows.

40.4.4. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

40.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

- 40.4.6. To cover externals, we have adopted an additional 20% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 40.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 40.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there is no particularly obvious signs of required abnormal costs. On this basis we have therefore adopted a nil figure in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 40.4.9. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 40.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- on-site provision only
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

40.4.11. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

40.4.12. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

40.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 20% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

40.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

40.4.15. The Local Plan Viability testing shows a BLV of £275,000 per Ha for this type of site in a medium value location.

40.4.16. Whilst a former recreational/animal husbandry site, at the current time the land currently effectively comprises undeveloped grassland (albeit with some on-site activity spilling over from the adjoining site under development). Given its location we would expect an existing use value of say £15,000 per Ha. In terms of a premium uplift, for a site in this type of location an uplift of say 15 times the EUV is considered reasonable, giving a BLV equivalent to £225,000 per Ha. This is therefore below that allowed in the Local Plan Viability Testing.

40.4.17. However, as indicated above the subject site has an adjusted gross to net ratio. An allowance therefore has to be made to reflect the reduced net area that is capable of delivering residential development. This has also been factored into our analysis.

40.4.18. Having considered the above, we have arrived at a BLV of £400,000 for the site.

40.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

40.4.20. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £171,532. This is therefore below our benchmark land value of £400,000.

40.4.21. We therefore conclude that the site is currently unviable with the full planning policies applied. However, if the Council is willing to relax its planning policies it is likely this scheme could return a viable outcome.

41.H42 – Groves Works, Barnard Castle



41.1. Property Description

41.1.1. Barnard Castle is a market town in Teesdale, the south western part of County Durham, about 4 miles from the border with North Yorkshire. It is 21 miles south west of Durham City, and c. 14 miles west of Darlington. The main access to and from the town is via the A67 leading to the A66, the major cross Pennine route linking Cumbria and the North West to Teesside and the North East. The major north/south route A1(M) motorway crosses the A66 12 miles to the east of Barnard Castle. The site itself is located just to the east of the town centre, in a mixed commercial/residential area.

41.1.2. According to the Zoopla Zed-Index, Barnard Castle has a current average value of £211,153. The average for County Durham is currently £167,604. Barnard Castle can therefore be regarded as being an above average value area, within the context of the wider County.

41.1.3. The site comprises mainly existing industrial buildings of different ages and construction (original stone and slate buildings together with more modern steel sheet clad buildings, plus a residential property on the east side of Queen Street used as offices), but with around half of the site undeveloped and covered by vegetation with trees and shrubs. The site is an irregular shape and slopes gently broadly from north to south. We understand the site extends to circa 1.35 Ha (3.34 acres), on a gross basis.

41.1.4. The site is currently occupied by William Smith Group 1832.

41.2. General scheme assumptions

41.2.1. We are advised that the site is allocated for 35 dwellings.

41.2.2. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

41.2.3. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 90%. This gives a net site area of 1.22 Ha (3.00 acres).

41.2.4. At 35 dwellings, the scheme therefore reflects a development ratio of 28.81 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.

41.2.5. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.

41.2.6. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 120 sq m.

41.2.7. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).

41.2.8. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.

41.2.9. The subject site falls within the 'high' value area under the Local Plan Viability testing, therefore attracts a 20% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just over 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

41.3. Gross Development Value (sales revenue)

41.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'high' value area for County Durham. The average sales values adopted in this study for this area equates to £2,150 per sq m.

41.3.2. We have identified the following recent sales from new build housing estates from in and around Barnard Castle:

Address		Pcode	Price	Size (sq m)	£ per sq m	Date	Type
33	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 226,995	87	£ 2,609	10/03/2017	Detached
10	SLEDWICK COURT	BARNARD CASTLE DL12 8RJ	£ 217,995	87	£ 2,506	09/12/2016	Detached
7	SLEDWICK COURT	BARNARD CASTLE DL12 8RJ	£ 219,995	87	£ 2,529	11/11/2016	Detached
35	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 231,995	87	£ 2,667	24/02/2017	Detached
			£ 224,245	87	£ 2,578		
22	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 237,495	105	£ 2,262	11/09/2015	Detached
28	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 249,995	105	£ 2,381	18/09/2015	Detached
11	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 260,000	105	£ 2,476	26/06/2015	Detached
			£ 249,163	105	£ 2,373		
24	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 245,000	113	£ 2,168	17/06/2016	Detached
55	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 249,995	113	£ 2,212	22/07/2016	Detached
7	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 265,000	113	£ 2,345	15/01/2016	Detached
26	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 269,995	113	£ 2,389	01/04/2016	Detached
1	TEESBANK COURT	BARNARD CASTLE DL12 8QH	£ 274,995	113	£ 2,434	28/10/2016	Detached
4	TEESBANK COURT	BARNARD CASTLE DL12 8QH	£ 249,995	113	£ 2,212	11/11/2016	Detached
20	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 285,000	113	£ 2,522	28/08/2015	Detached
12	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 276,250	113	£ 2,445	23/03/2016	Detached
22	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 259,995	113	£ 2,301	15/04/2016	Detached
6	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 295,000	113	£ 2,611	08/01/2016	Detached
			£ 267,123	113	£ 2,364		
16	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 287,995	125	£ 2,304	09/11/2015	Detached
8	SLEDWICK COURT	BARNARD CASTLE DL12 8RJ	£ 294,995	125	£ 2,360	25/11/2016	Detached
14	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 305,995	125	£ 2,448	26/06/2015	Detached
			£ 296,328	125	£ 2,371		
20	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 345,000	151	£ 2,285	18/12/2015	Detached
12	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 335,000	151	£ 2,219	11/09/2015	Detached
31	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 360,000	151	£ 2,384	12/04/2017	Detached
8	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 385,000	151	£ 2,550	24/04/2015	Detached
57	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 350,000	164	£ 2,134	08/07/2016	Detached
18	ASHTREE DRIVE	BARNARD CASTLE DL12 8NZ	£ 395,000	164	£ 2,409	12/02/2015	Detached
10	HOLLINSIDE	BARNARD CASTLE DL12 8QG	£ 355,051	164	£ 2,165	22/04/2016	Detached
			£ 360,722	157	£ 2,306		

Address		Pcode	Price	Size (sq m)	£ per sq m	Date	Type
40	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 177,000	88	£ 2,011	30/09/2016	Detached
64	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 185,000	88	£ 2,102	12/05/2016	Detached
42	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 199,995	88	£ 2,273	12/08/2016	Detached
37	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 179,995	88	£ 2,045	16/12/2016	Detached
38	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 179,995	88	£ 2,045	24/02/2017	Detached
39	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 204,995	88	£ 2,329	26/01/2017	Detached
65	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 214,995	88	£ 2,443	19/02/2016	Detached
			£ 191,711	88	£ 2,179		
43	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 209,995	99	£ 2,121	24/06/2016	Detached
3	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 199,995	99	£ 2,020	20/01/2017	Detached
			£ 204,995	99	£ 2,071		
63	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 116,000	58	£ 2,000	01/04/2016	Semi
35	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 99,450	58	£ 1,715	10/03/2017	Semi
36	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 99,995	58	£ 1,724	10/03/2017	Semi
			£ 105,148	58	£ 1,813		
45	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 99,450	58	£ 1,715	10/03/2017	Terrace
46	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 99,995	58	£ 1,724	13/02/2017	Terrace
60	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 139,000	58	£ 2,397	31/03/2016	Terraced
			£ 112,815	58	£ 1,945		
51	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 133,500	68	£ 1,963	23/06/2016	Semi
49	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 138,000	68	£ 2,029	17/06/2016	Semi
33	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 137,995	68	£ 2,029	03/02/2017	Semi
34	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 137,995	68	£ 2,029	10/02/2017	Semi
48	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 139,995	68	£ 2,059	17/06/2016	Semi
50	GRANGEFIELDS STARTFORTH BARNARD CASTLE	DL12 9BF	£ 149,995	68	£ 2,206	22/04/2016	Semi
			£ 139,580	68	£ 2,053		

41.3.3. Adjustments are made to reflect locational factors, size and type of dwelling, date of sale etc.

41.3.4. Having considered the above, we believe there is a justification to increase the sales values above that applied in the Local Plan Viability testing. We have increased the market value dwellings to £2,350 per sq m and the bungalows to £2,550 per sq m.

41.3.5. For the affordable dwellings, the total provision included in our assessment is 20%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

41.3.6. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

41.4. Gross Development Cost (outgoings to implement the development)

41.4.1. We consider the Build Cost Information Service ("BCIS") of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor's overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the median rate is considered to be appropriate, which is currently £1,146 per sq m, which has been applied to the market value and affordable dwellings.

41.4.2. For the bungalows, the current BCIS median rate is £1,267 per sq m.

41.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m.

41.4.4. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

41.4.5. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

41.4.6. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line with our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.

41.4.7. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.

41.4.8. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there are no particularly obvious signs of unanticipated abnormal costs, other than the need to demolish the existing buildings, for which we have adopted a spot figure of £75,000 in the appraisal. However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decreased at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

41.4.9. For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.

41.4.10. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- £3,478 per dwelling
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

41.4.11. For marketing costs, we have allowed 2% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

41.4.12. For finance we have assumed a 6.5% debit rate, plus a 3% credit.

41.4.13. As for profit, for a scheme of this size and nature we consider a margin equivalent to 17% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

41.4.14. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUUV') plus a premium. It is also clear that the calculation should exclude hope value.

41.4.15. The Local Plan Viability testing shows a BLV of £500,000 per Ha for this type of site in a high value location.

41.4.16. The subject site currently comprises an occupied complex of existing industrial buildings of varying ages and styles. Given its location we would expect an existing use value of say £500,000. In terms of a premium uplift, for a site in this type of location we would anticipate an uplift of say 20%. This would give an overall BLV of £600,000.

41.4.17. However, and having considered the above, we have arrived at a BLV of £600,000 for the site, equivalent to circa £444,444 per Ha. This is considered to be reasonable given the nature of the site and within the anticipated parameters.

41.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

41.4.19. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £613,954. This is therefore above our benchmark land value of £600,000. **We therefore conclude that the site is currently viable with the full policies applied.**

42.H43 – Land off Leazes Lane, Wolsingham



42.1. Property Description

42.1.1. Wolsingham is a small market town in Weardale, the western part of County Durham, c. 12 miles south west of Durham City, and c. 10 miles north west of Bishop Auckland. The main access to and from the town is via the A689, leading initially to the A68, a major north/south route linking County Durham to Scotland, and then via the A690 to Durham City. The site itself is located to the north west of the town centre, on the edge of the settlement.

42.1.2. According to the Zoopla Zed-Index, Wolsingham has a current average value of £212,305. The average for County Durham is currently £167,604. Wolsingham can therefore be regarded as being an above average value area, within the context of the wider County.

42.1.3. The site comprises mainly existing 1970s school buildings of different heights and functions built of part brick/part cladding, and mainly flat roofed, together with the surrounding undeveloped area of school grounds of tarmac surfacing and overgrown playing fields with some mature trees and other vegetation. The site is an irregular shape and is mainly flat but with some changes in level within it. We understand that the site extends to circa 3.22 Ha (7.96 acres), on a gross basis.

42.1.4. The site is currently unoccupied.

42.2. General scheme assumptions

42.2.1. We are advised that the site is allocated for 40 dwellings. However, the Council has advised that it is the landowner of the site and is currently exploring options to increase the density. One of the options being explored is undertaking highway works to increase the visibility splay (estimated cost £35,000), which would potentially increase overall density. Initial assessments suggest this could increase the number of dwellings to 70.

42.2.2. However, please note for the purposes of this assessment we have based our appraisal on the current allocation of 40 dwellings.

42.2.3. We have not been provided with, or are aware of, any detailed scheme in relation to the site. We have therefore made assumptions regarding the scheme for the purposes of the viability testing.

42.2.4. Given the size of the scheme and in accordance with the Council's recent Local Plan Viability testing we have assumed a gross to net ratio of 50%. This gives a net site area of 1.61 Ha (3.98 acres).

- 42.2.5. At 40 dwellings, the scheme therefore reflects a development ratio of 24.84 dwellings per net Ha. It is noted that this is lower than what has been adopted in the Local Plan Viability testing, where 32.5 dwellings per net Ha was applied.
- 42.2.6. Taking into account the lower density of the scheme we consider it reasonable to assume that there would be a higher than average number of detached properties put forward for this scheme.
- 42.2.7. We note the average house size used in the Local Plan Viability Testing was 95 sq m (reducing to 80 sq m for affordable housing). For this particular scheme, given the lower density, we have increased this average to 135 sq m.
- 42.2.8. However, we understand the Council's emerging policy requires 10% of all dwellings to be provided as older person housing. The Local Plan Viability testing assumes these would be provided as bungalows (although it states that various other dwelling types can be provided to meet the Council's criteria). However, for the purposes of this study we have also assumed this policy would be provided through bungalows. For this scheme we have assumed these would have an average size of 80 sq m (in line with the Local Plan Viability study).
- 42.2.9. For the affordable units, we have assumed these would have an average size of 80 sq m each, in line with the Local Plan Viability study.
- 42.2.10. The subject site falls within the 'high' value area under the Local Plan Viability testing, therefore attracts a 20% affordable housing provision. At this level, based on our average dwelling size assumptions, the overall density equates to just under 3,000 sq m per net Ha. This is considered to be reasonable for this location and in line with the Local Plan Viability testing.

42.3. Gross Development Value (sales revenue)

42.3.1. As indicated above, in the Local Plan Viability testing this location is categorised as being in the 'high' value area for County Durham. The average sales values adopted in this study for this area equates to £2,150 per sq m.

42.3.2. There is limited evidence of new build transactions within this area. The nearest evidence is around Crook, which is circa 6 miles to the east. However, values in Cook are significantly different to that achievable in Wolsingham. By way of illustration, Wolsingham currently has an average value of circa £215,000 (according to Zoopla), compared to circa £120,000 at Crook.

42.3.3. With little direct evidence on which to benchmark values, having considered the above (and also other 'high' value schemes across the County), we believe the average values adopted in the Local Plan viability testing are broadly appropriate for this particular site. However, we have increased the market value dwellings up to £2,250 per sq m to reflect the high proportion of large detached dwellings assumed in the scheme. For the bungalows we have assumed £2,400 per sq m.

42.3.4. For the affordable dwellings, the total provision included in our assessment is 20%. In line with the Council's emerging policy we have looked to apply a broadly 70/30 split between affordable rent and intermediate / shared ownership.

42.3.5. For affordable rented products rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value.

42.4. Gross Development Cost (outgoings to implement the development)

42.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works. For this size scheme the lower quartile rate is considered to be appropriate, which is currently £1,008 per sq m, which has been applied to the market value and affordable dwellings.

42.4.2. For the bungalows, the current BCIS median rate is £1,132 per sq m.

42.4.3. The Council also has an emerging policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 40% of the market value and 90% of the affordable dwellings. The Local Plan Viability testing calculates this cost at being equivalent to £5 per sq m. However, bungalows are deemed to already meet this standard, therefore the uplifted bungalow construction costs already account for the uplift (which has been factored into our assumptions). For M4 (3), the emerging policy is for this to apply to 10% of the affordable dwellings. The Local Plan Viability testing calculates the costs at being equivalent to £370 per sq m, which we have factored into the appraisal.

42.4.4. The Council also has an additional policy regarding space standards. The Local Plan Viability testing includes an additional cost of £2,000 per dwelling, which has been factored into our assessment.

- 42.4.5. To cover externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature and also the Local Plan Viability Testing.
- 42.4.6. To meet the Council's emerging policies, an additional allowance of £25,000 per gross Ha has been included with regards to Sustainable Urban Drainage System costs.
- 42.4.7. At this stage abnormal costs are unknown. Furthermore, based on our site inspection, there are no particularly obvious signs of unanticipated abnormal costs, other than the need to demolish the existing buildings and clear the site, for which we have adopted a spot figure of £250,000 in the appraisal (inflated to reflect asbestos removal). However, it is stressed that the PPG (July 2018) on viability states that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 42.4.8. For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with Local Plan Viability testing.
- 42.4.9. For policy contributions, we have reviewed the Local Plan Viability testing and looked to initially apply a maximum provision, to see whether this is viable or not. In reality, dependent on need some policies won't apply to all sites therefore this approach is regarded as being a 'worst case' from the perspective of the developer / house builder. The policies applied to the appraisal testing include:

Education	- £2,500 per dwelling
Open space	- on-site provision only
House of Standards Review	- £2,000 per dwelling (applies to 10% of units)
Home Quality Mark	- £45 per dwelling
Health	- £507 per dwelling
Ecology	- £662 per dwelling

42.4.10. For marketing costs, we have allowed 3% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).

42.4.11. For finance we have assumed a 5.5% debit rate, plus a 3% credit.

42.4.12. As for profit, for a scheme of this size and nature we consider a margin equivalent to 18.5% of revenue to be appropriate for the market value units, reducing to 6% for the affordable. This is in line with the Local Plan Viability testing.

42.4.13. In terms of the benchmark land value, the PPG July 2018 publication on viability is clear that this should be calculated based on Existing Use Value ('EUV') plus a premium. It is also clear that the calculation should exclude hope value.

42.4.14. The Local Plan Viability testing shows a BLV of £500,000 per Ha for this type of site in a high value location.

42.4.15. The subject site currently comprises an unoccupied complex of existing school buildings of varying types.

42.4.16. Having considered the above, we have arrived at a BLV of £800,000 for the site. This is equivalent to circa £500,000 per Ha. This is considered to be reasonable given the nature of the site and within the anticipated parameters.

42.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

42.4.18. Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,017,613. This is therefore above our benchmark land value of £800,000. **We therefore conclude that the site is currently viable with the full policies applied.**

43.SUMMARY

43.1. By way of a brief summary, our appraisal testing shows the following:

Number of schemes	Outcome	Cumulative number of dwellings
25	Viable with full policy / agreed S106	2,746
5	Viable with reduced planning policies	210
11	Unviable	1,784

David Newham MRICS RICS Registered Valuer

A handwritten signature in blue ink, appearing to read 'D Newham', is written over a light blue grid background.

CP Viability Ltd

October 2018

Site		Value Area	Land	2 storey	OPH	Affordable Rent		Inter / SO	Total Dwellings	Total Affordable	AH %	Health	Ecology off-setting	Residual Land Value	Surplus	Surplus % of TLV	Viability?		
H1	Gilesgate, Durham	Highest	Brownfield	36	6	10	67%	5	33%	57	15	15	26.32%	£ 30,420	£ 37,734	£ 1,794,960	£ 794,960	79.50%	YES
H10	Former Arizona Chemicals, Chester-le-St	Highest	Brownfield	39	6	10	67%	5	33%	60	15	15	25.00%	£ 30,420	£ 39,720	£ 1,607,144	£ 7,144	0.45%	YES
H11	Former Roseberry Comp, Pelton	Medium	Brownfield	48	7	7	70%	3	30%	65	10	10	15.38%	£ 32,955	£ 43,030	£ 854,694	£ 4,694	0.55%	YES
H12	Brackenbeds Lane, Pelton	Medium	Greenfield	37	5	5	63%	3	38%	50	8	8	16.00%	£ 25,350	£ 33,100	£ 826,706	£ 226,706	37.78%	YES
H13	Former Harelaw School, Annfield Plain	Low	Brownfield	24	3	2	67%	1	33%	30	3	3	10.00%	£ 15,210	£ 19,860	£ 50,389	-£ 199,611	-79.84%	NO
H14	Former Community Centre, Annfield Plain	Low	Brownfield	9	1	0	#DIV/0!	0	#DIV/0!	10	0	0	0.00%	£ 5,070	£ 6,620	-£ 716,897	-£ 791,897	-1055.86%	NO
H15	Former swimming pool, Consett	Medium	Brownfield	15	2	1	33%	2	67%	20	3	3	15.00%	£ 10,140	£ 13,240	£ 95,143	-£ 124,857	-56.75%	NO
H16	Former Blackfyne School, Consett	Medium	Brownfield	75	10	10	67%	5	33%	100	15	15	15.00%	£ 50,700	£ 66,200	£ 1,136,681	£ 136,681	13.67%	YES
H17	Muirfield Close, Shotley Bridge, Consett	Medium	Greenfield	27	4	4	67%	2	33%	37	6	6	16.22%	£ 15,210	£ 24,494	£ 840,367	£ 240,367	40.06%	YES
H18	Laurel Drive, Consett	Medium	Greenfield	217	29	31	70%	13	30%	290	44	44	15.17%	£ 147,030	£ 191,980	£ 3,266,256	£ 16,256	0.50%	YES
H19	Knitsley Lane, Consett	Low	Greenfield	232	29	20	69%	9	31%	290	29	29	10.00%	£ 101,400	£ 191,980	£ 2,831,813	£ 81,813	2.98%	YES
H2	Hawthorn House, Durham	Highest	Greenfield	13	2	3	60%	2	40%	20	5	5	25.00%	£ 10,140	£ 13,240	£ 311,194	£ 11,194	3.73%	YES
H20	Rosedale Avenue, Shotley Bridge, Consett	High	Greenfield	35	5	7	70%	3	30%	50	10	10	20.00%	£ 25,350	£ 33,100	£ 1,224,272	£ 224,272	22.43%	YES
H21	Chaytor Road, Consett	Medium	Greenfield	30	4	4	67%	2	33%	40	6	6	15.00%	£ 20,280	£ 26,480	£ 128,335	-£ 121,665	-48.67%	NO
H22	High West Rd Crook	Medium	Greenfield	262	35	39	74%	14	26%	350	53	53	15.14%	£ 125,750	£ 231,700	£ 2,693,670	£ 93,670	3.60%	YES
H23	Spennymoor Day Centre, Spennymoor	Medium	Brownfield	10	2	2	67%	1	33%	15	3	3	20.00%	£ 7,605	£ 9,930	-£ 1,121,425	-£ 1,221,425	-1221.43%	NO
H24	Former Tudhoe Lower School, Spennymoor	Medium	Brownfield	63	9	9	69%	4	31%	85	13	13	15.29%	£ 43,095	£ 56,270	£ 1,268,937	£ 268,937	26.89%	YES
H25	Former Tudhoe Upper School, Spennymoor	Medium	Brownfield	82	11	12	71%	5	29%	110	17	17	15.45%	£ 55,770	£ 72,820	£ 1,558,994	£ 408,994	35.56%	YES
H26	Land to east of Ash Drive, Willington	Medium	Greenfield	150	20	21	70%	9	30%	200	30	30	15.00%	£ 101,400	£ 132,400	£ 2,046,715	£ 46,715	2.34%	YES
H27	Etherley Lane Depot, Bishop Auckland	Medium	Brownfield	9	1	0	#DIV/0!	0	#DIV/0!	10	0	0	0.00%	£ 5,070	£ 6,620	-£ 20,116	-£ 245,116	-108.94%	NO
H28	Former Chamberlain Phipps, Bishop Auckland	Medium	Brownfield	50	0	0	0%	25	100%	75	25	25	33.33%	£ 38,025	£ 49,650	£ 798,710	£ 98,710	14.10%	YES
H29	Bracks Road, Bishop Auckland	Low	Greenfield	37	5	5	63%	3	38%	50	8	8	16.00%	£ 25,350	£ 33,100	£ 699,090	£ 174,090	33.16%	YES
H3	Potterhouse Terrace, Durham	Highest	Brownfield	9	1	0	#DIV/0!	0	#DIV/0!	10	0	0	0.00%	£ 5,070	£ 6,620	£ 275,510	£ 100,510	57.43%	YES
H30	Copelaw, Newton Aycliffe	Mix	1260	0	98	70%	42	30%	1400	140	140	10.00%	£ -	£ -	-£ 4,335,499	-£ 22,683,649	-123.63%	NO	
H31	Eldon Whins, Newton Aycliffe	Medium	Greenfield	61	0	9	82%	2	18%	72	11	11	15.28%	£ -	£ -	£ 629,130	£ 29,130	4.86%	YES
H32	Land at Woodham College, Newton Aycliffe	Medium	Greenfield	89	0	6	60%	4	40%	99	10	10	10.10%	£ -	£ -	£ 699,292	-£ 700,708	-50.05%	NO
H33	Cobblers Hall, Newton Aycliffe	Medium	Greenfield	45	0	3	60%	2	40%	50	5	5	10.00%	£ -	£ -	£ 246,420	-£ 333,580	-57.51%	NO
H34	Land at Eldon Bank Top, Shildon	Low	Greenfield	9	1	0	#DIV/0!	0	#DIV/0!	10	0	0	0.00%	£ 5,070	£ 6,620	-£ 84,428	-£ 184,428	-184.43%	NO
H35	Adj Hunwick Primary School, Hunwick	Medium	Greenfield	18	3	3	75%	1	25%	25	4	4	16.00%	£ 12,675	£ 16,550	£ 20,171	-£ 254,829	-92.67%	NO
H36	North Blunts, Peterlee	Low	Greenfield	51	7	5	71%	2	29%	65	7	7	10.77%	£ 32,955	£ 43,030	£ 171,151	-£ 303,849	-63.97%	NO
H37	Seaham Colliery, Seaham	Medium	Brownfield	256	34	32	71%	13	29%	335	45	45	13.43%	£ -	£ -	£ 3,528,415	£ 28,415	0.81%	YES
H38	Former Seaham School, Seaham	Medium	Brownfield	95	0	0	#DIV/0!	0	#DIV/0!	95	0	0	0.00%	£ -	£ -	£ 1,633,596	£ 283,596	21.01%	YES
H39	Camden Square, Seaham	Medium	Brownfield	10	2	2	67%	1	33%	15	3	3	20.00%	£ 7,605	£ 9,930	-£ 35,062	-£ 185,062	-123.37%	NO
H4	Former Skid Pan, Durham	Highest	Mix	32	5	9	69%	4	31%	50	13	13	26.00%	£ 25,350	£ 33,100	£ 1,777,178	£ 27,178	1.55%	YES
H40	Murton Colliery, Murton	Medium	Brownfield	97	13	14	70%	6	30%	130	20	20	15.38%	£ 65,910	£ 86,060	-£ 8,311,782	-£ 8,611,782	-2870.59%	NO
H41	Dunelm Stables, Thornley	Low	Greenfield	40	5	3	60%	2	40%	50	5	5	10.00%	£ 25,350	£ 33,100	£ 171,532	-£ 228,468	-57.12%	NO
H42	Groves Works, Barnard Castle	High	Brownfield	24	4	5	71%	2	29%	35	7	7	20.00%	£ 17,745	£ 23,170	£ 613,954	£ 13,954	2.33%	YES
H43	Land off Leazes Lane, Wolsingham	High	Brownfield	28	4	6	75%	2	25%	40	8	8	20.00%	£ 20,280	£ 26,480	£ 1,017,613	£ 217,613	27.20%	YES
H7	Cook Avenue, Bearpark	Medium	Greenfield	136	0	26	76%	8	24%	170	34	34	20.00%	£ 101,400	£ 112,540	£ 1,684,087	£ 184,087	12.27%	YES
H8	Cook Avenue North, Bearpark	Medium	Greenfield	37	5	5	63%	3	38%	50	8	8	16.00%	£ 25,350	£ 33,100	£ 620,993	£ 70,993	12.91%	YES
H9	Land adj to Woodlands, Langley Park	Medium	Greenfield	18	3	3	75%	1	25%	25	4	4	16.00%	£ 12,675	£ 16,550	-£ 31,876	-£ 281,876	-112.75%	NO