For: Nuneaton & Bedworth Borough Council

Nuneaton & Bedworth
United to Achieve

Viability Assessment to support the Borough Plan Review

Final Report
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DSP22792

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High level summary

Introduction

1. This viability assessment report together with appendices contributes to the evidence base for the Nuneaton and Bedworth Borough Plan Review (BPR) 2021 - 2039 – alongside the Council's evidence on housing, infrastructure, other needs and factors all influencing the local approach to sustainable growth.

2. The work informing the reporting that follows was commenced for the Council (N&BBC) by Dixon Searle Partnership (DSP), a consultancy highly experienced in viability in planning, in April 2022. Initial findings were shared and discussed with N&BBC in June 2022. The assessment continued to be supported by two-way information exchange and dialogue between the Council and DSP, leading to its completion in July – August 2023. Its purpose has been to inform and support the further development of the BPR policies with an overview of how the policy selections are likely to influence the viability of developments (meaning their likely financial "health").

3. Accordingly, the assessment has tested the cumulative effect of all requirements (i.e. when considered collectively) – both national and local, as influenced by the BPR policy proposals, alongside the typical costs of development.

4. The focus here has been on housing development, this being the key strategy and policy area over which a local planning authority through its 'Plan Making' has the most influence on development viability owing to the range of policies typically guiding the needed growth (range of new homes provision) and their development sustainably.

5. DSP has worked N&BBC for a number of years on strategic level viability – since 2013. In September 2020 we completed a Community Infrastructure Levy (CIL) Viability Assessment for the Council. Although subsequently a decision was made not to proceed with a CIL, the Council is still able to use that evidence. We have not revisited the viability of a wide range of commercial / other non-residential uses in this BPR assessment, although our updated market reporting information includes some latest data extracts on that – for N&BBC's wider information.

6. With no CIL in place, and not immediately planned, the continued use of section 106 (s106) planning agreements is envisaged for securing infrastructure / development mitigation as well as the affordable housing. Therefore, assumptions have been made on s.106 whereby a range of potential cost levels has been tested. Through the much-publicised intended planning reforms, the government still aims to introduce a new form of 'Infrastructure Levy' (IL) but this appears a long way off in terms of widespread implementation.

7. The National Planning Policy Framework (NPPF) expects there to be clarity provided by Local Plans on the level of developer contributions that will be required to support new sustainable development. The Planning Practice Guidance (PPG) sets out how development viability should be considered in this context, so that development schemes can remain able to come forward viably whilst providing appropriate infrastructure and development mitigation. This assessment has been conducted accordingly, using well established good practice and informed by longstanding experience of the role of viability in planning - through to local plan examination stages and implementation of policies at decision taking (decision making / development management) stage in respect of affordable housing and other matters.

Approach and further context

8. This has been done through reviewing the cumulative (collective) effect of the BPR policy proposals to explore and re-check to what degree the local property market is likely to be able to support the planning policies and obligations that the plan review proposes. Using assumptions representing development costs as have been researched and considered with the Council, and reflecting also on stakeholder consultations, the assessment methodology deducts estimated development costs from estimated development values (completed values on sale – i.e. gross development value or 'GDV'). This is within a calculation method known as residual valuation and the following report provides further information on both the principles involved and the detail of this. This calculation – a high-level development appraisal – is run a great many times to represent a wide range of circumstances including varying housing development types, values, site types, policy cost influences, etc. – a comprehensive range of scenario testing and sensitivity tests. Run in this way, we can explore and share with the plan makers how various matters influence development viability.

9. As is typical and appropriate, this methodology is applied using, in the main, development 'typologies' which are assumed scenarios set up following the information gathering and discussions with the Council. The typologies based review is then supplemented and further informed by looking more specifically (using particular site information as far as available) at relevant strategic scale development which is considered key to the BPR delivery overall.

10. In this case, a sample of larger proposals were selected for more specific review, through discussion with N&BBC. The selection was based on sites which at the time were at earlier stages towards their delivery rather than those where planning has substantially progressed, or development is underway (given this is a review of the relatively recently adopted local plan - 2019). The report sets out the particular assumptions applied for these appraisals alongside others common to the broader assessment and provides our current stage viability indications on these having first considered the further typologies based viability review.

11. The calculation (development appraisal) results each time in a residual land value ('RLV') which indicates the level of residual (i.e. potential amount left over for land cost) after allowing for all other development costs including those related to the BPR policy proposals.

12. The RLV indicated from each test (appraisal) carried out in this way is then compared to an appropriate level or levels of benchmark land value (BLV) assessed based on the existing use value (EUV) of various potential site types plus a landowner's premium reflecting the need, usually, to incentivise the release of land from its existing use. This principle is known as 'EUV plus' (or EUV+) and is a key component of viability in planning – reflecting the PPG. Where the appraisal outcomes (RLVs) meet or exceed representative site BLVs, developments are considered viable when including all the development cost assumptions used as inputs (i.e. including the appraised policy costs, all viewed together). As can be seen through the results presented in the assessment Appendices, overall, the making of this strategic overview involves a great many appraisals to inform judgements.

13. Reflecting the likely role of various site (land) types, the BLV levels used range from £250,000 to £500,000/ha (pounds per hectare) for greenfield (larger/strategic and smaller site releases respectively) and higher levels up to or perhaps in some cases beyond £1,250,000/ha (£1.25m+) potentially applicable for some previously developed land (PDL – i.e. brownfield sites). The influence of this element, and particularly on PDL, tends to be highly variable across a wide range of site types and existing uses. However, it is estimated that in the BPR around

85%+ new dwellings will be accommodated on greenfield (GF) land and so largely it is those lower BLVs that will be relevant. The typically higher PDL BLVs will be relevant in a much lower proportion of development, overall.

14. Assumptions for use in the appraisals are considered and set with the BPR overview in mind; not related only to current economic circumstances, planning reform / uncertainties and housing market trends - within which the environment for development is more challenging than is typical overall, longer term.

15. The effect of varying sales values is considered by using a range of test value levels (VLs) that are informed by reviewing Land Registry data and other research. Build cost assumptions are made by reference to the Building Cost Information Service (BCIS). A range of other typical high level development appraisal assumptions are used to reflect matters such as site acquisition costs, works contingencies, external/site works, professional fees, finance costs, developer profit (base assumption 17.5% GDV being mid-way in the range guides by the PPG for plan making) and costs of sale.

16. The BPR does not propose to go beyond national level policy requirements on sustainable development either on standards or timeline (for example in regard to climate change response). Nevertheless, national requirements have increased and are set to do so further, which costs are all reflected fully alongside the general development costs and new LP policy influences on viability. There are added costs assumptions, relative to historic / current levels, reflecting matters such as carbon reduction, biodiversity net gain (BNG), electric vehicle charging provision and accessible and adaptable homes (as per national requirements).

17. The one area that the BPR exceeds national policy expectations on – as affects viability - is the provision of a targeted 5% new dwellings to meet Building Regulations Part M4(3). This exceeds the requirement for all new dwellings to meet M4(2) standards. A cost assumption has been made for both elements.

18. With typical development costs reflected and all directly viability influencing policies (both national and proposed through the BPR) represented with further cost assumptions, the focus has been on re-testing and reviewing the suitable affordable housing (AH) policy headline - % level – alongside this. AH has been viability tested at the proposed 25%, and further sensitivity tested at both 20% and 30%.

19. Common to all such assessments, of all the various policy impacts that are influenceable locally, the affordable housing provision is seen to have by far the most significant effect on viability. The AH viability impact comes from the fact that although its development costs broadly the same as market housing, overall its value on a mixed AH tenure basis is often not more than around half of market value (a general approximation only, for the purposes of highlighting the degree of its effect typically and not just in Nuneaton & Bedworth Borough).

20. The influence of market housing sale values (which along with the value of the affordable homes and any other development uses make up the GDV – i.e. gross development assumption) has been sensitivity tested across a range overall £2,800 - £4,200/m^2 (pounds per square metre / sq. m) overall i.e. approximately £260 to £390/ft^2 (pounds per square foot / sq. ft.). The typologies assessment of specialist accommodation (sheltered / retirement and extra care housing) has considered premium (higher value) levels too. Within this overall picture, in our view the middle part of this range is the most relevant at this stage.

21. A key theme to address is the long timeline of the LP which is likely to be operated through varying economic and market circumstances, but whilst also acknowledging current and short term circumstances. The latter may well be seen to be reflected in poorer sales performance and / or greater development risk (reflected in development profit) in the coming period.

22. Reflecting this, it is important to consider that while the current economic and property market uncertainty is acknowledged and may flow through into early Plan stage delivery considerations, as only time will tell, the Plan is set to run over the long timeline to 2039. As such it is not appropriate to consider or set strategy and policy only based upon circumstances as experienced right now or even in the coming period – shorter term of up to the next few years, perhaps. Rather, a genuinely strategic overview and judgments are both needed and appropriate; around a range of assumptions, sensitivity tests and potential policy implications (both local and national) envisaging the planned development delivery and related infrastructure provision over the longer timeframe, through likely varying economic and other circumstances.

Findings

23. On the basis described in the full reporting that follows (including again the appended information on assumptions, findings and appraisal summaries), we have found the Borough Plan review policies as now proposed for the development plan area of Nuneaton & Bedworth Borough to be suitable in viability terms, viewed together (i.e. 'cumulatively' as above).

24. We consider that the BPR approach will continue to leave developments having the ability to come forward viably, working from a backdrop of successful affordable housing (AH) delivery overall under the 2019 adopted Borough Plan. Although there are now additional policy costs to reflect, and assumptions have been made accordingly, only the 5% dwellings to M4(3) enhanced accessibility standards exceeds the updated national requirements. In all other respects as regards assessing viability in plan making, the Council's BPR approach is consistent (i.e does not exceed) the wider expectations. Further to this, key local context is that a great majority of planned new homes are set to come forward on greenfield (GF) sites, where the lower land costs (as viewed through the viability assessment benchmark lane values (BLVs)) typically support greater headroom for planning infrastructure costs including affordable housing. The Council needs to do all possible to address AH and other needs, in balance with viability.

25. On this basis, making our proportionate assessment and appropriate overview as per the PPG, we find that whilst the available viability is unlikely to regularly support more than 25%, that should remain an appropriate policy headline for the BPR.

26. The findings apply to both the general nature of development represented (as above) through the typologies based review and the strategic scale development that has been considered here, with 3 no. proposed larger site allocation proposals tested using currently available information to inform appraisal assumptions (all reflecting close liaison with N&BBC as well as picking up on stakeholders consultation feedback as far as available). The proposals have been found to have reasonable prospects of viability with the tested policies. Again, the following report sets out the detail in a comprehensive approach to viability in planning at the plan making stage.

27. DSP will be pleased to assist with any queries or further work should our input be required by the Council during or following the forthcoming Local Plan consultation period (Regulation 19

stage) and indeed subsequently as the Plan proposals progress towards examination and adoption.

High level summary ends

Final Report (DSP v6)

1. Introduction

1.1 Introduction, Background & Report Purpose

1.1.1 Nuneaton & Bedworth Borough Council are in the process of preparing a Borough Plan Review (BPR) to replace the current Nuneaton & Bedworth Borough Plan (N&BBP) adopted on 11th June 2019. The Council committed to undertaking an immediate review of the Plan following the publication of the updated National Planning Policy Framework (NPPF).

1.1.2 The Council consulted on Issues and Options stage (Regulation 18) between 11th June 2021 and 6th August 2021. A further consultation on the Preferred Options Plan (an informal stage between Issues and Options and Publication stages) was undertaken between 13th June and 22nd July 2022.

1.1.3 The Council are continuing preparation of the BPR with Regulation 19 pre-submission consultation planned for Autumn 2023 and submission to Secretary of State (Regulation 22) in late 2023 / early 2024.

1.1.4 The BPR must be prepared in accordance with the requirements set out in the National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG) – as updated 2018 and in some respects further amended through to 2021. Viability testing is an important part of the plan-making process. The NPPF includes a clear requirement to assess viability of the delivery of Local Plans and the impact on development of policies contained within them. The key guidance on how to address this is within the PPG, while other publications also provide reference sources.

1.1.5 In light of the above, the Council commissioned DSP, an experienced consultancy in the field of viability in planning, to carry out this viability assessment. The assessment is required to ensure that the draft LP vision, objectives, policies and proposals (individually and cumulatively) are viable, and the plan is deliverable.

1.1.6 The assessment provided here involves two main elements. The first being the review of financial viability using a site typologies approach (test scenarios representing a range of site types / development schemes likely to come forward through the emerging BPR).

1.1.7 The second element consists of a more specific review of strategic scale development based on specific sites as far as possible (informed by available information) at the study stage, where that is important in delivering the aims and objectives of the Plan (BPR) overall. Owing to various stages of progression having been reached towards or through the decision taking (planning application i.e. development management) stage, 3 proposed allocation sites were considered in more detail in order to further test the proposed policy positions. Those were Arbury (SHA-2 – based on c. 1,525 dwellings), Judkins / Tuttle Hill (SHA-3 with c. 350 dwellings) and Bowling Green Lane (SEA-6 comprising of a proposed c. 150 dwellings and c. 19 ha employment land provision). The BPR policies on the above sites refer to the noted dwelling numbers as approximate and indicate the proposed levels of development to be 'at least' the provided numbers.

1.1.8 During the earlier stages of the assessment DSP provided the Council with emerging i.e. interim findings to assist with policy development and guide on like viability at early project stages. Within our Findings review section (3) towards the end of this report, we will first outline those emerging findings (provided to the Council June 2022). To the point of this final reporting (completed July – August 2023) all assumptions have been reviewed and updated to ensure the evidence is as up to date as possible.

1.1.9 The approach taken is consistent with DSP's long running and wide experience of similar assessments applying the same principles and methodology, undertaken reflecting the local characteristics.

1.1.10 This assessment has been initiated, built on and progressed through regular close dialogue with the Council's officers (and contact with others involved in contributing to the BPR evidence base) since project inception. This has been a two-way process, with our work both informing the BPR policies development as it progressed through evolving information and feedback provided by the Council.

1.1.11 Consistent with much our strategic viability assessment work, and particularly in recent years, the approach to / phasing of our brief and in particular the overall project timing has changed during the course of the work. As we have found to happen frequently, there have been pauses during the assessment resulting in an extended project period overall. Nevertheless, this has been an effective process with the dialogue continuing (and most recently allowing for) the assessment of latest policy iterations and refinements up to the publication of this report.

1.1.12 This viability assessment has been produced in the context of and with regard to the NPPF, PPG (including crucially on 'Viability' but also consistent with other PPG sections such as on First Homes) as well as other Guidance[1] applicable to studies of this nature. After setting out the assessment context, purpose and general approach within this 'Introduction' section, the following report structure, on the study detail, is presented over two main sections as included below (brief outline here):

- Methodology – approach to the study, residual valuation methodology, assumptions basis and discussion.

- Findings Review – overall results review based on the findings from the typologies and site specific assessment work. Focussing on the available strength of viability in the BPR area in relation to supporting affordable housing (AH) proportions (%s) as far as possible bearing in mind affordable housing need; and when considered cumulatively alongside local and national emerging policies, including in areas such as climate change response (sustainable development / carbon reduction) and all other areas considered likely to have a direct influence (through a cost impact) on the viability of developments in the BPR area.

1.1.13 The testing of Local Plans for viability does not require a detailed appraisal of every site anticipated to come forward over the plan period, but rather a proportionate test of a range of appropriate site typologies that reflect the potential nature mix of sites likely to come forward. The process should however include more specific consideration of any key proposals upon which the Plan relies overall for the delivery of its growth objectives – e.g. particular strategic sites and especially where there has not been more specific work underway already as schemes progress to or reach DM stage.

1.1.14 Equally, the local plan viability assessment does not require an appraisal of every likely policy but rather the emerging policies that may to have a direct quantifiable bearing on

[1] Including now the latest RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' (March 2021 effective 1st July 2021); 'RICS Professional statement on Financial viability in planning – conduct and reporting' (1 September 2019) and 'Local Housing Delivery Group – Viability Testing Local Plans' (Harman, June 2012)

the overall development costs. In our experience this type of assessment involves a focus primarily on the viability prospects and potential policies associated with housing development. This is because the scope of the Council's influence over the viability of other forms of development (i.e. non-residential / employment / commercial) through local planning policy positions is typically much more confined. There is no equivalent to affordable housing policy having such a significant effect, or to the increased range of standards relevant to residential development. In this case, the extent of emerging policy influence on the viability of wider development uses is limited, essentially, to the sustainable construction, biodiversity and development objectives of the emerging Plan.

1.1.15 As discussed briefly above, the overall assessment approach has applied sensitivity testing to explore the likely impacts of the potential policy costs - including on a range of affordable housing requirements combined with allowances for meeting the requirements of other policies emerging through the local plan process (as well as those applicable at a national level). This covers areas such as carbon reduction measures, Biodiversity Net Gain (BNG), water usage efficiency and space standards.

1.1.16 In practice, within any given scheme there are many variations and details that can influence the specific viability outcome. Acknowledging that, this work provides a high level, area-wide overview that cannot fully reflect a wide range of highly variable site specifics.

1.1.17 The point in time and prevailing economic and housing / property market conditions as schemes come forward can also greatly affect the circumstances around particular developments. It is necessary to consider also that the BPR will be delivered over a relatively long timeframe and most likely through varying economic cycles, meaning that taking only an immediate / short term view of assumptions and judgements is not appropriate in this context (whereas it will be more so in most DM stage – PPG 'decision taking' – situations). All in all, there are many variables involved. Such an assessment seeks to take a course through the consideration of these and how they come together in looking at the potential for developments to be viable - at this strategic level.

1.2 Nuneaton & Bedworth - Profile

1.2.1 The emerging Borough Plan Review sets out the spatial characteristics of the Plan area. This report section provides an outline only, feeding into the consideration of the local characteristics that are influencing the emerging Plan direction and therefore the review of policies and their viability in the relevant local context. The Council's wider evidence base provides an extensive range of information on the nature of the BPR area, and the related planning issues and opportunities.

1.2.2 Nuneaton & Bedworth Borough is located between Coventry and Hinckley and is one of five boroughs/districts in Warwickshire. The borough is largely urban with two market towns – Nuneaton and Bedworth as well as the large village of Bulkington to the east of Bedworth, all of which are separated by areas of countryside that are designated Green Belt. Several smaller settlements are located in the south of the borough. The borough has a population of 130,373[2].

1.2.3 Amongst the range of strategic objectives of the Council the spatial development strategy identifies a focus on the majority of planned sustainable growth within appropriate locations in the borough. The Plan identifies the spatial areas of Nuneaton, Bedworth, Bulkington and the northern Coventry fringe as the most sustainable locations for growth.

1.2.4 Most new residential and employment development is planned to be directed to Nuneaton as the primary town. Other development will be directed to other settlements as a scale that reflects the role and function of the settlement and its order in the settlement hierarchy. The settlement hierarchy is as follows:

1. Nuneaton has the primary role for employment, housing, town centre, leisure, and service provision.
2. Bedworth has the secondary role for employment, housing, town centre, leisure, and service provision.
3. Bulkington has the tertiary role for housing, shopping, leisure, and local services. Bulkington is served by a district centre.

[2] As of 2022

4. ‘Northern fringe’ of Coventry. This includes Keresley and Ash Green / Neal’s Green. These areas have supporting roles for housing, shopping, and local services. Ash Green is served by a local centre.

1.2.5 The latest BPR document (Policy DS3 – Overall Development Needs) refers to a planned for 9,810 new homes based on 545 per annum over the period to 2039. DSP’s review of the proposed site supply is such that approximately 2/3 sites are greenfield (GF) as opposed to PDL (previously developed land i.e. ‘brownfield’ sites). These are set to provide at least 85% (our analysis suggests approximately 88%) of the overall new dwelling numbers, with up to approximately 15% planned to be accommodated on PDL.

1.2.6 In addition to the residential development proposals, the BPR refers to the provision of approximately 68 ha new employment land allocation, approximately 19 ha for strategic warehousing / distribution provision and 2ha further employment land for the provision of office space.

1.3 National Policy & Guidance

1.3.1 The requirement to consider viability stems from the National Planning Policy Framework (NPPF)[3] which says on *‘Preparing and reviewing plans’* at para 31: *‘The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.’*

1.3.2 NPPF para 34 on *‘Development contributions’* states: *‘Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.’*

1.3.3 The updated national Planning Practice Guidance (PPG) on ‘Viability’, published alongside the NPPF in July 2018 and most recently updated on 1 September 2019, provides more comprehensive information on considering viability in plan making, with CIL viability

[3] At the time of writing further changes to the NPPF were being proposed by Government.

assessment following the same principles. The Planning Practice Guidance on Viability states:

'Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types of site or types of development…Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan'.

1.3.4 The PPG states that site promoters should engage in plan making and should give appropriate weight to emerging policies. The latest revision to the PPG (paragraph 006) increases the emphasis on viability at the plan-making stage; therefore, if a planning application is submitted which proposes contributions at below the level suggested by policy, the NPPF expectation is that the applicant will need to demonstrate what has changed since the Local Plan was adopted.

1.3.5 However, the PPG (paragraph 010) is clear in stating that: '*In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission*'.

1.3.6 Although work has been undertake and a Draft Charging Schedule published, the Council has to date not further progressed the putting in place of a Community Infrastructure Levy (CIL) Charging Schedule (CS), preferring to continue with securing development mitigation and infrastructure requirements under s106 of the Town and Country Planning Act 1990 (further details on the level of planning obligations assumed at this stage are set out later in this report and appendices). DSP worked with the Council to prepare a viability assessment to inform the potential adoption of the CIL locally (CIL Viability Assessment Reported September 2020 under DSP ref. 20701). That assessment took full account, cumulatively, of the policies of the existing Borough Plan – adopted June 2019. Looking further back, DSP has worked with N&BBC since 2013, informing the adopted Plan (2011-2031) with viability evidence.

1.3.7 Within this study, allowances have been made for the cost to developers of providing affordable housing and complying with other planning policies fully (based on assumptions relevant to testing allied to the BPR). This is whilst factoring-in the usual costs of development (build costs, fees, contingencies, finance, costs of sale, profit and land value).

1.3.8 The consideration of the collective planning obligations (including the potential CIL rates outlined in the draft CS, affordable housing and other infrastructure requirements) cannot be separated. The level of each will play a role in determining the potential for development to bear this collective cost. Each of these cost factors influences the available scope for supporting the others, which links back to 'striking a balance'.

1.3.9 Further relevant information is contained in the publication 'Viability Testing Local Plans – Advice for planning practitioners' published in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman (known as the 'Harman' report[4]). That sets out a stepped approach as to how best to build viability and deliverability into the plan preparation process and offers guidance on how to assess the cumulative impact of policies within the BPR, requirements of SPDs and national policy. It provides some still useful practical advice on viability in plan-making and its contents should be taken into account in the Plan making process.

1.3.10 Planning and in particular national policy are constantly evolving processes, particularly at the current time. A viability assessment such as this is carried out at a point in time based on knowledge of the system and policies in place at that time or taking into account likely changes to policy moving forward (through sensitivity testing). It needs to be

[4] 'Local Housing Delivery Group – Viability Testing Local Plans' (Harman, June 2012)

acknowledged however that no study can cover every future eventuality and without re-starting projects at great cost. It therefore needs to be accepted that there may be cases where an update to an assessment such as this may be required as the Plan moves forward to Examination.

1.3.11 During the course of carrying out this assessment (viability review work undertaken and related latest dialogue with the Council between 2022 - 2023) the Government has both consulted on and more generally considered potential short term and longer-term reforms to the planning system in England and Wales. Previously, the White Paper: Planning for the Future consultation (August 2020) sought views on wholesale reforms to the planning system which in some respects would make it almost unrecognisable from the system under which this assessment and the BPR are being produced. A second consultation – 'Changes to the current planning system' looked at shorter term objectives including the introduction of a First Homes policy[5] and temporary increase in the national affordable housing threshold[6]. The Government's response to its consultation[7] concluded that: '*On balance, we do not consider this measure to be necessary at this stage, particularly in light of the broader way in which the sector has responded to the challenges of the pandemic and the other measures we have available to support SMEs. We therefore do not think any change to existing policy is currently needed*'. The later topic appears to have been revisited recently by government to an uncertain extent, but so far there has been no move to raise the affordable housing policy general threshold from the 10 or more dwellings (reflecting 'major' development) level (subject to potential forthcoming changes via the proposed 'Infrastructure Levy').

1.3.12 The longer-term major reforms proposed in the White Paper look likely to have a significant impact on the setting of planning policy and the way in which policy and wider plan development is considered, running also into the operation of policies. The Government's proposals include a wholesale reform of CIL. An Infrastructure Levy (IL) may be introduced across the country, over time, for all Local Authorities (including those without a CIL currently) in an overhaul of current arrangements in regard to both CIL and

[5] Policy that requires a minimum of 25% of affordable housing to be First Homes for sale at a minimum discount of 30% of market value.
[6] The government consulted on whether to increase the current affordable housing threshold (where affordable housing may be sought from developments of 10 dwellings or more) to 40 or 50 dwellings for a temporary period.
[7] https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-first-homes-proposals-in-changes-to-the-current-planning-system (April 2021)

section 106 (s.106) planning obligations agreements, such as continue to be relied upon in Nuneaton & Bedworth and many other areas.

1.3.13 During 2022 the Department for Levelling Up, Housing and Communities (DLUHC) introduced planning reforms, ushered in via the Queen's Speech and set out in the Levelling Up and Regeneration Bill (May 2022). Further, yet more planning reform proposals were put forward through the Chancellor's September 2022 "mini-budget" that lead to speculation of further revisions to this new Bill; or scrapping it altogether. Latest developments have led to the Government consulting on "Levelling-up and Regeneration Bill: reforms to national planning policy" in December 2022 with the consultation ending on 2 March 2023.

1.3.14 There is therefore significant uncertainty about when we will know more and what any new arrangements might be. Given these wide-ranging, proposed planning reforms are not yet confirmed, we are unable to comment at this stage on what the impact may be on the viability assessment or indeed on the BPR or future infrastructure levy. The proposed wider reforms may not ultimately take the form envisaged and there could be a considerable amount of time taken before any changes enter the planning system.

1.3.15 However, in respect of First Homes, by Written Ministerial Statement 24th May 2021 the Government confirmed the introduction of a requirement for these to be delivered via section 106 of the Town and Country Planning Act 1990. Therefore, this study fully reflects the inclusion of First Homes in reaching all latest viability results and recommendations.

1.3.16 According to the Act and supporting guidance ('First Homes' is now a section of the PPG – added 24th May 2021) a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes with a minimum discount of 30% of market value (MV). Increased levels of discount can be considered (at 40% or 50% of MV) subject to demonstrating appropriate need – although we understand the discount selection to be an area wide matter aside from the potential for Neighbourhood Plan areas to look at this more specifically. After discount, the First Homes must be available on the basis of not exceeding a price cap of £250,000 (cap figure outside London).

1.3.17 In addition to the above, during 2019 the Government consulted on and sought views on plans for a Future Homes Standard (FHS) for new homes from 2025, and proposed options for an interim increase to the energy efficiency requirements for new homes ahead of that. The consultation proposed that from 2025, new homes built to the Future Homes Standard will have carbon dioxide (CO_2) emissions at least 75% lower than those built to pre-FHS interim standards (standards applicable prior to the Building Regulations update in 2022).

1.3.18 Introducing the Future Homes Standard will ensure that the homes needed will be fit for the future, better for the environment and affordable for consumers to heat, with very high building fabric standards and low carbon heating.

1.3.19 The government's current approach is such that all homes will be 'zero carbon ready', becoming zero carbon homes over time as the electricity grid decarbonises, without the need for further costly retrofitting work.

1.3.20 The interim standard is such that carbon reduction of 31% over prior levels is required and this is now reflected through changes to the Building Regulations (Part L) that have become effective from 15th June 2022. In turn this reflects the direction of travel towards zero carbon, at this stage leading next to the wider implementation of the FHS from 2025 whereby it is expected that a reduction in CO_2 of 75% from pre-June 2022 standards will be achieved, as above.

1.3.21 We understand from Nuneaton & Bedworth Borough Council that the aims and direction of travel on this aspect – sustainable construction and development – seeks to follow the Government's timeline i.e. reflect the Future Homes Standard. Further information on the assumptions used in this study is provided in Chapter 2 and within the appendices to this report – Appendix I particularly.

2. Methodology & assumptions

2.1 General approach

2.1.1 The assessment as described in this report has involved an ongoing approach to informing and subsequently supporting the policies of the Borough Plan Review and all conducted based on dialogue with the Council – with information feeding into and out of the study. To recap, there are two elements or stages to this process that have taken place since April 2022 with pauses in the process reflecting Council consideration of issues such as overall housing numbers and need.

2.1.2 The first ‘stage’ considered the general viability of the Plan’s proposed policies through the testing of ‘site typologies’ that allowed DSP to provide emerging / initial findings and feedback on policy development through the assessment process by carrying out sensitivity testing; leading to interim feedback (emerging findings) for N&BBC in June 2022. This provided some high-level findings and recommendations for the Council to consider based on potential policy options / scope discussed at the time; particularly in relation to the affordable housing policy approach.

2.1.3 Then, through a process of ongoing dialogue reflecting wider emerging evidence (feeding into and out of the assessment) and further assumptions development, this progressed to our current reporting. The second ‘stage’ (also contained within this report but carried out after the site typologies / policies testing) considers specific site allocations / strategic sites in order to consider the cumulative policy effects on sites that have a significant role in delivering the BPR vision.

2.1.4 For each appraisals stage, prior to fixing assumptions, necessarily at a point in time, and as outlined in the following sections we have undertaken an extensive information review. This has included property market research, with stakeholder consultation also undertaken as part of our assessment work. As a part of this, a review of the potential policy proposals has enabled us to assess which are considered likely to have a particular development cost impact, or additional cost implications over and above the typical costs involved in the development process. Those typical costs being, for example, build costs utilising the costs information from established sources such as the Building Cost

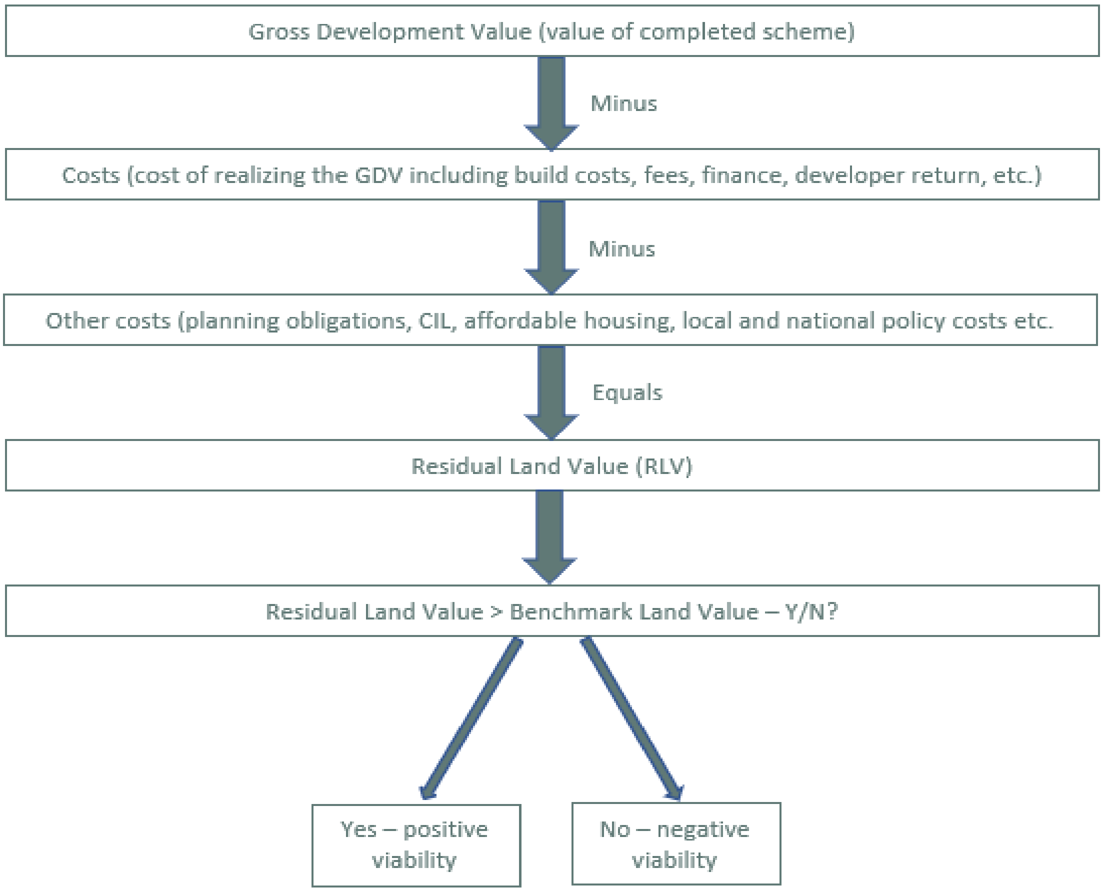
Information Service (BCIS), associated fees and contingencies, finance, sale costs, development profit and land costs. As part of Appendix I we include our 'Policy Analysis' overview, which considers the likely level of influence of various policy positions and therefore their relevance directly (or otherwise) to the viability assessment assumptions. The assessment focus is on the policies which will contribute to impacting the viability of developments as part of the cumulative costs involved in completing schemes under the scope of the BPR.

2.1.5 Collectively, this study therefore investigates the potential viability and, therefore, deliverability of the BPR and its policies and obligations - including the affordable housing requirements and an early review of the viability prospects for larger / strategic scale development that is key to the delivery of the BPR housing numbers as a whole.

2.2 Residual valuation principles

2.2.1. The most established and accepted route for studying development viability at a strategic level, including for whole plan viability (but also used for site-specific viability assessments) is residual valuation. This is also consistent with the relevant guidance described above. Figure 1 below sets out (in simplified form only) the principles of the residual valuation calculation, which is the methodological basis of the appraisals sitting behind our results and findings at all stages.

Figure 1: Simplified residual land valuation principles



(DSP 2023)

2.2.2. Having allowed for the costs of acquisition, development, finance, profit and sale, the appraisal results show the sum that is potentially available to pay for the land – i.e. the residual land value (RLV).

2.2.3. This assessment is consistent with the NPPF and accompanying PPG on Viability, with the NPPF no longer containing any reference to competitive returns to a 'willing landowner' and 'willing developer'. The emphasis has moved away from a market value based approach to land as may have been used or carried greater influence in the past. The PPG on Viability has for some time now made it clear this benchmark land value (BLV) should be based on Existing Use Value (EUV) and states:

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

2.2.4. The NPPF and associated PPG on Viability indicate a greater link than previous between the role of strategic level viability work such as this assessment and the decision making (development management of planning applications/delivery) stage. The national approach has moved more towards a general acknowledgement that the main role of viability should be at the plan making stage.

2.2.5. However, and consistent with our experience in practice to date, it appears likely that there will still be a role, albeit at a reduced level, for planning application stage / site-specific viability reviews but that it is '*up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage'*[8]. An indication of the types of circumstances where viability could be assessed in decision making is also included in the PPG. These include: '*for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force'*[9]. There is the potential for the development of some site typologies or sites identified by the Council to need to overcome abnormal issues and support added costs. The national approach recognises

[8] https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment (Paragraph: 006 Reference ID: 10-006-20190509 Revision date: 09 05 2019

[9] https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment (Paragraph: 007 Reference ID: 10-006-20190509 Revision date: 09 05 2019

that within this picture and / or at certain stages in the economic cycles there could be sound reasons for site-specific viability evidence to be brought forward at the delivery stage in such circumstances; as a part of ultimately settling the development details and exact degree of support that can be maintained for planning obligations to secure infrastructure. This is, of course, prior to any changes that may be eventually brought forward through any national Infrastructure Levy.

2.2.6. The range of assumptions that go into the RLV appraisals process is set out in more detail in this chapter. Further information is also available at Appendices I (Assumptions overview) and IV (research – market / values information review).

2.3 Stakeholder consultation

2.3.1 National policy and guidance reflects the need for and value of stakeholder engagement. Consistent with our established practice for strategic viability assessments, DSP sought soundings as far as were available from a range of development industry stakeholders as assumptions were considered in earlier stages of this overall assessment. This offered an engagement opportunity to a wide range of locally active organisations and interests, with a view to gathering feedback on our emerging study approach and inputs - to help inform the assessment.

2.3.2 This engagement process was conducted by way of three survey type exercises seeking information and views with which to help test our emerging assumptions at the early project stages, followed up with key participants as appropriate. The approach set out our initial draft assumptions and testing ideas, with the opportunity provided for the stakeholders to then comment on those emerging positions or suggest alternative assumptions with reasoning. Generally, the approach involved inviting pointers or examples from local experience. These were issued as follows: -

- Development Industry – range of active or potentially active stakeholders in the Plan area with organisations and contact points as informed by the Council, including local property agents, developers, housebuilders, planning agents and others.

- Key Site Promoters/Agents – in relation to the strategic and site allocations, site promoters or their representatives were contacted as well as the wider development industry exercise, with a bespoke site-based survey document requesting more specific information as far as available at the time including relating to any initial estimates of infrastructure requirements, land use, ownership and any value indications, early development costs and values assumptions, site abnormals and any indicative potential phasing/delivery indications, etc.

- AH Providers – range of locally active affordable housing providers again as informed by the Council and its housing enabling work. Whilst also invited to comment more generally, these organisations were issued with a narrower survey requesting information more specifically related to the consideration of the AH revenue levels that might be expected by developers on constructing and transferring affordable homes to the RPs, and related assumptions.

2.3.3 As part of this process, a full record of all stakeholder interaction is kept, including a log indicating the parties contacted, reminders issued, the feedback responses and level of response overall. Given potential commercial sensitivities / confidentiality in some instances, the details of the responses received are not included within our published report. However, this has all contributed to the overall information review, further informing both the consideration of the assumptions range, and the review of and judgments made around the results in the earlier and subsequent assessment stages. All in all, the work is informed by a combination of sources, including the Council and its supplied information, our own extensive research process and experience and supplemented through the relevant stakeholder sourced feedback as far as available at the time.

2.4 Scheme development scenarios (residential typologies)

2.4.1 The scenarios (typologies) modelled as part of this assessment reflect the variety of different types of development that are likely to be brought forward through the planning process across the plan area. They include a mix of residential and commercial / non-residential test scenarios. Through this work, this informed the development of local plan policy and provided guidance that has enabled viability to be tested in a way that reflects the likely range of future housing supply characteristics, informed also by the local experience of development to date. This appropriately informs the development of local plan policy alongside an assumption on the level of planning obligations (infrastructure requirements) that is in place for the time being. All with the key aim of operating an appropriate balance between policy requirements (including provision of affordable housing and infrastructure funding) and the objective of developments being able to continue to come forward viably on the basis of both the community needs and the commercial drivers being met as far as possible in the available circumstances.

2.4.2 While this cannot be and does not need to be an exhaustive exercise as the guidance recognises, in order to adopt a relevant range of residential development typologies, we have considered with N&BBC the broad nature of the housing supply expected to come forward over the emerging plan period – up to 2039.

2.4.3 A full range of housing development typologies have been tested over a range of value levels (VLs) representing varying residential sales values considered appropriate at the time of review across the BPR area by scheme location / type. As well as looking at the influence of location within the BPR area, this sensitivity testing approach allowed us to consider the potential impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) as well as how this key assumption may vary by location, development type and scale.

2.4.4 A summary of the residential scheme typologies is shown at Figure 2 below, with the full detail set out in Appendix I.

Figure 2: Residential site typologies

Scheme Size Appraised	Type	Site type
1	House	PDL
5	Houses	PDL/Greenfield
10	Houses	PDL/Greenfield
15	Flats	PDL
15	Houses	Greenfield
15	Houses	PDL
30	Flats (Sheltered)	PDL
50	Mixed	Greenfield
50	Mixed	PDL
50	Flats	PDL
60	Flats (Extra Care)	PDL
100	Mixed	Greenfield
300	Mixed	Greenfield

(DSP 2023)

2.4.5 In addition to the use of the site typologies approach, this assessment considers the viability of a set of specific site allocations and strategic scale sites that have been requested by N&BBC to be appraised at a high-level utilising latest cost and values assumptions (including reflecting the latest policy proposals, IDP and potential associated costs).

2.4.6 A summary of the site allocations / strategic sites scenarios tested is shown in Figure 3 below.

Figure 3: Strategic site / proposed site allocations tested – Summary

BPR allocation proposal	Greenfield (GF) / PDL	Indicative site area (Gross – Ha)	Residential / other indicative capacity (approx. - dwellings / use scale – at least)
Arbury (SHA-2)	GF - agricultural	Approx. 86	1525
Judkins / Tuttle Hill (SHA-3)	Former quarry – low grade PDL / GF proxy level of EUV	Approx. 13.5	350
Bowling Green Lane (SEA-6)	GF - agricultural	Approx. 26.2	150 (dwellings) & 19 ha employment land

(DSP 2023)

2.4.7 The strategic site testing has been based on information as far as available at the point of appraisal – as provided to DSP by the Council and supplemented via the stakeholder consultation exercise where possible at the assumptions fixing stage. The assumed total (gross) site areas and indicatively expected dwelling numbers are as shown above, with the assumptions including current stage broad estimates of infrastructure requirements as noted in Table 1b of Appendix I – to reiterate, using information provided and discussed with N&BBC at the assessment stage.

2.4.8 As part of considering both the site typologies and specific (larger / strategic sites), and seeking to make these as representative as possible of the emerging policy approach, an assumption is made in relation to dwelling mix, for which we have adopted the principles set out in Figure 4 below and Appendix I. These dwelling mix principles are based on information provided to DSP by N&BBC using emerging evidence supporting the BPR.

Figure 4: Dwelling mix assumptions[10]

Property Type	Dwelling Mix (%)		
	Market Units	Affordable - Rented	Affordable Housing Affordable Home Ownership
1-bed flat	10%	20%	25%
2-bed flat 2-bed house	35%	40%	35%
3-bed house	45%	30%	30%
4-bed house	10%	10%	10%

(DSP 2023)

2.4.9 In all cases it should be noted that assumptions have to be made based on a "best fit" of both the market dwellings mix and affordable housing numbers/mix and tenure assumptions. This is due to the effects of number rounding and also the limited scope that can be available to reflect all aspects of this within any given scheme; particularly in scheme typologies with small dwelling numbers or lower tested AH %s.

2.4.10 The assumed scheme mixes are by their nature hypothetical and are not exhaustive. Many other types and variations may be seen, including larger or smaller dwelling types in different combinations, according to particular site characteristics, localised markets and requirements etc. The affordable housing (AH) content assumed within each test scenario is set out in more detail below. As well as summarising the dwelling mix criteria that we have aimed to follow as far as possible, Appendix I also provides more information on the revenue levels associated with (assumed values of) varying AH tenure types.

2.4.11 The dwelling sizes (on a GIA i.e. gross internal area basis) assumed for the purposes of this study are as set out in Figure 5 below and based on the Nationally Described Space Standard (NDSS). This is proposed to be adopted by N&BBC through the emerging BPR. As with the many other variables considered through assumptions, there will be a large range and mix of dwelling sizes coming forward in practice, with these varying by scheme and location. Due to the high-level nature of this study process, a sample of scenarios and assumptions can be tested rather than every potential iteration. This approach is sufficient to generate a suitable overview, in accordance with guidance.

[10] Based on: Iceni: Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA) – November 2022

Figure 5: Residential dwelling sizes

Unit Sizes (sq. m.)*	Affordable	Market
1-bed flat	50	50
2-bed flat	61	61
2-bed house	79	79
3-bed house	93	93
4-bed house	106	130

Notes: Older persons' housing – Retirement/sheltered dwellings assumed 1-beds @ 55m^2; 2-beds @ 75m^2
(DSP 2023)

2.4.12 Since there is a relationship between dwelling size, value and build costs, it is the relative levels of the values and costs that are most important given the nature and purpose of this study (i.e. with values and costs expressed and reviewed in £/sq. m. terms); rather than necessarily the specific dwelling sizes to which those levels of costs and values are applied in each case. With this approach, the indicative 'Value Levels' (VLs) used in the study can then be applied to varying (alternative) dwelling sizes, as can other assumptions. Although methods vary, an approach to focussing on values and costs per sq. m. also fits with a key mode that developers and others tend to use to assess, compare/analyse and price schemes. It provides a more relevant context for considering the potential viability scope across the typologies approach, as part of considering relative policy costs and impacts, and is also consistent with how a CIL is set up and charged (as prescribed under the regulations).

2.4.13 The above dwelling sizes are expressed in terms of gross internal floor areas (GIAs) for houses (with no floor area adjustment – i.e. 100% saleable floorspace). For flats, the additional cost of constructing communal/shared non-saleable areas also needs to be taken into account. For example, the general flatted typology development tests assume a net:gross ratio of 85% (i.e. 15% communal space). The sheltered housing scenario assumes a lower proportion of saleable floorspace compared with typical general needs flats, at 75% (i.e. 25% communal) which is then further reduced through the selected assumptions to 65% saleable (35% communal) for the extra care development typology.

2.4.14 We consider these to be reasonably representative of the types of homes and other space coming forward within the scheme types likely to be seen most frequently providing on-site integrated AH, although again we acknowledge that all such factors will likely vary to some extent from scheme to scheme. It is always necessary to consider the size of new build accommodation in looking at its price per sq. m. rather than its price alone.

2.4.15 At this level of strategic overview, we do not differentiate between the overall value assumed per sq. m. for flats and houses although in reality we often observe an inverse relationship between the size of a property and its value when expressed in terms of a £ sales value rate per unit area (£/sq. m or £/sq. ft. or shown as £/m^2 or £/ft^2).

2.5 Commercial / non-residential development

2.5.1 Although minimal in terms of the ability of the Council to influence the viability of non-residential schemes through policy (as discussed above), nonetheless, policies on carbon reduction and biodiversity net gain may impact the viability of non-residential / commercial development.

2.5.2 A significant amount of work has been carried out in the recent past by the Council in considering the introduction of a CIL charge for the borough. Although this has ultimately been put on hold to date, the evidence base prepared to inform and support a CIL is still in place. This refers to DSP's above noted CIL Viability Assessment, which considered the likely viability prospects for of a range of commercial / non-residential development uses.

2.5.3 For that assessment, following the same principles and general process as setting the residential assumptions, a variety of sources were researched and considered in relation to the commercial / non-residential typologies. This included information on rents, yields, sales comparables, land values and other development assumptions. The sources of information included the CoStar Commercial Real Estate Intelligence resource, the VOA Rating List, other web-based review as well as feedback as was available from the development industry consultation. Supplementary information sources included articles and development industry features sourced from a variety of construction related publications; and in some cases, property marketing details. Appendix IV to this report includes updated information on commercial property values, provided for further context, though the CIL viability assessment work has not been revisited at this stage.

2.6 Scheme revenue (gross development value / GDV) – Residential

2.6.1 A key part of the appraisal assumptions are the market housing sale values. For a proportionate but appropriately robust evidence basis, it is preferable to consider information from a range of sources including those listed below. Our practice is to consider all available sources to inform our independent overview - not just historic data or particular scheme comparables, including:

- Previous viability studies as appropriate;
- Land Registry;
- Valuation Office Agency (VOA);
- Property search, sale / market reporting and other web resources;
- Development marketing websites;
- Any available information from stakeholder consultations

2.6.2 A framework needs to be established for gathering and reviewing property values data. An extensive residential market review has been carried out in order to consider and appropriately reflect, at a level suitable for strategic assessment, the variation in residential property values seen across the BPR area. This data was collected by both ward and settlement areas having regard to the settlement hierarchy set out in the emerging preferred options BPR and analysed using both sold and asking prices for new-build and re-sale property. We considered this to provide the most appropriate and reflective framework for this data collection exercise, and the subsequent analysis to inform assumptions.

2.6.3 This research enabled us to view how the value patterns and levels observed overlay with the areas in which the most significant new housing provision is expected to come forward over the plan period. It must be acknowledged that the scope of the data available for review varies through time and by location. In some instances, data samples are small (e.g., relating to a particular period or geography) and this is not unusual. Consistent with the above principles and the need to overview the information for the study purpose, it is important that the available indications are reviewed collectively in setting the values assumptions.

2.6.4 Overall, this research indicated a variable values picture across the BPR area. This is a common finding whereby different values are often seen to vary within individual developments dependent on design, orientation etc., at opposing sides of roads, within settlements or localities and based on other variables – as well as variations between settlements and areas of course. Values patterns are often indistinct and especially at a very local level. However, in this study context we need to consider whether there are any particular variations that are considered relevant to influencing varying viability between wards/settlements or other geographical areas in a broader overview sense, including relating to the types and locations of development that are considered most relevant over the emerging plan period.

2.6.5 Overall however and on the basis of our research and using our tested assessment approach we have applied assumed property 'Value Levels' (VLs) to each typology from VL1 (lowest) to VL10 (highest). These VLs reflect an overall range between £2,800/m^2 to £4,200/m^2, representative of varying new-build sale prices likely to be seen by varying location in the BPR area. Necessarily but also appropriately for the assessment purpose, we consider the key new build property values – i.e., the most relevant range to housing delivery overall here – to be within the range £3,300 - £3,400/m^2 (VL4-VL5) up to £3,500 - £3,600/m^2 (VL6-VL7) with flatted development also likely values above typical overview levels (as the inverse relationship between property size and value when expressed on a £/m^2 basis is seen). This is not to say that values do not and will not fall outside these levels – i.e. the VLs considered broadly represent the key part of the overall range that may be seen. Appendix I provides an indicative guide to the relevance of the range of VLs to locations in the plan area based on settlement and Ward areas and the assessment will consider how the general picture on the VLs that are thought to be available to support scheme viability in the various areas that are likely to be key to the planned development with the emerging BPR; all based on developing information as far as available at the time of undertaking the various assessment stages.

2.6.6 It should also be noted that house price data is highly dependent on specific timing in terms of the number and type of properties within the dataset for a given location at the point of gathering the information. Again, in some cases, small numbers of properties in particular data samples (limited house price information) can produce inconsistent results. This is not specific to Nuneaton & Bedworth. However, these factors do not affect the scope to get a clear overview of how values vary typically, or otherwise, between ward areas in this case, given the varying characteristics of the area.

2.6.7 However, with this a key variable and its relevance perhaps likely to increase with the market currently changing, to provide a wide range of sensitivity tests that reflect both recent / current values as well as provide as an ability to consider the potential effect of higher and lower values, we carried out our modelling across the full range of values sensitivity tests; again, as shown in the appendices.

2.6.8 The values research commenced in April 2022 and was further reviewed over the period May to August 2023 as the report drafting for this assessment was built up and completed while further liaison with the Council took place. Consistent with the approach to all our assessments, we use the latest practically available data from a range of sources leading up to the point of needing to settled assumptions before the appraisal running progresses (and the same applies to the build costs assumptions, as below).

2.6.9 This means that the research, using latest available data, reflects the post-Brexit and COVID-19 influenced residential market environment. As has been reported more widely, values rose significantly overall and negative impacts were not experienced to nearly the extent anticipated by many market commentators. In fact, in terms of both activity levels and prices, the residential market showed a notable and unexpected level of resilience throughout and immediately after the height of the COVID-19 pandemic.

2.6.10 While the assessment period extended through 2022-2023, the reportable position has remained positive overall to summer 2023. We found that although build costs also rose (sharply and then more moderately), broadly the previously unexpected buoyancy of the market and the growing prices it supported were sufficient to balance out or even outweighed the costs rises.

2.6.11 As we have noted already, however, upon finalising the assessment, we are experiencing different and rather more unstable property market conditions, and it will be necessary to see how this plays out as another set of potentially significant influences on the viability and wider progression of developments. Heightened economic uncertainty appears to be becoming the new norm, with a widely reported cost of living crisis reflecting the recent high energy costs and inflation rates, rising interest rates, changes in the leadership of government and resulting financial policy changes. This has led to an environment that is resulting in much greater uncertainty as to what the next year and perhaps coming few years might hold.

2.6.12 At the point of finalising the information review for our draft reporting (May – June 2023) even with the continuing economic uncertainty, the latest available reporting indicated however that overall house prices continue to be ahead of where they were 12 months previously. House Price Index (HPI) data suggested house prices in Nuneaton & Bedworth around 11% ahead of where they were in April 2022[11]. See Figure 6 below. This did not, yet at least, fully reflect a national picture where house prices although still around 4.1% higher than a year previously at that point, had fallen for the fourth month in a row[12]. This is, however, a quickly moving property market environment. This backdrop will be considered further, as far as is possible and appropriate in the BPR overview context, in rounding up the assessment reporting (to July – August 2023) – see Chapter 3 below.

Figure 6: ONS HPI Data for Nuneaton & Bedworth Borough (as reported May 2023)

Average price by type of property in Nuneaton and Bedworth

All property types | Detached houses | Semi-detached houses | Terraced houses | Flats and maisonettes

See data graph | See data table | Download this data | Compare with location ...

Date	All property types
Apr 2022	£218,975
May 2022	£223,639
Jun 2022	£224,597
Jul 2022	£227,957
Aug 2022	£229,594
Sep 2022	£233,632
Oct 2022	£232,759
Nov 2022	£234,429
Dec 2022	£235,204
Jan 2023	£238,375
Feb 2023	£241,938
Mar 2023	£242,829

Source: https://landregistry.data.gov.uk/app/ukhpi/browse?from=2022-04-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fnuneaton-and-bedworth&to=2023-05-01&lang=en

2.6.13 However, as noted and as we will revisit, the BPR timeline runs to 2039 so that a long-term strategic overview is needed, across which it is appropriate to make more typical

[11] Note: Land Registry HPI latest data at time of draft full report writing was March 2023
[12] https://moneyweek.com/investments/property/house-prices/605915/ons-house-prices-fall-march

assumptions reflecting potentially a middle line through various economic cycles. Although the viability of strategic scale development and other aspects may be areas to revisit as more specific information becomes available to inform any further testing, it will not be appropriate to assume only the downside risks and inputs related to deteriorating or poor economic conditions and a tougher housing market for development (such as is being experienced while finalising this assessment).

2.6.14 As noted in the report Appendices, higher sales values have been tested in the case of the sheltered / retirement living and extra care typologies. There has been no direct comparable information available at all to inform those test assumptions. Judgments have been made by DSP based on experience of the premium values that are more likely to be supported by these more specialist scheme types (and indeed from experience, with substantially higher than typical values very often needed to support the viability of such developments).

2.7 Scheme revenue (gross development value) – Affordable housing (AH) revenue

2.7.1 In addition to the market housing, the development appraisals also include affordable housing tested at various levels within the modelling.

2.7.2 A key part of the purpose of this assessment has been to ensure a robust and deliverable policy set and provide information to the Council on an appropriate and viable level of affordable housing to seek from development through the emerging BPR. On this basis, we tested a range of affordable proportions against the residential development typologies, also reflecting the latest national policy position as set out in the NPPF and PPG; now including First Homes as 25% of the AH. It is also important to note that not every percentage iteration has been tested on every typology. From our results analysis, it is possible to see where the likely viability lies and also to consider positions between results sets. In summary the testing for this further study covered the following range:

- 10 or more dwellings: Tested with 20% - 30% AH on-site reflecting PDL (previously developed land i.e. brownfield) and greenfield (GF) sites. To explore how much affordable housing may reasonably and realistically be sought under emerging BPR policy, alongside all other development and mitigation / infrastructure costs as tested cumulatively through this assessment[13].

2.7.3 The AH revenue that is assumed to be received by a developer is based only on the capitalised value of the net rental stream (for AR or SR) or capitalised net rental stream and capital value of retained equity (shared ownership - SO). The starting assumption pending any review of viability and funding support which becomes available at a later stage for specific scenarios/programmes is that the AH is developer funded rather than part grant funded. We have therefore made no allowance for grant or other public subsidy or equivalent.

2.7.4 The value of the AH (level of revenue received by the developer) is variable by its very nature and is commonly described as the ‘transfer payment’ or ‘payment to developer’. These revenue assumptions are based on our extensive experience in dealing with AH policy development and site-specific viability issues and consultation with local AH providers. The AH revenue assumptions were also underpinned by RP type financial appraisals – looking at the capitalised value of the estimated net rental flows (value of the rental income after deduction for management and maintenance costs, voids allowances etc.).

2.7.5 The assumed transfer values for the rented affordable units assumed for the study are shown in Appendix I.

2.7.6 In practice, as above, the AH revenues generated would be dependent on property size and other factors including the AH provider’s own development strategies and therefore could vary significantly from case to case when looking at site specifics. The AH provider may have access to other sources of funding, such as related to its own business plan, external funding resources, cross-subsidy from sales / other tenure forms, or recycled capital grant from stair-casing receipts, for example, but such additional funding cannot be regarded as the norm for the purposes of setting viability study assumptions – it is highly scheme-dependent and variable and so has not been factored in here. It follows that the transfer values assumed could therefore be a conservative estimate in some cases and in reality on some schemes an affordable housing provider (e.g. Registered

[13] Note that draft N&BBC policy requires 2 units of affordable housing on sites of 11-14 units equivalent to between 14% - 18% affordable housing.

Provider – housing association or similar) could include their own reserves and if so thus improve viability and/or affordability.

2.7.7 First Homes have been included as 25% of the overall affordable housing provision within each of the appraisals. The main principles for First Homes provision are as follows:

- Sales to be discounted by a minimum of 30%;
- After the discount is applied the initial sale price of a First Homes must not exceed £250,000 (or £420,000 in Greater London);
- Initial sales of First Homes must contain a legal mechanism to ensure each future sale maintains the discount (as a percentage of current market value). However, a mortgagee enforcing their security against the property will be exempt from this requirement;
- The First Homes requirement is that a minimum of 25% of section 106 units should be delivered as First Homes. With regards to the allocation of the remaining 75% of units after the First Homes requirement has been met, national policy will be that:
    - The provision for Social Rent as already described in the development plan should be protected.
    - Where other affordable housing units can be secured, these tenure-types should be secured in the relative proportions set out in the development plan.
    - In situations where the local plan allocates more than 75% of contributions to Social Rent, the 25% First Homes requirement will remain.

2.7.8 There are exemptions to the requirement to provide affordable home ownership following the principles set out at paragraph 65 of the NPPF and these include:

- Developments which provide solely for Build to Rent homes;
- Developments which provide specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- Developments by people who wish to build or commission their own homes;

- Developments exclusively for affordable housing, entry-level exception sites or a rural exception site.

2.7.9 Transitional arrangements were put in place based on the following criteria:

- Local or neighbourhood plans submitted for Examination before the implementation of the policy or that have reached publication stage before implementation and are subsequently submitted for Examination within 6 months of implementation will not be required to reflect the First Homes requirements;

- The requirement for 25% First Homes will not apply to sites with full or outline planning permissions already in place or determined (or where a right to appeal against non-determination has arisen) within 6 months of implementation of the policy (or 9 months if there has been significant pre-application engagement), although local authorities should allow developers to introduce First Homes to the tenure mix if the developer wishes to do so;

- The above arrangements will also apply to entry-level exception sites.

2.8 Scheme revenue (Gross Development Value (GDV)) – Commercial / non-residential

2.8.1 This commentary follows the context noted in the introductory section (1.3.6) and reiterates the approach noted at 2.5 above.

2.8.2 The value (GDV) generated by a commercial or other non-residential scheme varies enormously by specific type of development and location. In order to consider the viability of various commercial development types, a range of assumptions are needed. Typically, these are made with regard to the rental values and yields that would drive the value of completed schemes within each commercial scheme appraisal. The strength of the relationship between the GDV and the development costs was then considered using residual valuation methodology - as per the principles applied to the residential typologies.

2.8.3 High level testing of non-residential / commercial development typologies was undertaken by DSP on behalf of the Council as part of the evidence base supporting the Council's proposed CIL Draft Charging Schedule (not progressed to date). Although the Council is currently not considering proceeding with the introduction of a CIL, the 2020 provided information may still be drawn upon.

2.8.4 From our review of the BPR policy proposals, we are not aware of any policy requirements that would unduly negatively impact the viability of commercial or other non-residential types of development in the borough.

2.8.5 In an equivalent approach to the government's Future Homes Standard, there is the trajectory towards development producing less carbon via the Future Buildings Standard to consider. This again is a national policy initiative. N&BBC is not seeking to exceed this or to reach it ahead of the government's timeline. Delivered via tightening of the Building Regulations, these requirements will be in place anyway i.e. whether or not included specifically within the policies of local plans. Additionally, we note that we would not normally expect the extra-over cost allowance / additional contingency included within the CIL viability testing to reflect typical aspirations related to the requirements of BREEAM be to be materially exceeded by the typical assumptions estimated to represent the costs of building to the Future Buildings Standard. Generally, the BREEAM cost allowances can be considered sufficient or more than sufficient to reach the newer requirements.

2.8.6 It has also been noted that the new requirements related to Biodiversity Net Gain (BNG) will need to be accommodated too as developments come forward. Nevertheless, and applying similar principles to the above, the BPR does not propose higher than national policy performance and, as has been seen through the wider review work provided here, the associated costs are shown by the available information to be very small in the context of overall scheme costs.

2.8.7 As a general point it is worth noting here that small variations in assumptions can have a significant impact on the GDV available to support the development costs (and thus the viability of a scheme). This is important to be aware of, bearing in mind the balance that must be found between the desirability of funding infrastructure needs and the potential effect on viability. While it is relevant to assume new development and appropriate lease covenants etc. rather than older stock, using overly positive assumptions in the local context could be unhelpful in seeking to find that balance.

2.8.8 As with other elements of the viability assessment work both previous and current, the adopted assumptions sets cannot be expected to exactly match those applicable to all scheme specifics and we need to keep this in mind when considering how this might all play out in practice.

2.9 Development Costs - Generally

2.9.1 Total development costs can vary significantly from one site or scheme to another. For these strategic overview purposes, however, these cost assumptions have to be fixed by typology to enable the comparison of results and outcomes in a way which is not unduly affected by how variable site-specific cases can be. Although the full set of cost assumptions adopted within the appraisals are set out in detail in Appendix I to this report, a summary of the key points is also set out below.

2.9.2 Each cost assumption is informed by data and supporting evidence from such sources as follows in accordance with relevant sections of the PPG:

- Building Cost Information Service (BCIS);
- Locally available information as far as available following the stakeholder consultation process;
- Other desktop-based research;
- Professional experience.

2.9.3 For the site typology testing, we have not allowed for abnormal costs that may be associated with particular sites - these are highly specific and can distort comparisons at this level of review or unduly pull down the view of the available scope to support important policies on sustainable development. Where issues are known as likely to impact development viability and early costs estimates are available or can be devised, these are applied to the specific site allocation tests, however. Contingency allowances have however been made for all appraisals. In some circumstances and over time, overall costs could rise from current / assumed levels. The interaction between values and costs is important and whilst any costs rise may be accompanied by increased values from assumed levels, this cannot be relied upon.

2.10 Development costs - build costs

2.10.1 The assumed base build cost level shown below is taken from BCIS; an approach endorsed by the PPG guidance on Viability and considered to be '*appropriate data*'[14] and rebased using a Nuneaton & Bedworth location factor. The costs assumed for each development type (e.g. houses, flats, mixed as well as non-residential etc.) are as provided in Appendix I – and summarised below – Figure 7. These are the selected BCIS median average cost rates. We note also that, reflecting economies of scale, the lower quartile 'mixed developments' build cost rate has been applied in the case of the strategic site tests (only).

Figure 7: Base build cost data – typologies assessments

Development type (BCIS Median unless stated)	Rate/m^2
Build cost - Mixed Developments (generally - houses/flats)	£1,223/m^2
Build cost - Houses only (generally)	£1,196/m^2
Build cost - Flats only (generally)	£1,345/m^2
Build cost - Supported Housing (generally)	£1,465/m^2

(DSP 2023 sourced from BCIS)

2.10.2 BCIS build costs do not include external works/site costs, contingencies or professional fees (assumed allowances all added separately). Across the assessment an allowance for external works has been allowed for on a variable basis depending on scheme type (typically between 10% and 15% of base build cost). These are based on a range of information sources and cost models and generally not pitched at minimum levels so as to ensure sufficient allowance for the potentially variable nature of these works. Specifically, wider site works and infrastructure costs equivalent to £500,000/ha have been assumed for the range of site typologies tested. Particular cost allowances have

[14] https://www.gov.uk/guidance/viability (Paragraph 012 Reference ID: 10-012-20180724 Revision date: 24 07 2018

been made as appropriate in relation to the site-specific testing of strategic sites – with N&BBC information used as far as available to inform the review of selected sites. See Appendix I.

2.10.3 For this broad test of viability, it is not possible to test all potential variations to additional costs. There will always been a range of data and opinions on and methods of describing, build costs. In our view, we have made reasonable assumptions in accordance with relevant guidance which lie within the range of figures we generally see for typical new build schemes (rather than high specification / complex schemes that may require particular construction techniques or materials). As with many aspects of viability assessment, there is no single appropriate figure in reality, so judgements on these assumptions (as with others) are necessary. It is important to note that as with any appraisal input, in practice this will be highly site specific.

2.10.4 In the same way that we have mentioned the potential to see increased costs in some cases, it is just as likely that we could also see cases where base costs, externals costs or other elements will be lower than those assumed. Once again, in accordance with considering balance and the prospect of scheme specifics varying in practice, we aim to pitch assumptions which are appropriate and realistic through not looking as favourably as possible (for viability) at all assumptions areas.

2.10.5 An allowance typically of between 5%-10% build cost has also been added to cover contingencies (i.e. unforeseen variations in build costs compared with appraisal or initial stage estimates).

2.10.6 It is important to note that the interaction of costs and values levels will need to be considered again at future reviews of the local plan as base build cost levels typically vary over time. However, further sensitivity tests have been run and included where considered most relevant in relation to the larger / strategic sites more directed testing. This additional information is included to allow the sensitivity of the various scenario test outcomes to build costs variation to be viewed; all as set out in the assumptions and results appendices.

2.10.7 Appendix IV includes some information on build cost trends / forecasts, as viewed at the time of assessment.

2.11 Development costs – Fees, Finance & Profit

2.11.1 Alongside those noted above, the following costs have been assumed for the purposes of this study and vary slightly depending on the scale and type of development. Other key development cost allowances are as follows (see Figure 8 below). Appendix I provides the detail.

Figure 8: Residential development costs – Fees, Finance & Profit

Residential Development Costs – Fees, Finance & Profit	Cost Allowance
Professional & Other Fees	8 - 10% of build cost
Site Acquisition Fees	1.5% Agent's fees
	0.75% Legal Fees
	Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT)
Finance	6.5% p.a. interest rate (assumes scheme is debt funded and represents costs including ancillary fees) – BPR overview assumption rate.
Marketing Costs	3% of GDV sales agent & marketing fees.
	£750/unit legal fees.
Developer Profit	Open Market Housing – based on range described in PPG of 15% - 20% of GDV @ base 17.5% assumed for BPR overview.
	Affordable Housing – 6% GDV (AH revenue on SR, AR & SO); 12% GDV on First Homes.

(DSP 2023)

2.12 Build period

2.12.1 The build period assumed for each development scenario has been based on BCIS data utilising the Construction Duration calculator by entering the scheme typology details modelled in this study. This has then been sense-checked using our experience and informed by site-specific examples where available. The build periods provided in Appendix I exclude lead-in times. Sales periods are off-set accordingly (i.e. running beyond the construction period) – see Appendix I for detail.

2.13 Key policy areas tested – Summary

2.13.1 A number of the policy areas the Council is considering may have impacts on development viability, both directly and indirectly. Some do not add or add significantly to the typical costs of development or costs that, at the time of completing this assessment in summer 2023, are now resulting from or shortly due to relate to national level policy or requirements.

2.13.2 As discussed previously, a key purpose of this process was to test whether and to what degree those policies could be absorbed by development whilst enabling it to come forward viably (and therefore supporting the viability of the Plan Review overall).

2.13.3 The policy references beneath the broad categories indicated below in this section are based on the Nuneaton & Bedworth BPR Preferred Options shared with DSP and as subsequently updated within the Publication Draft Plan – Regulation 19 Consultation 2021-2039 (July 2023). These policy numbers are also included in the above mentioned 'Policy Analysis' schedule included in Appendix I (Table 1d). The direct impacts are from policies which ultimately result in a specific fixed cost assumption within the appraisal modelling. Those key elements not already discussed above - e.g. dwelling mix (H1 – Range & Mix of Housing), affordable housing (tested to consider the H2 – Affordable Housing scope), etc. are considered below.

- **Nationally Described Space Standard (NDSS)**
  (Former draft Policy BE3 – Sustainable Design & Construction; SA1 – 'Development principles on strategic sites'. Now H4.) Requirement for proposals to be designed to comply with the NDSS. The dwelling size assumptions used in the viability testing are set out earlier in this report and in Appendix I, consistent with the NDSS ranges to meet the requirements of the Council's objectives. (Source: Technical Housing Standards - former DCLG, 2015).

- **Open space requirements**
  (Policy NE1 Green & Blue Infrastructure / NE2 Open Space) – Requirement to create an improved network of publicly open accessible and linked open spaces to support growth and to protect, manage enhance or create blue and green infrastructure. For the purposes of this assessment open space allowances have been reflected in the

assessment approach – consistent as far as possible at this overview level with Policy NE2, the associated open space assessment and the Council's Open Space & Green Infrastructure SPD as well as discussions with the Council's planning officers. Appendix I provides the details.

- **Water efficiency**
  (Policy BE3 – 'Sustainable Design & Construction') – A base assumption of 110 lpppd (water usage not exceeding 110 litres per person, per day) has been used in all appraisals with the additional cost (over Building Regulations base at 125 lpppd) considered de minimis.

- **Carbon / Energy reduction**
  (Policy BE3 – 'Sustainable Design & Construction'; SA1 – 'Development principles on strategic sites') – Development should adhere to the Future Homes and Buildings Standard prior to its introduction in 2025 by promoting a fabric first approach, including the use of passive design principles where possible. A new Approved Document Part L published on 15th December 2021 came into effect on 15th June 2022. Approved Document Part L supports Part L of Schedule 1 to the Building Regulations 2010 by providing guidance and requirements relating to the conservation of fuel and power in buildings, and onsite generation of electricity. Part L is in two parts - Volume 1 relates to new dwellings, and extensions to and work on existing dwellings and Volume 2 relates to other buildings. The recent changes to Approved Document Part L form part of the government's move toward net zero carbon, including through the proposed Future Homes Standard and Future Buildings Standard which will see a phased reduction in energy use. The new Part L represents approximately a 31% reduction in energy use in dwellings compared to the previous Part L (2016 amendments), and 27% in non-residential buildings. This is an interim step prior to the full Future Homes and Future Building Standard which are due to be implemented in 2025, with consultation during 2023.

  The Future Homes Standard (FHS) is due to be implemented in 2025 and intends to achieve 75% lower carbon emissions from new homes compared to current Part L Building Regulations. The first phase of Government consultation states that from 2025 new homes will be "zero carbon ready" i.e. no further retrofitting for energy efficiency will be required to achieve "zero carbon" status, as the electricity grid continues to decarbonise.[15] Testing for this assessment assumes compliance with the Future Homes Standard.

There are a number of published sources of information relating to the costs of achieving various carbon reduction measures with varying degrees of detail and cost outputs. Through final testing and following discussions with the Council over the likely viability of the Plan and cumulative cost of policies, we have assumed cost uplifts from base build costs as set out in Appendix I for achieving compliance with the proposed Future Homes Standard for residential dwellings. Appendix I provides further detail.

An allowance (uplift) of up to +4.5% on base build costs has been assumed to meet the requirements for sustainable design and construction policies on commercial development.

- **Electric vehicle charging points**
  (Policy HS2 – 'Strategic accessibility & sustainable transport)

  The council will require measures for new development to provide infrastructure to deal with the issues of air quality, which at its minimum, development will need to provide electric vehicle charging points. This may be superseded by national policy: Building Regulations 2010 Infrastructure for the charging of electric vehicles: Approved Document S 2021 edition and any subsequent guidance and codes of practice for electric vehicle charging.

  An allowance of between £865 / £1,961 per dwelling (houses and flats respectively) has been assumed within this study representing the typical costs of complying with policy on new sites building in the policy from the design process onwards. This is based on the Department for Transport Residential Charging Infrastructure Provision Impact Assessment (September 2021).

- **Biodiversity Net Gain (BNG)**
  (Policy NE3 – 'Biodiversity & Geodiversity'; SA1 – 'Development principles on strategic sites') – Requirement to deliver minimum net gain of 10%. For the purposes of this

[15] MHCLG: The Future Homes Standard 2019 Consultation document and summary

assessment, we have assumed 10% net gain within all of the modelling undertaken to date, assuming Scenario C (worst case) as set out in the Impact Assessment[16] associated with the Government consultation on BNG – 2021 assessment work as a proxy to the uplift to the cost of achieving biodiversity units to £20,000 per unit (from £11,000 per BNG unit assumed within the Impact Assessment). Appendix I provides more detail.

- **Accessible homes**
  (Former draft Policy BE3 – 'Sustainable Design & Construction'; SA1 – 'Development principles on strategic sites'. Now H5 – Accessible and Adaptable Homes). Requirement for all dwellings on major developments to meet the requirement for the optional higher Building Regulations of M4(2) with 5% required to meet the more onerous M4(3) standard.

  The assumed cost of achieving the M4(3)(b) and M4(2) standards are set out in Appendix I (Table 1c) - based on details set out within the Government's consultation on raising the accessibility standards of new homes[17]

- **Note: Meeting Gypsy, Travellers & Travelling Showpeoples' Needs**
  (Policy H3 – 'Gypsies & Travellers') – At this stage, and reflecting N&BBC supplied information, no particular allowances have been made in this viability assessment for the cost / potential cost of provision for pitches (or separate allocation of sites) or similar. This reflects there being no specific requirement within the BPR, the subject of the assessment, as far as we are aware.

- **Note: Self and custom-build**
  There is no specific policy requirement to provide self/custom build plots as the Council's evidence points to limited demand, we understand. From DSP's experience of this type of development, we consider the provision of plots (serviced and ready for development) for self or custom-build has the potential to be sufficiently profitable so as not to provide a significant drag on the viability of a scheme in general. Broadly, we would expect this activity to be at least neutral in viability terms, with the exact outcomes dependent on site-specific details, as with other aspects of the development process. In our view

[16] DEFRA: Biodiversity net gain and local nature recovery strategies Impact Assessment (October 2019)

[17] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes

however, there may be the potential for practical challenges to be involved in integrating plots within general market housing schemes if applied in a rigid way. In practice, many self-builders will look to satisfy their own specific aims through the market – finding either an individual plot, re-build opportunity or similar.

- **Note: Nutrient neutrality**
  While an issue and often a significant one in terms of development implications and costs in a range of other LPA areas studied by DSP, this is understood and therefore assumed not to be an issue for the BPR.

2.14 Infrastructure costs provision – Section 106 (s106)

2.14.1 As discussed earlier in this report, N&BBC currently has no CIL in place and therefore has continued to request contributions to, or provision of, site-specific infrastructure mitigation measures through s106 on a site by site basis (for example potentially relating to a range of matters alongside affordable housing - such as open space, highways adjustments / improvements and any other particular requirements needed to make a development acceptable in planning terms). Particularly following the easing of restrictions on the use of s106 (formerly in place as per of the CIL regime) we understand that this has proved to remain a workable and appropriate approach in the borough.

2.14.2 Through this assessment, using N&BBC provided information DSP reviewed the level of planning obligations required. Analysis of the data and discussions with the planning officers at N&BBC lead to an approach of including an allowance of between £5,000 - £10,000 per dwelling as an appropriate assumption for the typologies based testing. As an extension of the sensitivity testing, all typology scenarios have therefore been run assuming three levels of s106 costs / works – i.e. including costs at £5,000, £7,500 and £10,000 per dwelling.

2.14.3 The testing of proposed larger / strategic site allocations assumes infrastructure costs and requirements specific to the scheme being tested – using information as far as available from N&BBC and supplemented / considered alongside any stakeholder feedback on this, again as far as possible at this time. This information was not fully developed, meaning that there are likely to be other costs incurred which have not been reflected by assumptions within the appraisals at this stage. Accordingly, the Council will need to consider that the indicative surpluses as far as reported in the Appendix III results tables point to the approximate levels of flexibility there are in various circumstances to meet the cost of matters that are not included in the appraisals. It should be possible to compare the indicative outcomes and the assumptions on included costs with the more detailed lists of infrastructure requirements per strategic site, once those are built up further in due course.

2.14.4 Again, Appendix I (at Tables 1 a – 1c) provides an overview of the assumptions made at this stage – in both the typologies testing and the more specific review of the larger / strategic site allocation proposals.

2.15 Indicative land value comparisons and related discussion

2.15.1 In order to consider the likely viability of any development scheme, the results of the appraisal modelling (the RLVs viewed in £/ha terms) need to be measured against an appropriate level of land value. This enables the review of the strength of the results as those change across the range of value levels, affordable housing policy targets (%s) and other planning obligations.

2.15.2 The process of comparison with land values is, as with much of strategic level viability assessment, not an exact science. It involves judgements and well-established acknowledgements that, as with other appraisal aspects, the values associated with the land will, in practice, vary from scheme to scheme.

2.15.3 The levels of land values selected for this context are known as ‘benchmark land values’ (BLVs). They are not fixed in terms of creating definite cut-offs or steps in viability but, in our experience, they serve well by adding a filter to the results as part of the review. BLVs help to highlight the changing strength of relationship between the values (scheme revenue (GDV)) and development costs as the appraisal inputs (assumptions) change.

2.15.4 As noted above, the PPG on viability is very clear that BLVs should be based on the principle of existing use value plus a premium to incentivise the release of the site for development. Land value in any given situation should reflect the specifics of existing use, planning status (including any necessary works, costs and obligations), site conditions and constraints. It follows that the planning policies and obligations, including any site specific s106 requirements, will also have a bearing on land value where an implementable planning consent forms a suitable basis for an alternative use value (AUV) based approach that could be in place of the primary approach to considering site value (benchmark land value – BLV), which is now always "EUV plus" (existing use value plus) consistent with the PPG on Viability.

2.15.5 As part of our results analysis, we have compared the wide scope of resulting residual land values with a range of potential BLVs used as 'Viability Tests', based on the principles of 'existing use value plus' (EUV+). This allows us to consider a wide array of potential scenarios, outcomes and the resulting viability trends seen in this case. The coloured shading within the results tables appended to this report provide a graded effect intended only to show the general tone of results through the range clearly viable (most positive – boldest green coloured) to likely non-viability scenarios (least positive, where the RLVs show no surplus or a deficit against the BLVs).

2.15.6 The land value comparison levels (BLVs) are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. Schemes will obviously come forward based on very site-specific circumstances, including in some cases on sites with appropriately judged land values beneath the levels assumed for this purpose.

2.15.7 As part of the process of developing appropriately robust BLVs, we have reviewed other available evidence, including previous viability studies (as well as those conducted for Nuneaton & Bedworth by DSP and others) both at a strategic level as well as site-specific viability assessments where available. In addition, we have also had regard to the consultation responses and published Government sources on land values for policy appraisal[18] providing industrial, office, residential and agricultural land value estimates for locations across the country – including Nuneaton & Bedworth.

2.15.8 It should be noted that the MHCLG *residential* land value estimates require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used by the MHCLG. This study assumes all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher "serviced" i.e. "ready to develop" level of land value.

[18] MHCLG: Land value estimates for policy appraisal – most recent version 2019 published August 2020

2.15.9 The MHCLG model provides a much higher level of land value for 'residential land' as it assumes the following:

- All land and planning related costs are discharged;
- Nil affordable housing requirement – whereas in practice the requirement for AH can impact land value by up to around 50% on a 0.5ha site with 35% AH.
- Nil CIL;
- No allowance for other planning obligations;
- Full planning consent is in place – the risk associated with obtaining consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point;
- Lower quartile build costs;
- 17% developer's profit.

2.15.10 The above are additional assumptions that lead to a view of land value well above that used for comparison (benchmarking purposes) in viability assessments. Overall, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of the above factors.

2.15.11 As set out in the results appendices, we have made indicative comparisons at land value levels in a range between £250,000/ha and £1,250,000/ha plus, enabling us to view where the RLVs fall in relation to those levels and to the overall range between them.

2.15.12 Typically, we would expect to apply an EUV+ based land value benchmark at not more than approximately £250,000/ha (applied to gross site area) for bulk greenfield (GF) land release, based on a circa ten times uplift factor (the "plus" element) from the EUV for agricultural land at not exceeding c. £25,000/ha.

2.15.13 In our view, moving outside the scope of the general site typologies considered in this assessment (i.e. development at a scale of more than approximately 200 – 300 dwellings) an appropriate BLV should not need to exceed this level (£250,000/ha). The largest typology-based sets of testing have been run here at an approximate 300 mixed dwellings, representing a scale of development beneath the large strategic level appraised more specifically. However, this indicated point beneath which a higher BLV could apply is not a fixed boundary between assumptions levels on BLV. In some cases we have experienced development at 50 – 100 dwellings on GF representing larger than typical schemes, so the that the higher GF BLV at c. £500,000/ha might only apply to a narrower band of smaller, more general sites (as below). In our view and experience, certainly the c. 300 dwelling typology outcomes should be considered relative to the £250,000/ha GF BLV.

2.15.14 This reflects the viability in planning policy principles within the PPG as opposed to a more market orientated approach that may be influenced by comparison with older (pre-PPG) deals and include more emphasis on 'hope value' or similar, rather than being purely EUV plus based. We need to bear in mind that especially for bulk GF land, that figure should not be regarded as a minimum or absolute cut-off. Indeed, gross land area figures may include areas of land where for example lower values may be appropriate in support of ancillary provision, undeveloped mitigation land such as SANG or similar.

2.15.15 Above that base level of BLV, and generally reflecting smaller, non-strategic scale development, we would expect an EUV+ of up to £500,000/ha could be applicable for greenfield / amenity land use releases. The commentary above (2.15.13) relates to this. We will consider it further as part of the context for the review of the Appendix II typologies results (see Findings Review – section 3 – below).

2.15.16 Taking into account the overall picture of delivery in terms of site type and planned locations, we consider the key BLV ranges for reviewing the results range from £250,000/ha to £500,000/ha (greenfield) and with filtering in the range £500,000/ha to £1,000,000/ha overall for PDL as guides. In some PDL scenarios, we also need to be mindful that EUV+ based BLVs will be higher; hence the overall expanded range as set out below and seen in use within the Appendix II typologies results tables.

2.15.17 At draft reporting stage, DSP understood the emerging site supply picture (mix of new dwellings) to be coming predominantly from GF sites (approximately 85%); in the order of 15% from PDL.

2.15.18 Figure 9 below shows, with some explanatory notes, the range of selected BLVs which have been used as 'viability tests' (filters) for the viewing and provision of the results interpretation / judgments – as per results in Appendices II - IV where these BLV levels are also shown as part of the 'key' or notes.

Figure 9: Range of BLVs ('Viability Tests')

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development
£750,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL / residential land values

(DSP 2023)

2.15.19 It is important to note that all RLV results indicate the potential receipt level available to a landowner after allowing, within the appraisal modelling, for all development costs (as discussed earlier). This is to ensure no potential overlapping / double-counting of development costs that might flow from assuming land values at levels associated with serviced/ready for development land, with planning permission etc. The RLVs and the indicative comparison levels (BLVs) represent a "raw material" view of land value, with all development costs falling to the prospective developer (usually the site purchaser).

2.15.20 Matters such as realistic site selection for the particular proposals, allied to realistic landowner's expectations on site value will continue to be vitally important. Site value needs to be proportionate to the realistic development scope and site constraints, ensuring that the available headroom for supporting necessary planning obligations (securing AH and other provision) is not overly squeezed beneath the levels that should be achieved.

2.15.21 The PPG[19] states the following:

'To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at

[19] https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment Paragraph: 014 Reference ID: 10-014-20190509 Revision date: 09 05 2019

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

Benchmark land value should:

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

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

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

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

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

3. Findings review

3.1. Initial review - Emerging findings stage

Context - general

3.1.1 Having commenced the project in April 2022, following the initial review work undertaken, we provided emerging findings to N&BBC in June 2022.

3.1.2 To this stage, to inform and support the emerging findings and therefore the direction of travel on the Borough Plan Review (BPR) policies, our work focused on a number of example scheme typologies. These were selected to explore the likely strength of relationship between development costs and values across various circumstances. We noted that subsequent testing across an expanded range of development typologies would be undertaken as a next and further checking step alongside a review of the potential viability of key specific/strategic sites; all ultimately informing and supporting the building policy set of the BPR. As has been set out above, with the overview of findings to follow this outline of the initial findings, this is how the work has progressed – according to the proposed assessment approach. We also noted that at the point of testing key/specific/strategic sites, more detailed information would need to be considered (once available) as far as possible in relation to the site-specific details e.g. proposals, infrastructure requirements, likely timings and other costings (such as initial costings if applicable and available for any potential abnormal site issues).

3.1.3 The focus for the first stage of review for the study was how the cumulative costs of development looked likely to influence viability and therefore were likely to have scope to be accommodated. This was looked at in a way that would also provide information for considering the supportable scope for infrastructure provision, be that via s106 (current and likely short-term approach here) or a potential Infrastructure Levy (IL) or similar in due course. The approach has been continued to the current (latest) assessment work phase completed in Summer 2023.

3.1.4 The Spring 2022 review work and emerging findings aimed to help determine whether the policies as set out to date were likely to leave development able to come forward viably, cumulatively, and if not, to inform any potential compromises and policy priorities the Council may need to consider from a viability perspective. This principle is noted bearing in mind there is a limit in all Plan areas as to how far development can go in meeting infrastructure and policy costs / requirements cumulatively. Any potential compromises or “trade-offs” that need to be considered are reviewed in the context striking a balance between policy objectives (including on affordable housing need, infrastructure fundings etc.) whilst ensuring the scope for continued delivery and growth across the borough.

3.1.5 As continues to apply, as a general point and in any area (not just Nuneaton & Bedworth), typically there are some sites that are likely to have inherent viability issues, regardless of the level of affordable housing (AH) or other policy requirements. However, it is typically the affordable housing proportion (%) that is key in considering viability prospects. This is because affordable housing as a policy ‘ask’ is significantly more costly to support than other policy requirements. As a further key point to note in balance with this, however, DSP understands that N&BBC’s delivery of affordable housing under the adopted policy approach (25%) has proven workable and successful, viewed broadly at least – as is appropriate at the development plan level. The Council’s approach also has to reflect the need for affordable homes as far as possible, so that viability is not the only factor in weighing up policy positions.

Context – market and values

3.1.6 Initially feeding back in June 2022, as we had found across a number of our study areas, the housing market continued to show strong growth in 2020-22 caused partially by a mismatch between demand and supply. This basis for positive market activity appeared to have strengthened following the easing of lockdown restrictions in relation to the COVID-19 pandemic. However, with government support for the housing market and the wider economy also scaling back, the strength of house price growth and positive transaction activity was thought likely by some forecasters to reduce later in 2022. Nevertheless, looking at June 2022 the Land registry House Price Index (HPI) showed prices overall in Nuneaton and Bedworth to have increased by 13.2% over the preceding year (June 2021 – June 2022). Subject to the pace of the economic recovery, at the time Savills most recent residential property forecast, for example, indicated continued growth in the West Midlands region over the next five years by +15.9% (total overall), albeit with prices next year expected to see a much smaller rate of growth at circa +3%.

3.1.7 Looking back at this in mid-2023, we can see now that, generally, the market slowdown many predicted has been showing. For properties overall in the borough, as at June 2023 the house price trend was reported by the HPI to be still positive, however – at +2.6% over the year from June 2022 (latest available information dated June 2023). This suggests that, so far at least, the market slowing has not been seen as soon or as markedly as has been the case in some other areas DSP has been studying.

3.1.8 Overall, our local values research indicated a range of new build market housing sales values of between £2,800/sq. m. and £4,200/sq. m. As with all of our studies, we carry out testing within that range at various value levels (VLs). In this case we considered a fairly fine-grained approach given the relatively subtle differences across the borough with the above range tested overall at 10 VLs at small intervals. Within the overall range, we considered that the key typical new build housing values were at the time most closely represented by a narrower set of values – based from around approximately VL4 at £3,300/sq. m. to VL5 at £3,400/sq. m and, upon further review, up to VLs 6 to 7 at circa £3,500 to £3,600/sq. m. The core range of VLs (those considered most relevant) are spaced at £100/sq. m intervals, while the wider range (further sensitivity testing) are set at £200/sq. m intervals (see Appendix I).

3.1.9 Therefore (and although with the use of the VLs also enabling broad effects to be watched as time moves on) for the purposes of this reporting and subject to ongoing market trends, overall, we have considered our VL4/VL5 at £3,300 - £3,400 /sq. m to £3,500 - £3,600/sq. m. to be reasonably representative (i.e. of likely new build values for the assessment purpose). Accordingly, this has provided a range of suitable indicators for the purposes of initially and then further reviewing and interpreting relative policy costs and viability influences. Initially we focussed most on VL4-5 as part of a prudent approach, although again noting that house prices were rising sharply, viewed on an annual change basis, at our initial findings review stage.

Context – affordable housing

3.1.10 We tested the affordable housing proportion at 20%, 25% and 30%. This was based on our experience working with Nuneaton & Bedworth BC and on the basis that if the results of our modelling suggested that this range was too small then further testing could be carried out. The affordable housing tenure mix was based on the findings of the Housing Economic Development Needs Assessment (HEDNA) and as outlined in then emerging Policy H2. This suggested that the Council should seek a tenure split of 70% rented and 30% intermediate tenures. We note the Council's original brief for the BPR viability study referred to a different tenure split of 74/26, however with the BP Preferred Options (and HEDNA) superseding the brief we conducted this phase of testing in line with the HEDNA mix.

3.1.11 Although the emerging policy wording referred to both affordable rented (AR) and social rented (SR) tenure within the 'rented' mix, after reviewing the Council's AR and SR data alongside Local Housing Allowance rates, we considered it appropriate for the appraisal modelling to be based on AR. We noted that in our experience where social rent is included, in reality there will be opportunities for grant funding which cannot be factored into the appraisal model, albeit noting apparent minimal difference between affordable and social rents. In our experience it is also possible to model the inclusion of social rent, having the effect of reducing the viability scope to support other requirements, with ultimately the social rent then not provided in any event.

3.1.12 Overall, we assumed the following values for the affordable housing tenure:-

- Affordable Rent – based on LHA rates, see Appendix I for revenue detail.
- Intermediate – based on 70% of market value (MV)
- First Homes – based on 30% MV discount (subject to value cap £250,000, after discount).

3.1.13 In line with the Government's recent introduction of the new First Homes model, we allowed for 25% of the overall affordable housing to be of this tenure and followed the HEDNA where possible ("best fit" basis). Where necessary, we also needed to appraise the requirements of NPPF Paragraph 65 being met (requiring a minimum of 10% of all homes on major sites to be affordable home ownership).

3.1.14 We considered and set out some context on and potential First Homes implications for the Council, as follows.

3.1.15 The potentially improved revenue that may be generated by First Homes compared to other affordable tenure forms may be offset by the additional market related risk associated with this model; reflected by our assumed profit level for this element. Typically, we assume a return of 6% for affordable housing that is sold to a Registered Provider, reflecting the low level of risk associated with off-plan purchases and more of a contracting model. For market housing we assume 15% - 20% on GDV (market sales) reflecting the higher risk associated with developing and selling those properties as well as the PPG on plan making (likely assessment base being a mid-point 17.5% GDV reflecting, overall, development across varying market cycles). From commencement we have worked on the basis that First Homes falls somewhere between the two in terms of its risk profile and therefore we assume a significantly higher than affordable level of developer profit at 12% GDV on that proportion of the affordable.

3.1.16 Although in its infancy (and certainly terms of delivery of First Homes), we have undertaken a number of studies that include consideration of the impact of First Homes on viability. Results tend to indicate that at the minimum discount (30% from MV) there may be no or only a little improvement in viability compared with shared ownership/intermediate provision. That relativity will depend on the starting point tenure mix and local values, however. With higher discounts, which are on a plan-wide basis at either 40% or 50% MV as an alternative to the minimum 30%, the First Homes model appears generally to reduce viability compared to previous tenure mix positions. At 50% of market value, the First Homes sale revenue (receipt by the developer) is broadly similar to that provided by affordable rented homes, as an example of potential relative impact of First Homes compared to other tenures at that level of discount.

3.1.17 The housing mix required or sought by the Council may also have an influence here as the overall price cap on First Homes (£250,000 after discount, all areas outside London) may limit the income from this tenure or restrict the size of properties which can be brought forward as First Homes. This is a likely effect that we are beginning to see and will be an aspect to consider as part of both the local approach / policy development on

First Homes as well as taking this element forward to the full sets of viability testing (again, to Summer 2023, as reported later below).

3.1.18 Therefore, we conducted some initial analysis of the likely effect of the First Homes price cap locally, which illustrated the likely relationships between the fixed First Homes discount levels and property type/size based on our values research, as set out in Figure 10 below. Within this the red shaded price levels indicate those which would fall outside (not be workable based upon) the various First Homes discount levels (noting again that the discount can be placed at 30%, 40% or 50% MV, subject local evidence, but cannot be placed at any other level or varied across the Plan area with the potential exception of areas covered by Neighbourhood Plans).

Figure 10: First Homes illustration – Local property values and pricing/cap analysis

100% Market Value											
Unit Type	Size of unit	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
	(m²)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200
1BF	50	£140,000	£150,000	£160,000	£165,000	£170,000	£175,000	£180,000	£190,000	£200,000	£210,000
2BF	67	£170,800	£183,000	£195,200	£201,300	£207,400	£213,500	£219,600	£231,800	£244,000	£256,200
2BH	75	£221,200	£237,000	£252,800	£260,700	£268,600	£276,500	£284,400	£300,200	£316,000	£331,800
3BH	93	£260,400	£279,000	£297,600	£306,900	£316,200	£325,500	£334,800	£353,400	£372,000	£390,600
4Bh	106	£364,000	£390,000	£416,000	£429,000	£442,000	£455,000	£468,000	£494,000	£520,000	£546,000

30% Discount											
Unit Type	Size of unit	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
	(m²)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200
1BF	50	£98,000	£105,000	£112,000	£115,500	£119,000	£122,500	£126,000	£133,000	£140,000	£147,000
2BF	67	£119,560	£128,100	£136,640	£140,910	£145,180	£149,450	£153,720	£162,260	£170,800	£179,340
2BH	75	£154,840	£165,900	£176,960	£182,490	£188,020	£193,550	£199,080	£210,140	£221,200	£232,260
3BH	93	£182,280	£195,300	£208,320	£214,830	£221,340	£227,850	£234,360	£247,380	£260,400	£273,420
4BH	106	£254,800	£273,000	£291,200	£300,300	£309,400	£318,500	£327,600	£345,800	£364,000	£382,200

40% Discount											
Unit Type	Size of unit	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
	(m²)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200
1BF	50	£84,000	£90,000	£96,000	£99,000	£102,000	£105,000	£108,000	£114,000	£120,000	£126,000
2BF	67	£102,480	£109,800	£117,120	£120,780	£124,440	£128,100	£131,760	£139,080	£146,400	£153,720
2BH	75	£132,720	£142,200	£151,680	£156,420	£161,160	£165,900	£170,640	£180,120	£189,600	£199,080
3BH	93	£156,240	£167,400	£178,560	£184,140	£189,720	£195,300	£200,880	£212,040	£223,200	£234,360
4BH	106	£218,400	£234,000	£249,600	£257,400	£265,200	£273,000	£280,800	£296,400	£312,000	£327,600

50% Discount											
Unit Type	Size of unit	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
	(m²)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200
1BF	50	£70,000	£75,000	£80,000	£82,500	£85,000	£87,500	£90,000	£95,000	£100,000	£105,000
2BF	67	£85,400	£91,500	£97,600	£100,650	£103,700	£106,750	£109,800	£115,900	£122,000	£128,100
2BH	75	£110,600	£118,500	£126,400	£130,350	£134,300	£138,250	£142,200	£150,100	£158,000	£165,900
3BH	93	£130,200	£139,500	£148,800	£153,450	£158,100	£162,750	£167,400	£176,700	£186,000	£195,300
4BH	106	£182,000	£195,000	£208,000	£214,500	£221,000	£227,500	£234,000	£247,000	£260,000	£273,000

Red denotes property value above the £250,000 FH cap.

Discount required to achieve £250,000 cap											
Unit Type	Size of unit	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
	(m²)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200
1BF	50	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
2BF	67	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
2BH	75	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
3BH	93	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	32.8%	36.0%
4BH	106	31.3%	35.9%	39.9%	41.7%	43.4%	45.1%	46.6%	49.4%	51.9%	54.2%

(DSP 2022- 23)

Initial cumulative testing – Approach and other policy areas

3.1.19 In order to generate initial viability indications that were considered likely to be most information overall, early on in the assessment, to inform both that and the next steps as part of an iterative approach overall, we carried out modelling on a sample number of key residential development typologies – 15 Houses (greenfield and PDL), 50 Mixed (houses/flats - greenfield and PDL) and 100 Mixed (houses/flats – greenfield only). These initial sample typologies were selected based on our analysis of the emerging supply and the range of potential sites that may come forward over the plan review period.

3.1.20 For the early exercise we fixed key assumptions (including emerging policy costs that may be varied through the Preferred Options consultation stage). Relevant BLVs were then deducted from the resulting RLVs, producing a surplus or deficit amount indicated as remaining to support infrastructure / planning obligations (s106 & 278 costs). These indications could then be compared with the estimated obligations levels to consider which scenarios were more or less likely to support the infrastructure requirements alongside the cumulatively tested emerging BPR policy costs.

3.1.21 The emerging and national policy cost areas allowed for in the early testing reflected the scope covered in Section 2 above (Methodology) and because these have not altered as the assessment has developed over the intervening period (to summer 2023) we will not repeat them at this point as part of the emerging findings context. The policy areas reflected through appraisal assumptions were (and remain) on sustainability – climate change response, parking standards (electric vehicle charging points - EVCP), biodiversity net gain (BNG – at the forthcoming national 10% expectation), water usage efficiency, accessibility and Nationally Described Space Standard. At an appropriate level we also begun to consider matters such as bungalows provision and specialist accommodation for older persons – retirement living (sheltered housing) and extra care.

Emerging findings – high level indications

3.1.22 It is important to keep in mind that the results at all stages of the study discussed below should be considered in the context of the cumulative impact of policy costs on development. There needs to be an element of judgement so that reliance is not placed on results that are at the margins of viability.

15 Houses – Greenfield and PDL

3.1.23 We assumed this typology could come forward on either greenfield or PDL site types with the latter scenario assuming a higher density at 50dph compared to 40dph on greenfield. The applied density assumption primarily affects the assumed “land take” and therefore the BLV calculation – we noted that NBBC may wish to consider this and other draft density assumptions please (see Appendix I as updated subsequently for the settled assumptions).

3.1.24 We saw that, for example, at VL4-5 (£3,300-£3,400/sq. m.) with £500,000/ha BLV and assuming 25% AH, a surplus of approximately £16,500 - £21,500/dwelling produced. At 30% AH, the level of surplus was seen to reduce to circa £9,000 (VL4) - £14,000/dwelling (VL5). The result at VL5 therefore produces a surplus amount broadly sufficient to support what we have assumed to be a reasonable level of s106 based on past requirements, on average (up to c. £10,000/dwelling s106/278 requirement alongside a tested 30% AH). However, when viewed overall the results were noted to be sensitive to lower values so that at VL4 (£3,300/sq. m) the indication fell beneath that level of s106/278 surplus (estimated broadly at up to c. £10,000/dwelling at that stage), indicating a likely more challenging viability scenario. We also need to bear in mind, when considering the results, that whilst we need to show that the cumulative impacts of policy (including affordable housing and infrastructure) have reasonable prospects of viability we also need to make sure that policies are not too regularly pushing viability to the 'margins' – i.e. there is some room for costs to go up / values to fall without compromising on the overall viability of sites coming forward if all those policies were to be put in place.

3.1.25 The PDL test showed a more challenging viability scenario generally, particularly at the upper PDL BLV of £1.25m/ha. For example, at VL4-5 (£3,300-£3,400/sq. m.) assuming 25% AH indicates a surplus ranging from approximately £13,000-£18,000/dwelling against the medium PDL BLV. However, assuming the upper PDL BLV, the same result produces a more marginal surplus range of £7,500-£12,500/dwelling (excluding any allowance for change e.g. through increased costs or lower values).

50 Mixed (flats and houses) – Greenfield and PDL

3.1.26 Although we consider this scheme is most likely to come forward in a GF site context, we considered it on the basis of either a GF or a PDL site type. At the early testing stage we noted this as assumed at 50dph on GF and 55dph on PDL (being a mix of houses and flats).

3.1.27 Assuming a GF site the resultant surplus at VL4-5 (£3,300-£3,400/sq. m.) with £500,000/ha BLV assuming 25% AH, was seen to equate to approximately £15,000 -

£20,000/dwelling. However, this reduced to circa £12,000 - £17,000/dwelling with 30% AH.

3.1.28 In comparison, assuming a PDL site type with 25% AH, the viability scope was seen to begin to become more challenging beneath VL5 £3,400/sq. m. For example, at VL4 (£3,300/sq. m) assuming the medium PDL BLV, a surplus of approximately £9,700/dwelling is produced compared with £14,500/dwelling at VL5 £3,400/sq. m. All in all, a key point drawn out was the sensitivity of overall viability on PDL sites when moving between these VLs – i.e. high level of sensitivity to achievable sales value. As has been noted above, however, a range of values is likely to be relevant and an overview needs to be made, with the overall annual house price change trend having been strongly positive and still reported as positive locally throughout the assessment period through to latest available data reporting in June 2023 – as noted above. The BPR will be in place through a variety of market conditions over a substantial time period. Where smaller dwelling types (e.g. flats) are included within development mixes or make up a scheme, it is also likely that analysis of values on a £/sq. m or £/sq. ft. basis will show at least some higher rates compared with those supported by larger dwelling types (as noted at 2.6.5 above).

100 Mixed (flats and houses) – Greenfield only

3.1.29 Reviewing these indications, we found a surplus of approximately £13,000 - £17,500/dwelling produced at £3,300 - £3,400/sq. m. when combined with 25% AH, when assuming the upper BLV £500,000/ha; reducing to a likely more marginal viability position of £9,000-£13,000/dwelling (i.e. with full planning obligations supported) at 30% AH.

Influence on viability of potential bungalows provision

3.1.30 Following the findings of the HEDNA, at the time we understood the Council wished to consider a requirement for bungalow provision as a proportion of a scheme, initially at 10% of the total number of dwellings.

3.1.31 Accordingly, at the early stage, we sensitivity tested the potential impact of such a requirement based on the above noted 50 Mixed (greenfield) typology. This indicated a broadly downward impact on viability with the level of available surplus to support s106/278 requirements falling beneath the c. £10,000/dwelling level – for example, at the VL4-5 range £3,300-£3,400/sq. m. a surplus of between approximately £5,000-£9,000/dwelling was indicated when assuming 25% AH as the policy baseline.

3.1.32 In comparison to the 'standard' 50 Mixed typology test, this less indication was noted to be related to a number of factors as follows:-

- Build costs for single storey estate type dwellings are typically higher and according to the BCIS dataset for Nuneaton indicatively those costs were seen to increase by approximately £150/sq. m. (i.e. 10-15%) compared to traditional housing.
- Bungalows are more "land hungry" as they reduce the overall efficiency of land use, requiring more land to accommodate which in turn results in increased costs. This also links to potentially further design/layout issues i.e. the wider influence beyond the plot in isolation.
- There may be different means of providing accommodation for older people not just through bungalow provision e.g. flatted development (with lifts) for example and/or some provision under Building. Regulations enhanced Part M4(2)/(3). Retirement living / sheltered housing and extra case will also presumably be part of the overall market offer at some level.
- Alongside this, the other element here is that in practice, the market is going to support provision where it considers there would be the demand and sales drivers, with relativity to other dwelling mix options also considered.

3.1.32 Overall, the indications were that if a 10% requirement for bungalow provision were to be pursued then a downward adjustment in the affordable housing target was likely to be required in order to rebalance viability. However, based on our experience, more of an "encouragement" / open approach in policy (as opposed to fixed requirement) may be more suitable in the circumstances. This was additional information which the Council was able to consider.

High-level emerging findings summary (June 2022)

3.1.33 The findings of this initial testing (as discussed above), sought to provide the Council with a set of emerging considerations and recommendations together with points of query to be resolved as part of finalising assumptions and testing scope in advance of the next phase of full typology and specific/strategic sites testing in due course (again, completed Summer 2023 – as reported below).

Affordable housing – emerging stage headlines

3.1.34 Our initial analysis, as summarised above, indicated a broadly positive viability scenario for smaller-scale greenfield sites (i.e. non-strategic level / sites without large on-site infrastructure requirements) with the ability to support the intended (and adopted Borough Plan continued) 25% affordable housing overall alongside a reasonable level of s106/278 contributions. Although we consider there to be potential viability scope in some cases for perhaps 30% affordable housing, this was indicated as likely to be reliant on values at the upper end of the key range thought to be relevant, also therefore potentially not including sufficient scope for viability to be adequately maintained with some level of rising costs / and or lower values.

3.1.35 Although the Council's emerging site supply pointed to the relevance of both PDL and greenfield (GF) sites, in terms of housing delivery numbers around 85% new homes looked set to be from GF developments.

3.1.36 However, as a potential alternative to a simple single policy approach (which tends to be positive for clarity of expectations where workable) we also considered whether a differential approach to affordable housing policy could be appropriate to reflect the involvement of PDL sites which are often more challenging to bring forward viably given their typically higher EUV based BLVs and other costs factors often relevant.

3.1.37 As discussed above, the initial testing on PDL sites showed that in some cases a lower level of affordable housing at say 20% may be required to balance viability alongside s106/278 contributions. However, subject to further testing, we consider in the majority of circumstances a continuation of the existing 25% affordable housing target remains supportable and should have reasonable prospects of viability overall albeit coming with an increased element of risk of there being viability issues on site specific cases. The policy drafting, however, could acknowledge this. For further context, DSP has found, effectively despite the expectations of NPPF paragraph 58, that Local Plan examination inspectors have tended to look for appropriate flexibility in policies to include acknowledgment of the potential role of viability in planning at decision making stage - where this is indicated at plan making stage as likely to be relevant in some circumstances (note - in our experience only rarely is this not the case).

3.1.38 On this basis, although a differential approach to affordable housing could be considered by N&BBC based site type (i.e. viability on PDL typically in comparison with GF), the continuation of the existing 25% affordable housing requirement borough-wide was at the emerging findings stage considered broadly viable and appropriate overall alongside the other emerging policies scope, largely reflecting national level positions.

3.1.39 Although appropriately subject to further review as this viability assessment and other evidence and information development also progressed, this fed into the Council's ongoing policy development considerations; representing the least complicated route and one which we considered would strike an appropriate balance between the ranges discussed above (i.e. 20-25% AH on PDL and 25-30% on greenfield).

3.1.40 Another development scheme characteristic potentially relevant to consider was the proportion of flatted development likely to be seen overall, since this also was found likely to support lower viability indications on the whole. However, in parallel with the above noted PDL considerations, all flatted developments have not been considered likely to be a sufficiently prominent contributor to overall supply to warrant policy differentiation which, again, would add complication.

3.1.41 The above indications reflected assumptions representing the inclusion of First Homes at 25% of the appraised affordable housing, using a 30% MV discount assumption. As can be seen from the above if an increased level of discount were to be applied, at either 40% or 50%, the overall viability scope would reduce. On this basis, the impact of less revenue would be likely to result in a lower overall proportion of affordable housing (or another relatively significant compromise) in order to rebalance the viability.

3.2 Findings – Full typologies review exercise (reporting stage July 2023) – Appendix II

3.2.1 Having reviewed the assumptions since, as the Council has also considered the Preferred Option consultation responses and further developed its information base and BPR proposals, the assumptions used for the full testing sets are summarised in Appendix I and reflecting Chapter 2 above.

3.2.2 In summary, at the point of closing this assessment our view is that the previously assessed overview picture on the relevant value levels (VLs) range remains broadly as it was at emerging findings stage (June 2022) with initially continued strong gains having reduced and prices (at June 2023) indicated by the HPI to be approximately 2.6% higher than they were one year prior. So, while there appears to be something of a general re-set well underway and this is seen also in the local market data (viewed via Land Registry recorded sales) overall the local picture has remained relatively positive based on available data, with this having the effect of eroding the surprisingly buoyant Covid pandemic affected period of significant uplift in house prices rather than something more significant than this – at this stage (summer 2023).

3.2.3 Meanwhile, build costs continued to rise, but in recent months this trend has also been seen to slow down - with materials shortages and prices easing. Until recently, whilst, broadly, we have seen across our work at both plan making and decision taking stages (covering a wide range of areas) that house price inflation has been able to largely support costs growth, this relationship has been weakening in the last few months. Latest reports by BCIS and others suggest that build costs are likely to continue increasing in the coming period owing mainly to labour shortages, although at much more modest rates compared with the build costs trend of the recent spell. This comes at a time when the support for rising costs will not be there in the same way from the house price trends. Along with very latest news (June – July 2023) of further rises in the bank base rate and this now flowing through to mortgage rates reaching a c. 15 year high, with inflationary pressures being sustained in the economy generally and the recent apparently more settled mortgage market being lost, clearly at this final full reporting time we are at a low point in the economic cycle. Development finance costs have been increasing, looking only at short term / current movements again compared with the longer-term view appropriate for the BPR overall.

3.2.4 However, as has been noted above, whilst this might mean consideration of flexibility in some cases at planning application stage depending on the specific development mitigation and infrastructure requirements of individual schemes (through s106 again as above) which will be involved alongside the affordable housing, the adopted AH policy of 25% has been working well overall we understand and the BPR has a much longer operating context. During its time, a range of economic and property market circumstances are very likely to be relevant. Accordingly, with affordable housing need and all policy objectives in mind, it is not appropriate to dilute policies based only on some likely short-term challenges involved in the delivery optimum sustainable development.

3.2.5 Also, a part of the context worth noting again at this stage is that the Council's BPR policy aims have neither increased over the period of this assessment or exceed in significant ways the requirements and expectations of national level policy. Essentially, from a viability point of view the BPR seeks to continue the proven workable adopted Plan affordable housing policy headline level (@ 25%) whilst also including a necessary stepping up of other policies around sustainability, but at a level not exceeding national requirements that are either in place already or soon will be.

3.2.6 Leading up to formal final reporting stage for N&BBC we have referred to latest available information, although with very latest Land Registry HPI data approx. 2 months old (owing to the normal lag in sales reporting flowing through) indicating local house prices overall (at April 2023) to be 6% higher than at the time of settling assumptions for the emerging findings stage review. However, as noted above (3.2.2) this measure has reduced since looking in the Spring. We have not relied upon this in the context noted above. The change in relevant BCIS build costs figures looks to be round +2%, with that adjusting regularly, so that, overall, we can reasonably expect viability outcomes not to have deteriorated significantly during the study period. Clearly only time will enable a look at how all of this actually develops, however, and pans out both in the next period and over perhaps the early years of the Plan Review.

3.2.7 It is also worth noting that using latest available costs indications (of which there are a variety) we have adjusted some assumptions detail used for example in respect of meeting The Future Homes Standard (sustainable new homes – energy usage and carbon reduction as part of the climate change response) and use and accessibility of new homes (Building Regulations Part M4 – as updated). Again, Appendix I provides details.

3.2.8 In all the circumstances, both local and in respect of outside influences, given the nature of housing development expected to come forward in the borough, our key finding is that from a viability viewpoint the proposed N&B BPR policy set – including the 25% affordable housing – remains appropriate on the basis considered and discussed; and on the whole should leave developments able to come forward viability whilst supporting the various sustainability measures that are fast becoming general expectations in any event.

3.2.9 The one area of the policy proposals that has an impact on viability and goes beyond the national baseline is the Council's intention to seek 5% homes to M4(3) accessibility standards, rather than the updated Building Regulations requirements reflecting all new homes being required to meet the lower cost and more readily attainable M4(2) standard. However, and again referring only to viability, in our view a removal of this where achievable would be unlikely to result in a significant upward shift in the development supported funds available for s106.

3.2.10 Before moving on to the review of the selected larger / strategic sites the following commentary will explain how the typologies-based results tables with Appendix II may be used by the Council to consider the potential scope for supporting s106 across a range of circumstances when applying all the assumptions made – reflecting the fully applied emerging BPR policy set. As can be seen, a key emphasis within the great many typology and sensitivity tests is at this stage the provision of information for the Council's use on applying test s106 levels (alongside all other allowances) at £5,000, £7,500 and £10,000 per dwelling and enabling the Council to consider this alongside its developing infrastructure planning information. To be clear, this is currently (i.e. remains) the envisaged mode of infrastructure funding in the borough, although the stated amounts could also be expressed as CIL / IL equivalent amounts in due course and the assessment work used as a basis and developed to look further at those if relevant in due course.

Guide to information in Appendix II tables 2a - 2m

3.2.11 Using the same display format across Appendix II (residential typology test outcomes – RLV indications) each table outlines the nature of the typology tested. Shown in the column headings are the main variables tested behind each residual land value (RLV) indication (each £ figure being the outcome of an appraisal). The figures in the top (white / non-shaded) results table areas are the appraisal RLVs expressed in £s. Beneath those, the same RLVs are expressed in £/ha terms – in the colour shaded table sections. The £/ha RLV levels can then be compared against the selected range of benchmark land values (BLVs) – as are shown in 'BLV Notes' below the results tables. The 'Key' shows how the "filtering" has been applied in setting this out.

3.2.12 Used in this way, the colour shading aims to highlight the results trends and shows using orange for likely more marginal positive indications and then graduated shades of green for the results that more clearly exceed at least the lowest BLV test through to those that meet higher BLV tests shown with increasingly bolder green shading. In the instances where shown, the orange colouring indicates the areas of results that are potentially viable but are likely much less secure outcomes unless on lower value sites. Accordingly, this acts as filtering as mentioned above, enabling the viewing of trends in the results, which scenarios are indicated to be viable at the various BLV levels used for comparison with the RLV results and which scenarios (combinations of assumptions tested) lead to broadly similar viability outcomes.

3.2.13 In the case of developments that could occur on a range of site types (sites in different existing uses) the increasing intensity of green colouring shows the scenarios where the RLVs meet or exceed higher BLVs, indicating likely viability across an increasing range of site types. On GF sites, the more intense green colouring over the results indicates test scenarios reaching RLV levels increasingly above the relevant lower BLVs.

3.2.14 The applied s106 £/dwelling test levels are shown across the top of each results set, increasing from left to right.

3.2.15 Similarly, where relevant over the proposed policy threshold, the AH level tested across each set is shown at the top and again increases left to right, with 25% AH the BPR position. In terms of threshold, the results at 5, 10 and 15 dwellings can be used to review the effect of the AH requiring "kicking in" and then increasing to be expressed as 25% in all cases after the Council's mini-sliding scale type approach to requiring 2 no. affordable homes from the smallest sites that trigger the threshold (which could be placed at 10+ rather than 11+ dwellings, following the national baseline, if preferred but is also considered workable based on the Council's slightly more lenient proposal, in terms of viability). In our view the policy as proposed is clear and should operate appropriately.

3.2.16 Reflecting the range of values levels (VLs) used across the ranges currently considered most representative (as per 2.6 within 'Methodology' and above paragraphs on reporting context) together with expanded sensitivity tests looking at the potential influence of both higher and lower values moving ahead, the Appendix II tables show the VLs applied alongside each test of main variables (being the AH% and £/dwelling s106 levels tested). At this stage, in the context of most new builds, the included lower VL tests (at VL1 and 2/3) are lower value sensitivity tests rather than considered core results – provided for wider information.

3.2.17 In the case of Tables 2g and 2k, higher VL tests were used as shown. This reflects the typical premium levels of value seen in case of retirement living/sheltered and extra care developments as new builds – viability indications at 2g and 2k respectively. In our experience, such developments tend to attract lower levels of s106 than general market housing, owing to the nature of their occupancy and demand on some services that typically require the most s106, but again the Council will be able to consider the wider information provided as appropriate.

3.2.18 At this stage, with a relatively modest AH proportion sought at 25% proposed for continuation, it appears that there is insufficient evidence to warrant a lower AH% (differential approach) for specialist housing for older persons, which in our experience is typically addressed via a financial contribution in-lieu of on-site provision in any event; and often subject to viability depending on the particular nature of a scheme proposal at application stage (with proposals potentially covering quite a range of scheme characteristics). This has generally been workable with typical policies in place – i.e. in the context of an overall assumption and strong priority for direct AH provision.

3.2.19 However, we are of the view that it would be appropriate to consider some flexibility (acknowledgement of potentially variable viability) within the policy approach / wording for specialist housing such as this and particularly if such an approach is not going to be part of the main policy text owing to N&BBC's overall successful securing of affordable homes across a range of sites when applying the 25% as adopted policy.

3.2.20 Regarding potential flexibility, as we have noted, this is a point to bear in mind more widely too in our experience, on the whole with NPPF paragraph 58 so far not proving to readily reflect the realities of sites and developments generally being so varied in practice, in our experience (including through recognition of this in LP examinations). To a degree, in such circumstances it may be appropriate to consider schemes more individually against an overall set of criteria that is kept fairly simple and that will be clear as a starting point. Our points here are offered to N&BBC from a viability and practicalities perspective only.

3.2.21 A key factor to bear in mind while looking across and comparing between the indications is that for greenfield scenarios it is appropriate to compare the appraisal RLV outcomes (the figures shown in the Appendix II results tables) with the usually significantly lower BLVs that are appropriate relative to the higher existing use values of PDL that will normally be encountered as a "hurdle" for the appraisal RLV to overcome, indicating the potential for a site to be released from its current use – all as per the PPG as reflected above. This means that GF hosted developments will typically support more scope for infrastructure provision, with the location of schemes relative to existing facilities often meaning more extensive requirements.

3.2.22 We have also noted above that with flats introduced into the dwelling mix, the build costs can usually be expected to rise compared for example with estate housing type development. While the viability impact of this may be eased or balanced out through greater density and lower land take levels, the greater construction costs and other characteristics associated with developing flats only are likely to be a consideration where this form of development is significant to the LP supply overall. This is particularly where this coincides with higher BLVs associated with PDL delivery, which site types usually host a great majority of all-flatted schemes. However, while noted here mainly for completeness / wider information in this assessment case, this is not key context in Nuneaton & Bedworth Borough as far as we are aware at this stage.

3.2.23 To the rear of the Appendix II typologies results tables a sample of appraisal summaries are provided – examples enabling a further look at how the calculation structure and noted assumptions are used. We note that the appraisals are too numerous to display all summaries. The layout of the summaries follows the Argus Developer software formatting.

3.3 Findings - Review of larger specific / strategic site allocation proposals (reporting stage to August 2023) – Appendix III

Guide to information in Appendix III Tables 3a – 3c

3.3.1 The current stage viability outcomes resulting from our appraisal of allocation proposals SHA-2 (c. 1525 dwellings at Arbury), SHA-3 (c. 350 dwellings at Judkins / Tuttle Hill and SEA-6 (c. 150 dwellings and 19 ha employment land provision at Bowling Green Lane) are provided within Appendix III – at Tables 3a, 3b and 3c respectively.

3.3.2 These were the sites selected as most appropriate to appraise in more detail, representing development proposals not yet progressing or permitted, although with some planning in progress at this time.

3.3.3 Whilst the same appraisal principles and approach have been applied (as used through the typologies review exercise – above) these viability indications are expressed in a different way. With, again, all emerging policies allowed for within the range of development costs estimates, the main variables under review here are the tested AH % (base at 25% as per the policy proposal, as above; further sensitivity tests at 20% and 30% AH) and tested the effect of potential variations to the market housing sale value levels (VLs) and construction costs.

3.3.4 In each case the three VLs considered likely to be most relevant by location and scheme type in each case have been tested in combination with no change to the applied construction cost rate (the '0% BASE TEST' scenarios) and further sensitivity tests between a -10% and +10% adjustment to that.

3.3.5 Owing to the variable level of information available at the time to support more bespoke appraisals, rather than run only a surplus approach to see approximately what sums could remain to support planning obligations (development mitigation / infrastructure) we considered it more useful to input those costs estimates that were available. This exercise was run using the assumptions set out in Table 1b within Appendix I and means that the indicative surpluses reported (both scheme-wide i.e. in total and £/dwelling) are the approximate amounts available to support costs or works that are currently not included within the appraisals. If required, this picture could be revisited readily at a subsequent stage, should more information on infrastructure / mitigation requirements for each site become available for use in the appraisals – further iterations could be run.

3.3.6 Using green shading for the positive RLV indications and indicated surplus amounts on the basis of all the assumptions made, and pink / red shading for the negative RLV test outcomes and indicated deficits, again the trends within results and the influences upon those are highlighted. This is a simple display of either indicated surplus or deficit outcomes based on all the assumptions used at this stage rather than indicating firm viability cut-offs or similar, because it is likely that the picture on development requirements details, costs and values will move around on the way to, and indeed through, the delivery of such schemes.

3.3.7 Here a surplus indication results where the appraisal RLV exceeds the selected benchmark land value (BLV) with the BLV set at £250,000/ha applied across the estimated gross (total) site area required for development (both housing/employment and open space and other facilities / uses) in each case. This is based on information provided by N&BBC and also supplemented with that available from the bespoke stakeholder consultation exercise and DSP research – in each case using what has been available to date.

3.3.8 Accordingly, while the approach and methodology applied in this element of the assessment is consistent across the sites appraised, as is the majority of the assumptions basis, in respect of infrastructure works / contributions estimates these are considered individually. This is appropriate because the focus is on considering the viability prospects site-by-site i.e. as individual proposals that are expected to contribute significantly to the BPR delivery (as part of the overall consideration of potential allocations) rather than the fully consistently approached overview that is appropriate in respect of the typologies exercise that in the main informs and supports the policies development on requirements and standards more generally.

3.3.9 As will have been expected, the viability indications are seen to increase (more green shading is shown) with increasing VL tested, reduced AH% (to 20%) or a reduced from base construction cost assumption. Likewise, more red shading is seen so that the indications become less positive or move to deficit positions (rather than surpluses potentially available to support non-appraised costs) as lower VLs are assumed, increased AH is tested (30%) or the rising construction costs sensitivities are also looked at.

3.3.10 At this stage, with the information still developing and not fully complete on site-specific requirements (which is not unusual in our experience) it is not possible to say exactly what level of infrastructure will be required or indeed be supportable in each case in combination with the (fully tested) AH and other policy requirements.

3.3.11 However, reflecting on the typologies review, previous experience both of Nuneaton and Bedworth Borough and other areas, and with the specific site testing undertaken to date, as above, our overview is again that the 25% AH headline is considered appropriate in viability terms. The proposed policy should prove a workable basis in our view, in accordance with the expectations of the NPPF and consistent with the PPG.

3.3.12 Although as may be expected given the relatively small dwellings number indicated (c.150) and the majority employment land use proposal Bowling Green Lane looks likely to be more challenging in terms of viability prospects when viewed overall, when considering a mid-VL (values) test a number of scenarios appear workable based on 25% AH, with it looking possible to rebalance viability if necessary once full details of the sites and requirements are known; and market conditions relevant to the delivery periods can be considered. Indeed, the same principles could be considered more widely – if / as necessary depending on how all the circumstances develop.

3.3.13 Overall, our findings are that this element of review indicates as per both the emerging findings and full typologies review discussed, with development considered able to continue to come forward viably based on the BPR proposals. This is also when bearing in mind that N&BBC does not have the effect of fixed CIL charging in place, is not proposing policy going extensively beyond national requirements and standards (either currently implemented or coming into effect soon) and overall has successfully operated its adopted 25% AH policy.

3.3.14 Clearly, as is not unusual, some compromises may be necessary over the course of considering many different types of schemes and varied circumstances in time, but this need not deflect from the appropriateness of clear policy positions that it appears should prove workable on the whole.

3.3.15 To the rear of the Appendix III specific sites review results tables appraisal summaries are provided. Again, the layout of the summaries follows the Argus Developer software formatting. For these, a narrower set of VL tests has been settled upon because the specific location has enabled more targeted judgements on that aspect. Nevertheless, a range of sensitivities has been considered and, extending this approach, the appraisal exercise included the above noted display of wider sensitivity test results. This enables a feel for how changing values and construction costs could influence viability in such scenarios.

3.4 Rounding up: Further commentary – generally

3.4.1 This potential need to adapt does not undermine our BPR overview that the policy aims should be supportable and reasonably placed over the longer run that is relevant (the BPR runs to 2039). The Council has to consider the sustainability of development together with the affordable housing and other community needs – all in balance with viability. It is able to consider how much weight to give to viability at decision taking stage as per the PPG. The purpose of viability in planning is to inform rather than constrain sustainable development and in doing so to enable the optimising of planning obligations to be considered.

3.4.2 Different appraisal inputs could result in different viability indications so that for example a varied dwelling number or mix, assumed density or other alternative assumptions could be expected to have an influence. The assessment does not amount to an options appraisal for sites or similar, whereas prospective promoters, developers and housebuilders can be expected to work up the most viable scenarios that will be able to address the individual site characteristics and requirements as far as possible.

3.4.3 It is possible also to consider the likely effect of intermediate levels of AH or other assumptions through interpolation – i.e. viewing between two results points, if relevant. Overall, the sensitivity testing information could also be used to broadly assess different combinations of appraisal inputs (assumptions) that may be expected to support similar viability outcomes or which might be viewed on a “trade-off” type basis if needs be in particular instances.

3.4.4 The significant viability impact of the affordable housing relates to its development cost being broadly the same as market housing while it generates revenue (sale value) at a very much lower level – often around half (50%) of market value when a blend of AH tenure is taken into account overall. This is also behind the affordable housing generally needing to be considered (and potentially not being provided at the highest levels within a targeted range) when it comes to considering support of a mix of policy objectives within an overall balance. Aside from the nationally required First Homes now allowed for as a base assumption, the AH policy as impacts viability is entirely locally set. In balancing up, the cost of providing the AH is such that some adjustment in its provision can often "pay for" other less costly policy objectives in their entirety, and collectively.

3.4.5 DSP notes that this has been a common factor across such assessments undertaken in recent years and continues to be. The dynamics described here are by no means unique to Nuneaton & Bedworth Borough. In our extensive experience of these matters, they are typical considerations (albeit at varying policy levels etc. according to local characteristics and at this point in time exacerbated by circumstances in terms of short term effects).

3.4.6 Furthermore, no allowance has been made at this stage for the likelihood of extra over costs (as are assumed to be associated with increased development and housing standards relative to previous) reducing as the currently new or emerging sustainability and other requirements become the norm; reflecting improvements in knowledge, techniques and technologies, and economies of scale.

3.4.7 This has been a challenging time at which to consider development viability, as it is for development activity. This has been particularly the case in recent months, over the period in which we have been concluding this assessment – to the summer of 2023, using information as provided and gathered up to that period.

3.4.8 With a need to consider recent and current circumstances but above all a requirement to look across the BPR period overall, this assessment has been done at a point in time but also reflects on this more strategic, longer-term relevance as part of the BPR overview. This is consistent with the application of viability in planning at plan making stage, as per the NPPF and reflecting the PPG.

3.4.9 We note that available information and assumptions tend to be on a snapshot basis whereas during the relatively long-term life and strategic approach of the BPR, current estimates of extra over costs can reasonably be expected to reduce very significantly, as higher standards quickly become the norm and other matters develop with new techniques and growing knowledge – reiterating the above. This commentary is considered relevant to both residential and other development use types.

3.4.10 Very soon it should be possible to assess whether more energy efficient homes and business premises attract higher values. There have been suggestions of this for some time, but mostly anecdotally that we have seen and so with data on this awaited. We have noted that this is being seen already in some commercial sectors, but we expect it to flow through into the residential market. Developers' marketing campaigns are now often including or focusing on energy efficiency. That along with the cost efficiencies anticipated over time (demand leading to bigger markets, economies of scale, improved designs and technologies) may well help further to balance out what will likely be some initial viability pressures. Nevertheless, it seems very likely that there will be some form of transition to make and probably sometime taken with that.

3.4.11 We expect also that "multi-purpose" solutions to supporting measures for achieving biodiversity and other elements of the landscaping, open space, environmental and ecological requirements will be developed too, whereas currently we are taking more of an individual costs assumptions approach to some of these elements. All in all, within the nature of viability in planning it is appropriate to consider how development can and will come forward, rather than only how it might not be able to comply with reasonable requirements. The same context applies to other policy related matters proposed by N&BBC.

3.4.12 On the whole, taking the wider BPR context rather than only the short term, we are able to support the viability prospects related to the policy directions and nature of development coming forward in Nuneaton & Bedworth Borough. All in all, we consider the approach proposed by the Council should be capable of supporting viable developments.

3.4.13 The policy proposals have been tested cumulatively and the nature of the development proposed is considered able to come forward viably, including on the proposed strategic allocations as reviewed.

3.4.14 However, it is also appropriate in our view to consider that in the short term (potentially the next few years) the increased development costs related to local as well as national policy requirements will be impacting at a time when the economic circumstances seem likely to continue to be difficult, with general costs inflation pressures. So, it is likely that there will be a coming together of aspects that will be challenging for viability in some cases. This will be likely to influence matters across the board to some extent, but the assessment suggests this will be at its most challenging on some PDL sites as well schemes that support heavy burdens from infrastructure requirements or significant abnormal costs. Typically, PDL sites are where more frequently there will be inherently less or very limited viability headroom owing to higher site values (BLVs based on existing use plus as per the PPG) in combination with often higher development costs. The same principles may also be relevant to bear in mind in regard to some more specialised forms of development – such as retirement living / sheltered housing and perhaps particularly extra care development – as noted above.

3.4.15 With this context set out we have provided further commentary extending this point about the difference between the necessary BPR overview (e.g. including reflecting matters as economic circumstances pick up and currently viewed extra over policy costs reduce) and the immediate period / short term. Similarly, although build costs are continuing to rise, there are some indications that this pressure may be beginning to ease and this can be expected to happen in the event of a decline in demand.

3.4.16 Nevertheless, as reflected in the policy proposals that have been discussed through this assessment, it appears likely that N&BBC will probably need to consider some elements of potential flexibility over the operation of policy aims in the short term.

3.4.17 DSP will be pleased to assist Nuneaton & Bedworth Borough Council with any further work or points in relation to this assessment.

Notes and Limitations

i. The purpose of the further assessment reported in this document (as conducted between *[April 2022 and August 2023*) has been to inform and then support the firmed-up policies now proposed as part of the emerging Nuneaton & Bedworth BPR (Borough Plan Review) – current proposed Draft Regulation 19 stage.

ii. Gathering up and reflecting on the testing of typologies and strategic scale development over the main elements of assessment over the above noted period, this report sets out the information considered and scope of review as part of the Council's development of its BPR proposals from a viability perspective - whilst also taking into account national policies and initiatives that may have an impact on development viability.

iii. This has been a desk-top exercise based on information provided by N&BBC supplemented with information gathered by and assumptions made by DSP, once again as appropriate in the context of BPR development ('plan making').

iv. This review has been carried out using well recognised residual valuation techniques by consultants highly experienced in the preparation of strategic viability assessments for local authority policy development including whole plan viability, affordable housing and CIL economic viability as well as providing site-specific viability reviews and advice. In order to carry out this type of assessment many assumptions are required alongside the consideration of a range of a large quantity of information which rarely fits all eventualities.

v. It should be noted that every scheme is different, and no review of this nature can reflect all the variances seen in site specific cases. Accordingly, this assessment (as with similar studies of its type) is not intended to directly prescribe assumptions. Assumptions applied for our test scenarios are unlikely to be appropriate for all developments. A degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing and supporting the Council's approach to and proposals for a robust and viable BPR.

vi. Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated – the indications generated by the development appraisals for this strategic purpose will not necessarily reflect site specific circumstances. Nevertheless, the assumptions used within this study inform and then reflect the policy requirements and strategy of the Council and therefore take into account the cumulative cost effects of policies.

vii. The research, review work and reporting for this assessment has been assembled at a time when there remain economic uncertainties associated with post-Brexit, the after effects of the COVID-19 (Coronavirus) pandemic situation, more latterly the war in Ukraine, and challenging economic circumstances in general, with the latter coming to more the fore as this assessment has progressed to its later stages and the write-up has been finalised.

viii. This may run through into many potential areas affecting development viability or deliverability, particularly in the short term. However, there could be a range of influences and effects, not necessarily all negative in their impact on viability. It is of course only possible to work with available information at the point of carrying out the assessment. At this stage it appears that it will be for Local Authorities and others to consider how this picture may change – monitor it as best possible and consider any necessary updating of the evidence and local response in due course.

ix. This is consistent with the approach that typically is taken already when either a significant amount of time passes, or other circumstances change during the period of Plan preparation/review and potentially pending or during examination. In the meantime, this work contains information on the impact of varied assumptions applied within a wide range of sensitivity tests. Run in this way, and through regular dialogue with the Council while in progress, this has helped and continues to inform the Council's consideration of development viability in the wider plan delivery context.

x. This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership Ltd (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

xi. To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd (DSP) accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.

xii. In no way does this study provide formal valuation advice; it provides an overview not intended for other purposes nor to over-ride particular site considerations as the Council's policies will be applied from case to case.

xiii. DSP conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. We have not undertaken and are not undertaking other work in the Council's area at the time of this project, but have undertaken strategic viability assessment work previously on behalf of the Council and we work for other authorities in the region.

xiv. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of incentive/performance related payment. Our project costs are simply built-up in advance, based on hourly/day rates and estimates of involved time. In the preparation of this assessment DSP has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.

FINAL Report ends

DSP v7

Nuneaton & Bedworth Borough Council

Borough Plan Viability Assessment

Appendix I:

Assumptions Summary

DixonSearle Partnership

Nuneaton and Bedworth Borough Council - Appendix I: Borough Plan Review Viability Assessment
Table 1a: Residential Assumptions - Site Typologies and Revenue Assumptions

Scheme Size Appraised	Type	Site type	Density	Net Land Area (ha)	Gross Land Area (ha) (incl. Open Space)	Build Period (Months) *(6-month lead-in)*
5	Houses	PDL	35	0.14	0.16	6
10	Houses	PDL	35	0.29	0.33	12
15	Flats	PDL	100	0.15	0.17	12
15	Houses	Greenfield	35	0.43	0.49	16
15	Houses	PDL	40	0.38	0.43	16
30	Houses	Greenfield	40	0.75	0.86	18
30	Flats (Sheltered)	PDL	125	0.24	0.28	18
50	Mixed	Greenfield	35	1.43	1.64	18
50	Mixed	PDL	40	1.25	1.44	18
50	Flats	PDL	100	0.50	0.58	18
60	Flats (Extra Care)	PDL	125	0.48	0.55	18
100	Mixed	Greenfield	30	3.33	4.33	24
300	Mixed	Greenfield	30	10.00	13.00	24

Notes:
The above scenarios tested at 20%, 25% and 30% on-site AH on sites of 10+ units. The appraisals have been completed in each case to the point at which a negative results is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable Housing tenure split assumed at 60% Affordable Rent and 40% intermediate products, accounting for 25% First Homes and 10% AHO overall. The above assumes fully applied policy position - actual percentage will necessarily vary due to policy requirement.

Land Area Adjustment - 15% added (30% added on largest sites). GI/OS allowance forms part of overall gross site areas.

See Residential Assumptions Sheet 2 for Strategic/specific site testing (Table 1b)

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*		Dwelling Mix (%) *(Policy H1/H2 - based on HEDNA)*		
	Affordable	Market	Market Units	Affordable Housing - Rented	Affordable Housing - Affordable Home Ownership
1-bed flat	50	50	10%	20%	25%
2-bed flat	61	61	35%	40%	35%
2-bed house	79	79			
3-bed house	93	93	45%	30%	30%
4-bed house	106	130	10%	10%	10%

**based on Nationally Described Space Standards.*
Note: Retirement/sheltered units assumed at 55sq.m (1-Bed Flats) and 75 sq.m. (2-Bed Flats) with 25% net to gross ratio for. Extra-care assumed at 58.5 (1-Bed Flats) and 76.8 (2-Bed Flats) with 35% net to gross ratio.

Value Levels - Nuneaton & Bedworth

Market Value (MV) - Private units	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
1-bed flat	£140,000	£150,000	£160,000	£165,000	£170,000	£175,000	£180,000	£190,000	£200,000	£210,000
2-bed flat	£170,800	£183,000	£195,200	£201,300	£207,400	£213,500	£219,600	£231,800	£244,000	£256,200
2-bed house	£221,200	£237,000	£252,800	£260,700	£268,600	£276,500	£284,400	£300,200	£316,000	£331,800
3-bed house	£260,400	£279,000	£297,600	£306,900	£316,200	£325,500	£334,800	£353,400	£372,000	£390,600
4-bed house	£364,000	£390,000	£416,000	£429,000	£442,000	£455,000	£468,000	£494,000	£520,000	£546,000
MV (£/sq. m.)	**£2,800**	**£3,000**	**£3,200**	**£3,300**	**£3,400**	**£3,500**	**£3,600**	**£3,800**	**£4,000**	**£4,200**

Note: Sheltered/Extra Care tested at a wider range of VLs from VL6 £3,500 to VL14 £5,000/sq. m.

Value Levels - Locations by Ward area

Ward Areas	Indicative Value Level Range
Abbey	***VL1-3***
Arbury	***VL1-3***
Attleborough	***VL4-7***
Bar Pool	***VL1-3***
Bede	***VL1-3***
Bulkington	***VL3-6***
Camp Hill	***VL2-4***
Exhall	***VL3-6***
Galley Common	***VL3-6***
Heath	***VL3-5***
Kingswood	***VL1-3***
Poplar	***VL3-5***
Slough	***VL4-7***
St Nicholas	***VL4-7***
Weddington	***VL3-6***
Wem Brook	***VL1-3***
Whitestone	***VL5-8***

Affordable Housing Revenue Assumptions

Unit	Market Size	Affordable Rent		Shared Ownership
		LHA Rate £/dwelling	Average AH Transfer Price	% of Market Value
1BF	50	£112.77	£92,971	70%
2BF	61	£132.33	£109,097	
2BH	79	£132.33	£109,097	
3BH	93	£155.34	£128,066	
4BH	130	£201.27	£166,017	

Note: Affordable Rents based on data provided by the Council. The appraisal modelling assumes a weighted average of AR by development type.

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Nuneaton & Bedworth Borough Council - Appendix I: Borough Plan Viability Assessment - Table 1b: Residential Assumptions - Specific Site Allocations Assumptions

Specific Site Allocations - Shortlisted Sites

Site Allocations - Bespoke Testing	Gross Site Area (ha)	*Assumed* Net Site Area (ha)	Indicative Capacity (approx. no. of dwellings)	Indicative Capacity Non-residential	Indicative Residential Market Value (£/sq. m.)	Housing Trajectory - *timings/phasing*	DSP Additional Assumptions / Comments / Site Specific Costs (Serviced land = £550,000/ha unless otherwise stated) *Note: as detailed costs for provision are unknown at this stage, the appraisal modelling has been conducted on a surplus basis. The resulting surplus amounts will need to be sufficient to support any known costs listed below.*	Site works and specific abnormal costs
Arbury (Site Ref: SHA-2) ***Existing Use: Agricultural*** *[Affordable Housing tested @ 20%, 25% and 30% AH]*	86	*TBC - unknown at this stage*	1525	N/A	VL2 £3,200 - VL4 £3,300	0.75 market units per week per outlet, assuming 4x outlets	• Financial contribution to the NHS Coventry and Warwickshire Integrated Care Board @ £1,500,000 (based on pre-app discussions in 2021) • Local Centre, including community facilities - *detail unknown at this stage, excluded from appraisal model* • 5.9ha Community Park (including the proposed strategic play area) to be provided forming an open space and habitat corridor. • Linked to above provision - ballcourt and children's equipped play provision @ MUGA £60,000, play equipment £90,820, teenage facility £7,575, green gym £32,000, 30x space car park £68,202= £258,597. • Distributor link road through the site with integrated footway/cycleway provision and is required to secure a connection that links the site to the A444s - *detail unknown at this stage, any additional costs outside already allowed within site servicing excluded from appraisal model* • Provision of new footway alongside the A444 @ £500,000. • 1 x FE Primary School (capable of expansion to 3FE) cost @ £13.3m plus further contribution for establishing new school @ £400,000. • On-site bus infrastructure and contribution - *detail unknown at this stage, excluded from appraisal model* • Financial contribution towards borough-wide strategic highway infrastructure works within the A444 corridor @ £2m (estimate) • Financial contributions towards sport and physical activity @ £3m • Allotment site extension and facilities - *detail unknown at this stage, excluded from appraisal model* • Wildlife habitat @ £436,535 • Crushed stone footway @ £188,411 • Cycleway @ £761,362 • Waste management and recycling facilities @ £45/dwelling • Fire Station upgrade contribution @ £121/dwelling • Waste Bins @ £76/dwelling	Assume £25,000/dwelling - *Note: these costs relate to site works e.g. prep, servicing etc. At this stage detailed infrastructure requirements for these sites are unknown.* Professional fees @ 8%
Judkins/ Tuttle Hill (Site Ref: SHA-3) ***Existing Use: Former Quarry*** *[Affordable Housing tested @ 20%, 25% and 30% AH]*	13.5	*TBC - unknown at this stage*	350	N/A	VL3 £3,300 - VL6 £3,500	0.75 market units per outlet, assuming 2x outlets	• Financial contribution to the NHS Coventry and Warwickshire Integrated Care Board @ £285,000 *(rounded from £283,254)* • Financial contributions to off-site play and open space - *detail unknown at this stage, excluded from appraisal model* • Financial contribution to WCC towards primary and secondary school places @ £3.1m • Replacement bridge or bridges across the canal, together with direct access between the site and the canal towpath - assume single bridge @ £1.2m at this stage • Provision of new access onto Tuttle Hill plus improvements to existing access - *detail unknown at this stage, excluded from appraisal model* • Financial contributions towards a full specification cycle path - detail unknown at this stage, excluded from appraisal model • Financial contributions towards borough-wide strategic highway infrastructure works - *detail unknown at this stage, excluded from appraisal model* • Financial contributions towards local bus services including new bus infrastructure if required @ £1m • Financial contributions towards sport and physical activity @ £761,500 • Financial contributions required to upgrade the towpath surface in the area - assume £200,000 based on costs from 2018 - *full detail unknown at this stage, excluded from appraisal model* *• Waste management and recycling facilities @ £45/dwelling* *• Fire Station upgrade contribution @ £121/dwelling* *• Waste Bins @ £76/dwelling*	Assume £25,000/dwelling - *Note: these costs relate to site works e.g. prep, servicing etc. At this stage detailed infrastructure requirements for these sites are unknown.* Professional fees @ 10%
Bowling Green Lane (Site Ref: SEA-6) ***Existing Use: Agricultural*** *[Affordable Housing tested @ 20%, 25% and 30% AH]*	26.2	*TBC - unknown at this stage*	150	19ha Employment land (use class E (offices), B2 (industrial) and B8(storage/distribution))	VL5 £3,400 - VL7 £3,600	0.75 market units per outlet, assuming 1x outlets	• New junction onto Bowling Green Lane at the School Lane junction, with associated traffic lights and any transport improvements - *detail unknown at this stage, excluded from appraisal model* • Financial contribution towards borough-wide strategic highway infrastructure works - *detail unknown at this stage, excluded from appraisal model* • Developer contributions towards local bus services to serve employment site enhancing accessibility for local residents - *detail unknown at this stage, excluded from appraisal model* • Developer delivery, or contribution (as agreed by WCC) for provision of bus infrastructure - *detail unknown at this stage, excluded from appraisal model* • Waste management and recycling facilities @ £45/dwelling • Fire Station upgrade contribution @ £121/dwelling • Waste Bins @ £76/dwelling	Assume £25,000/dwelling - *Note: these costs relate to site works e.g. prep, servicing etc. At this stage detailed infrastructure requirements for these sites are unknown.* Professional fees @ 10%

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Nuneaton and Bedworth Borough Council - Appendix I: Borough Plan Review Viability Assessment
Table 1c: Residential Development Cost Assumptions & Key Sensitivity Testing Parameters

Appraisal Cost Description	Cost Assumption	Notes
Build cost - Mixed Developments (generally - houses/flats)	£1,223/sq. m. (£1,112/sq. m. LQ)	
Build cost - Houses only (generally)	£1,196/sq. m.	*Based on BCIS 'median' rebased to the Nuneaton location factor (5yr data sample), excludes external works*
Build cost - Flats only (generally)	£1,345/sq. m.	
Build cost - Supported Housing (generally)	£1,465/sq. m.	
External Works	10% (Flats) 15% (Houses)	*Applied to base build costs* *Reduced rate at 7.5% for Sheltered/Extra Care Schemes*
Site Works (on gross land area)	£500,000/ha	*Non-strategic scale typology test. Further bespoke assumptions assumed for specific site allocations TBC*
Contingency (% of build cost)	5%	
Professional Fees (% of build cost)	8-10%	*variable depending on scale of development*
S.106/IL contributions	Variable	*Tested at variable amounts of £5,000, £7,500 and £10,000 per dwelling.*
Sustainable design/climate change/carbon reduction	Variable by scheme type: 2.5% (Flats) 4.5% (Houses)	*Represents Future Homes & Buildings Standard 2025* *Note: blended rate for mixed schemes (houses and flats), weighted by dwelling mix proportions. Allows an uplift from Part L 2013 to Part L 2021.*
Biodiversity Net Gain (BNG) (% of build cost)	3.1% (Greenfield) 0.8% (PDL)	**Assuming 10% requirement**, variable by site type. Costs based on Impact Assessment (Scenario C).
Electric Vehicle Charging Points (£/unit)	£865/unit (houses) £1,961 (flats)	*Houses only typologies - assumes 1x EVCP per dwelling* *Flats typologies - assumes 1x EVCP per dwelling* *Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling*
Water efficiency standards	110lpppd	*Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.*
Housing Standards - M4(2) Accessible and adaptable dwellings compliance	£15.5/sq. m.	100% provision on all units = M4(2) on major development (10+ units) High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document[1]
Housing Standards - M4(3) Wheelchair user dwellings compliance	£155/sq. m.	5% provision on all units for M4(3) on major development (10+ units)
Marketing & Sales Costs (% of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
<u>Developer's Return for Risk & Profit</u>		
Open Market Housing Profit (% of GDV)	Range of 15-20%	*DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%*
Affordable Housing Profit (% of GDV)	6%	
<u>Finance & Acquisition Costs</u>		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	*HMRC Scale*
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

[1] *https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes*

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Nuneaton & Bedworth Borough Council - Appendix I: Borough Plan Review Viability Assessment
Table 1d: Policy Analysis

Borough Plan Review - Publication Draft Plan 2021-2039

Policy Ref	Policy Name	Viability Impact	Addressed where applicable through specific study approach / assumptions - associated commentary / cost allowance
DS1	Presumption in favour of sustainable development	High	Specific allowance made in addition to base build costs - see assumptions detail. May have site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site. However, the wider consideration of 'sustainable development' is more of a planning, design and land use implication than for viability consideration.
DS2	Settlement hierarchy and roles	Low / Marginal	Reflected through the agreed range of development typologies selected for testing at variable Value Levels representing changing values over time as well as different areas of the borough and scheme type - all reflecting planned growth.
DS3	Development principles	Medium	Overall, reflected through a range of cost assumptions and development typologies representing a range of locations and development scenarios in the borough - reflecting planned growth.
DS4	Overall development needs	High	Reflected through the agreed range of development typologies selected for testing at variable Value Levels representing changing values over time as well as different areas of the borough and scheme type - all reflecting planned growth.
DS5	Residential allocations	High	Overall, reflected through a range of development typologies representing a range of locations and development scenarios in the borough. However, specific sites critical to plan delivery were also testing on a bespoke basis - see assumptions detail.
DS6	Employment allocations	Low / Marginal	The Council are not adding policy requirements that would impact the viability of non-residential site allocations. See report for further detail building on previous viability testing in connection with CIL Viability Study.
DS7	Green Belt	Not Applicable	*More of a planning and land use implication than for viability consideration.*
DS8	Monitoring of housing delivery	Not Applicable	*More of a planning and land use implication than for viability consideration.*
DS9	Review	Not Applicable	*Not for viability consideration*
SA1	Development principles on strategic sites	High	Overall, reflected through a range of cost assumptions on the key specific sites - see assumptions detail.
H1	Range of mix and housing	High	A variety of residential scenarios have been modelled representing the variety relevant in the different areas (including sheltered and extra care housing). The specific housing mix (flats/houses) has been informed by the HEDNA 2022. Affordable housing has been tested at a range of proportions including First Homes. Cost allowances to provide M4(2) and M4(3) accessibility standards - see assumptions detail.
H2	Affordable housing	High	Affordable Housing tenure split assumed at 60% Affordable Rented, 25% First Homes (@ 30% discount) and 15% Affordable Home Ownership (AHO). 10% Low Cost / AHO of total overall requirements. Costs reflected in the selection of scheme scenarios, range of AH % and tenure split %s tested together with the interpretation of appraisal results.
H3	Gyspies and Travellers	Not Applicable	*More of a planning / design issue rather than direct cost impact except in exceptional circumstances. Any costs included within fees assumptions.*
H4	Nationally Described Space Standards	Low / Marginal	The range of residential typology testing assumes National Described Space Standard (former DCLG - 2015) and dwelling sizes within its parameters has been applied to all testing.
H5	Accessible and Adaptable Homes	Medium	Considered through specific cost assumptions informed by the detail set out in the Government's July 2022 consultation 'Raising accessibility standards for new homes' together with general site works and as factored into scheme design from the outset - see assumptions detail.
E1	Nature of employment growth	Low / Marginal	The Council are not adding policy requirements that would impact the viability of non-residential site allocations. See report for further detail building on previous viability testing in connection with CIL Viability Study.
E2	Existing employment estates	Not Applicable	*More of a planning and land use implication than for viability consideration.*
TC1	Town centre requirements	Not Applicable	*More of a planning and land use implication than for viability consideration.*
TC2	Nature of town centre growth	Low / Marginal	Although more of a planning and land use implication than for viability consideration, the range of development typologies tested including higher density PDL scenarios as may come forward in town centre locations.
TC3	Hierarchy of centres	Low / Marginal	Although more of a planning and land use implication than for viability consideration, broadly reflected through the agreed range of development typologies selected for testing at variable Value Levels representing changing values over time as well as different areas of the borough and scheme type - all reflecting planned growth.
HS1	Ensuring the delivery of infrastructure	High	Considered through range of s.106/other cost assumptions. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details. DSP consider £5,000 - £10,000/dwelling forms an appropriate sum for such measures. It follows that for all tests the immediate/essential highways mitigation/s.278 works are assumed to be specifically allowed for.

Policy Ref	Policy Name	Viability Impact	Addressed where applicable through specific study approach / assumptions - associated commentary / cost allowance
HS2	**Strategic accessibility and sustainable transport**	**Low / Marginal**	Allowed for within overall costs including s106 contributions, alongside general design requirements, build costs, external works, site works etc. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
HS3	**Telecommunications and broadband connectivity**	**Low / Marginal**	Allowed for within overall build costs, external works, site works and fees etc. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
HS4	**Retaining community facilities**	**Not Applicable**	*More of a planning and land use implication than for viability consideration.*
HS5	**Health**	**Medium**	Considered through range of s.106/ other costs assumptions including open space allowance and overall design quality principles.
HS6	**Sport and exercise**	**Not Applicable**	*More of a planning and land use implication than for viability consideration.*
HS7	**Creating a healthier food environment**	**Not Applicable**	*More of a planning and land use implication than for viability consideration.*
NE1	**Green and blue infrastructure**	**Low / Marginal**	Generally allowed for within build costs and externals / Planning obligations cost assumption. Additional assumptions (cost/space) apply for open space and Biodiversity Net Gain provision.
NE2	**Open space**	**Medium**	Considered through range of s.106/other costs, bespoke allowances for physical open space including a general land take allowance. Maintenance contributions towards open space have also been included. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
NE3	**Biodiversity and geodiversity**	**Low / Marginal**	Bespoke cost allowances made for Biodiversity Net Gain provision - see assumptions detail.
NE4	**Managing flood risk and water quality**	**Low / Marginal**	Given the sequential approach to suitable developments, allowed for within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
NE5	**Landscape character**	**Low / Marginal**	Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development if permitted - more of a design, development management related consideration.
BE1	**Contamination and instability**	**Not Applicable**	*Planning / land use issue rather than direct cost impact except in exceptional circumstances. Any costs included within fees assumptions.*
BE2	**Renewable and low carbon energy**	**Not Applicable**	*More of a planning and land use implication than for viability consideration.*
BE3	**Sustainable design and construction**	**High**	Specific allowance made in addition to base build costs - see assumptions detail. However, the wider policy scope could have site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
BE4	**Valuing and conserving our historic environment**	**Not Applicable**	*Planning / design issue rather than direct cost impact except in exceptional circumstances. Any costs included within fees assumptions.*

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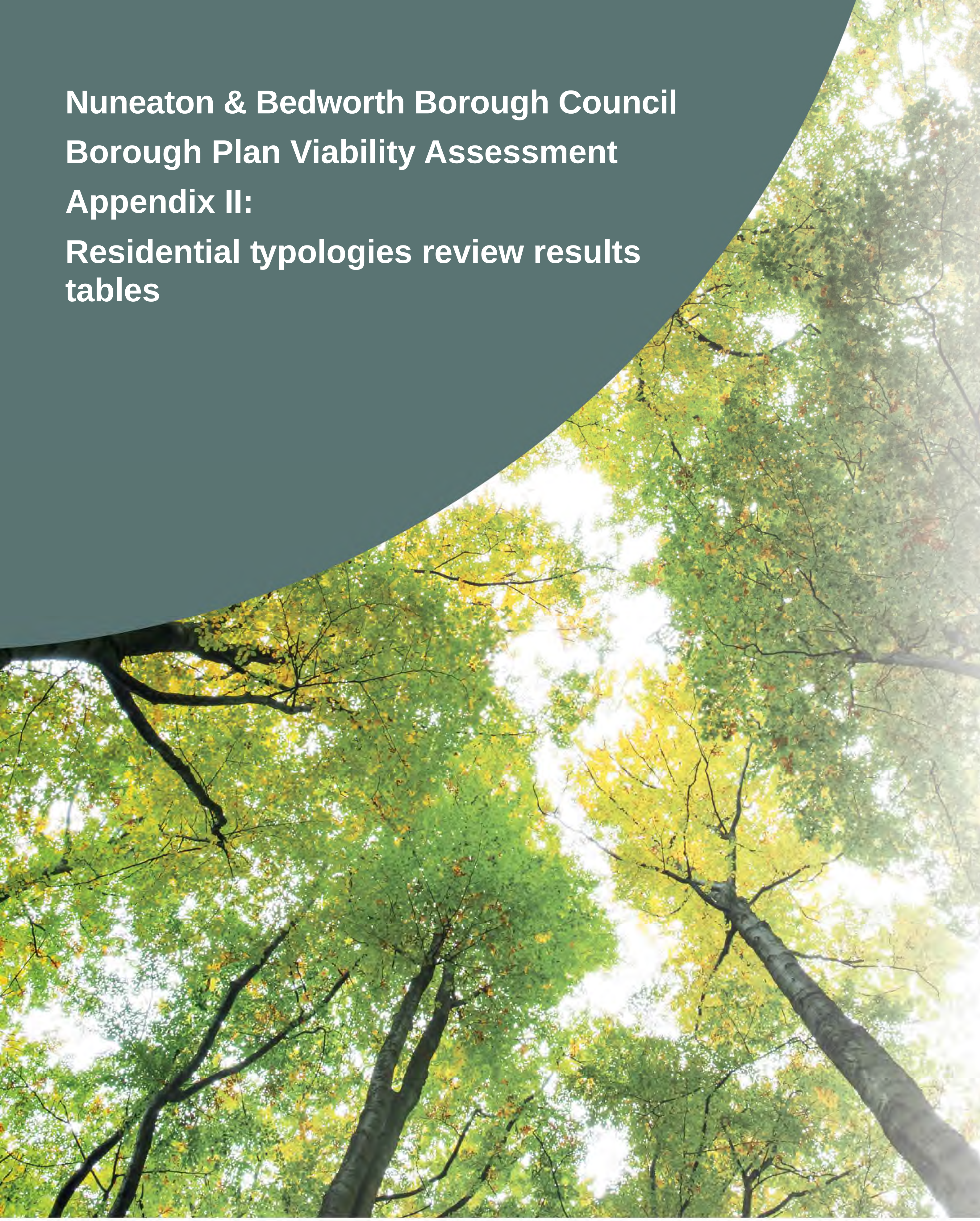
Nuneaton & Bedworth Borough Council

Borough Plan Viability Assessment

Appendix II:

Residential typologies review results tables



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Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2a: 5 Houses - PDL

Development Scenario	5 Houses
Typical Site Type	PDL
Site Density (dph)*	35.00
Net Land Area (ha)	0.14
Gross Land Area (ha)	0.16

**based on residential net developable area*

Value Level	£5,000/dwelling s.106	£7,500/dwelling s.106	£10,000/dwelling s.106
	0% Affordable Housing	0% Affordable Housing	20% Affordable Housing
	Residual Land Value (£)	Residual Land Value (£)	Residual Land Value (£)
VL1 £2,800/sq. m	-£11,037	-£23,537	-£36,037
VL2 £3,000/sq. m	£80,597	£68,874	£57,152
VL3 £3,200/sq. m	£166,476	£154,866	£143,190
VL4 £3,300/sq. m	£207,259	£195,649	£184,039
VL5 £3,400/sq. m	£247,097	£235,487	£223,877
VL6 £3,500/sq. m	£284,852	£273,567	£262,282
VL7 £3,600/sq. m	£321,607	£310,322	£299,037
VL8 £3,800/sq. m	£392,229	£380,944	£369,659
VL9 £4,000/sq. m	£459,569	£448,284	£436,999
VL10 £4,200/sq. m	£523,497	£512,211	£500,926
	Residual Land Value (£/ha)	Residual Land Value (£/ha)	Residual Land Value (£/ha)
VL1 £2,800/sq. m	-£67,184	-£143,271	-£219,358
VL2 £3,000/sq. m	£490,588	£419,234	£347,880
VL3 £3,200/sq. m	£1,013,330	£942,661	£871,593
VL4 £3,300/sq. m	£1,261,578	£1,190,908	£1,120,239
VL5 £3,400/sq. m	£1,504,072	£1,433,402	£1,362,732
VL6 £3,500/sq. m	£1,733,884	£1,665,192	£1,596,499
VL7 £3,600/sq. m	£1,957,607	£1,888,917	£1,820,224
VL8 £3,800/sq. m	£2,387,482	£2,318,789	£2,250,096
VL9 £4,000/sq. m	£2,797,379	£2,728,686	£2,659,993
VL10 £4,200/sq. m	£3,186,501	£3,117,808	£3,049,115

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

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Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2b: 10 Houses - PDL

Development Scenario	**10 Houses**
Typical Site Type	PDL
Site Density (dph)*	**35.00**
Net Land Area (ha)	**0.29**
Gross Land Area (ha)	**0.33**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106		£7,500/dwelling s.106		£10,000/dwelling s.106	
	20% Affordable Housing	25% / 30% Affordable Housing	20% Affordable Housing	25% / 30% Affordable Housing	20% Affordable Housing	25% / 30% Affordable Housing
	Residential Land Value (£)		Residential Land Value (£)		Residential Land Value (£)	
VL1 £2,800/sq. m	-£122,145	-£180,869	-£147,145	-£205,869	-£172,145	-£230,869
VL2 £3,000/sq. m	£42,755	-£32,529	£19,310	-£57,529	-£4,409	-£82,529
VL3 £3,200/sq. m	£191,169	£101,099	£167,949	£77,654	£144,678	£54,209
VL4 £3,300/sq. m	£261,381	£163,950	£238,488	£140,641	£215,268	£117,196
VL5 £3,400/sq. m	£328,357	£224,887	£305,787	£201,667	£283,216	£178,447
VL6 £3,500/sq. m	£393,518	£283,215	£370,947	£260,645	£348,377	£237,731
VL7 £3,600/sq. m	£457,089	£339,435	£434,518	£316,865	£411,948	£294,294
VL8 £3,800/sq. m	£579,236	£447,458	£556,666	£424,888	£534,095	£402,317
VL9 £4,000/sq. m	£695,708	£550,461	£673,137	£527,891	£650,567	£505,321
VL10 £4,200/sq. m	£806,276	£648,245	£783,706	£625,674	£761,135	£603,104
	Residual Land Value (£/ha)		Residual Land Value (£/ha)		Residual Land Value (£/ha)	
VL1 £2,800/sq. m	-£371,745	-£550,471	-£447,832	-£626,558	-£523,919	-£702,645
VL2 £3,000/sq. m	£130,125	-£99,001	£58,771	-£175,088	-£13,418	-£251,175
VL3 £3,200/sq. m	£581,818	£307,692	£511,149	£236,338	£440,324	£164,984
VL4 £3,300/sq. m	£795,506	£498,980	£725,833	£428,037	£655,163	£356,683
VL5 £3,400/sq. m	£999,348	£684,438	£930,655	£613,769	£861,962	£543,099
VL6 £3,500/sq. m	£1,197,663	£861,959	£1,128,970	£793,266	£1,060,277	£723,529
VL7 £3,600/sq. m	£1,391,140	£1,033,064	£1,322,447	£964,371	£1,253,754	£895,678
VL8 £3,800/sq. m	£1,762,893	£1,361,830	£1,694,200	£1,293,137	£1,625,507	£1,224,444
VL9 £4,000/sq. m	£2,117,371	£1,675,315	£2,048,678	£1,606,625	£1,979,986	£1,537,932
VL10 £4,200/sq. m	£2,453,884	£1,972,919	£2,385,191	£1,904,226	£2,316,498	£1,835,533

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2c: 15 Flats - PDL

Development Scenario	**15 Flats**
Typical Site Type	**PDL**
Site Density (dph)*	**100.00**
Net Land Area (ha)	**0.15**
Gross Land Area (ha)	**0.17**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residual Land Value (£)		
VL1 £2,800/sq. m	-£368,289	-£413,042	-£427,706	-£405,789	-£450,542	-£465,205	-£443,289	-£488,042	-£502,705
VL2 £3,000/sq. m	-£209,925	-£266,690	-£292,914	-£247,425	-£304,191	-£330,414	-£284,925	-£341,691	-£367,914
VL3 £3,200/sq. m	-£61,271	-£129,257	-£166,304	-£98,771	-£166,757	-£203,804	-£136,271	-£204,257	-£241,304
VL4 £3,300/sq. m	£9,243	-£63,646	-£105,947	-£27,644	-£101,146	-£143,447	-£65,144	-£138,646	-£180,947
VL5 £3,400/sq. m	£74,399	£417	-£46,990	£39,231	-£37,056	-£84,490	£4,064	-£74,556	-£121,990
VL6 £3,500/sq. m	£137,788	£58,891	£9,724	£102,620	£23,723	-£27,131	£67,453	-£12,203	-£64,631
VL7 £3,600/sq. m	£199,155	£115,938	£62,202	£164,324	£80,771	£27,035	£129,296	£45,603	-£8,672
VL8 £3,800/sq. m	£314,972	£224,827	£162,912	£281,116	£189,997	£127,869	£247,181	£155,167	£92,702
VL9 £4,000/sq. m	£424,051	£326,152	£257,910	£390,195	£292,296	£223,308	£356,340	£258,441	£188,478
VL10 £4,200/sq. m	£527,602	£421,674	£345,782	£493,746	£387,818	£311,926	£459,891	£353,961	£278,070
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	**-£2,135,006**	**-£2,394,444**	**-£2,479,452**	**-£2,352,397**	**-£2,611,835**	**-£2,696,843**	**-£2,569,789**	**-£2,829,226**	**-£2,914,235**
VL2 £3,000/sq. m	**-£1,216,958**	**-£1,546,031**	**-£1,698,050**	**-£1,434,350**	**-£1,763,425**	**-£1,915,441**	**-£1,651,741**	**-£1,980,816**	**-£2,132,832**
VL3 £3,200/sq. m	**-£355,193**	**-£749,319**	**-£964,080**	**-£572,584**	**-£966,710**	**-£1,181,472**	**-£789,975**	**-£1,184,101**	**-£1,398,863**
VL4 £3,300/sq. m	**£53,580**	**-£368,964**	**-£614,188**	**-£160,257**	**-£586,355**	**-£831,579**	**-£377,648**	**-£803,746**	**-£1,048,971**
VL5 £3,400/sq. m	**£431,296**	**£2,415**	**-£272,406**	**£227,427**	**-£214,816**	**-£489,797**	**£23,558**	**-£432,207**	**-£707,188**
VL6 £3,500/sq. m	**£798,769**	**£341,394**	**£56,369**	**£594,900**	**£137,525**	**-£157,283**	**£391,031**	**-£70,744**	**-£374,675**
VL7 £3,600/sq. m	**£1,154,519**	**£672,106**	**£360,594**	**£952,606**	**£468,237**	**£156,725**	**£749,541**	**£264,368**	**-£50,271**
VL8 £3,800/sq. m	**£1,825,924**	**£1,303,343**	**£944,415**	**£1,629,659**	**£1,101,430**	**£741,271**	**£1,432,936**	**£899,516**	**£537,402**
VL9 £4,000/sq. m	**£2,458,268**	**£1,890,738**	**£1,495,133**	**£2,262,003**	**£1,694,472**	**£1,294,538**	**£2,065,737**	**£1,498,207**	**£1,092,624**
VL10 £4,200/sq. m	**£3,058,563**	**£2,444,486**	**£2,004,531**	**£2,862,298**	**£2,248,221**	**£1,808,265**	**£2,666,033**	**£2,051,949**	**£1,612,000**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2d: 15 Houses - Greenfield

Development Scenario	15 Houses
Typical Site Type	Greenfield
Site Density (dph)*	35.00
Net Land Area (ha)	0.43
Gross Land Area (ha)	0.49

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residual Land Value (£)			Residual Land Value (£)		
VL1 £2,800/sq. m	-£167,454	-£228,293	-£289,133	-£204,954	-£265,793	-£326,633	-£242,454	-£303,293	-£364,133
VL2 £3,000/sq. m	£85,232	£10,145	-£69,250	£50,065	-£26,682	-£106,750	£14,898	-£64,182	-£144,250
VL3 £3,200/sq. m	£311,091	£221,586	£130,133	£277,235	£186,756	£94,966	£243,189	£151,926	£59,798
VL4 £3,300/sq. m	£416,693	£320,123	£222,792	£382,837	£286,267	£187,962	£348,981	£252,412	£153,132
VL5 £3,400/sq. m	£519,847	£415,600	£311,352	£485,992	£381,744	£277,496	£452,136	£347,888	£243,458
VL6 £3,500/sq. m	£620,205	£508,487	£396,770	£586,349	£474,631	£362,914	£552,493	£440,776	£329,058
VL7 £3,600/sq. m	£718,114	£599,109	£480,104	£684,258	£565,253	£446,249	£650,402	£531,398	£412,393
VL8 £3,800/sq. m	£906,240	£773,233	£640,226	£872,384	£739,377	£606,370	£838,528	£705,521	£572,514
VL9 £4,000/sq. m	£1,085,624	£939,265	£792,906	£1,051,768	£905,409	£759,050	£1,017,912	£871,553	£725,195
VL10 £4,200/sq. m	£1,255,916	£1,096,882	£937,849	£1,222,060	£1,063,027	£903,993	£1,188,204	£1,029,171	£870,137
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	**-£339,761**	**-£463,204**	**-£586,646**	**-£415,848**	**-£539,291**	**-£662,733**	**-£491,935**	**-£615,378**	**-£738,820**
VL2 £3,000/sq. m	**£172,935**	**£20,584**	**-£140,508**	**£101,581**	**-£54,138**	**-£216,595**	**£30,227**	**-£130,225**	**-£292,682**
VL3 £3,200/sq. m	**£631,199**	**£449,595**	**£264,038**	**£562,506**	**£378,925**	**£192,684**	**£493,426**	**£308,256**	**£121,330**
VL4 £3,300/sq. m	**£845,464**	**£649,525**	**£452,042**	**£776,771**	**£580,832**	**£381,373**	**£708,078**	**£512,139**	**£310,703**
VL5 £3,400/sq. m	**£1,054,763**	**£843,246**	**£631,729**	**£986,070**	**£774,553**	**£563,036**	**£917,377**	**£705,860**	**£493,972**
VL6 £3,500/sq. m	**£1,258,386**	**£1,031,713**	**£805,040**	**£1,189,693**	**£963,020**	**£736,348**	**£1,121,000**	**£894,327**	**£667,655**
VL7 £3,600/sq. m	**£1,457,043**	**£1,215,584**	**£974,125**	**£1,388,350**	**£1,146,891**	**£905,432**	**£1,319,657**	**£1,078,198**	**£836,739**
VL8 £3,800/sq. m	**£1,838,747**	**£1,568,878**	**£1,299,008**	**£1,770,054**	**£1,500,185**	**£1,230,316**	**£1,701,361**	**£1,431,492**	**£1,161,623**
VL9 £4,000/sq. m	**£2,202,715**	**£1,905,755**	**£1,608,795**	**£2,134,022**	**£1,837,062**	**£1,540,102**	**£2,065,329**	**£1,768,369**	**£1,471,409**
VL10 £4,200/sq. m	**£2,548,235**	**£2,225,558**	**£1,902,881**	**£2,479,542**	**£2,156,865**	**£1,834,188**	**£2,410,849**	**£2,088,172**	**£1,765,496**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential/marginal viability	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability scenario	Viability Test 3 (RLV >£500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2e: 15 Houses - PDL

Development Scenario	**15 Houses**
Typical Site Type	**PDL**
Site Density (dph)*	**40.00**
Net Land Area (ha)	**0.38**
Gross Land Area (ha)	**0.43**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residual Land Value (£)			Residual Land Value (£)			Residual Land Value (£)		
VL1 £2,800/sq. m	-£116,631	-£187,494	-£248,449	-£154,131	-£224,994	-£285,949	-£191,631	-£262,494	-£323,449
VL2 £3,000/sq. m	£132,894	£48,406	-£28,566	£97,726	£13,239	-£66,066	£62,559	-£23,383	-£103,566
VL3 £3,200/sq. m	£356,975	£259,216	£168,111	£323,119	£224,651	£133,119	£289,263	£189,821	£97,952
VL4 £3,300/sq. m	£462,577	£356,958	£260,284	£428,721	£323,102	£225,750	£394,865	£289,246	£190,920
VL5 £3,400/sq. m	£565,731	£452,434	£348,083	£531,876	£418,579	£314,227	£498,020	£384,723	£280,371
VL6 £3,500/sq. m	£666,088	£545,322	£433,501	£632,233	£511,466	£399,645	£598,377	£477,610	£365,789
VL7 £3,600/sq. m	£763,998	£635,944	£516,835	£730,142	£602,088	£482,979	£696,286	£568,232	£449,124
VL8 £3,800/sq. m	£952,124	£810,067	£676,956	£918,268	£776,212	£643,100	£884,412	£742,356	£609,245
VL9 £4,000/sq. m	£1,131,508	£976,100	£829,637	£1,097,652	£942,244	£795,781	£1,063,796	£908,388	£761,925
VL10 £4,200/sq. m	£1,301,800	£1,133,717	£974,579	£1,267,944	£1,099,861	£940,724	£1,234,088	£1,066,005	£906,868
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	**-£270,448**	**-£434,768**	**-£576,113**	**-£357,405**	**-£521,724**	**-£663,069**	**-£444,361**	**-£608,681**	**-£750,026**
VL2 £3,000/sq. m	**£308,160**	**£112,247**	**-£66,240**	**£226,612**	**£30,699**	**-£153,196**	**£145,064**	**-£54,221**	**-£240,153**
VL3 £3,200/sq. m	**£827,767**	**£601,080**	**£389,823**	**£749,261**	**£520,929**	**£308,682**	**£670,755**	**£440,164**	**£227,135**
VL4 £3,300/sq. m	**£1,072,642**	**£827,728**	**£603,557**	**£994,136**	**£749,222**	**£523,478**	**£915,630**	**£670,716**	**£442,713**
VL5 £3,400/sq. m	**£1,311,841**	**£1,049,123**	**£807,149**	**£1,233,335**	**£970,617**	**£728,642**	**£1,154,829**	**£892,111**	**£650,136**
VL6 £3,500/sq. m	**£1,544,553**	**£1,264,515**	**£1,005,219**	**£1,466,047**	**£1,186,008**	**£926,713**	**£1,387,541**	**£1,107,502**	**£848,206**
VL7 £3,600/sq. m	**£1,771,589**	**£1,474,652**	**£1,198,458**	**£1,693,083**	**£1,396,146**	**£1,119,952**	**£1,614,577**	**£1,317,640**	**£1,041,446**
VL8 £3,800/sq. m	**£2,207,823**	**£1,878,417**	**£1,569,754**	**£2,129,317**	**£1,799,911**	**£1,491,248**	**£2,050,811**	**£1,721,405**	**£1,412,741**
VL9 £4,000/sq. m	**£2,623,786**	**£2,263,419**	**£1,923,796**	**£2,545,279**	**£2,184,913**	**£1,845,290**	**£2,466,773**	**£2,106,407**	**£1,766,783**
VL10 £4,200/sq. m	**£3,018,666**	**£2,628,909**	**£2,259,894**	**£2,940,160**	**£2,550,403**	**£2,181,388**	**£2,861,654**	**£2,471,897**	**£2,102,882**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2f: 30 Houses - Greenfield

Development Scenario	**30 Houses**
Typical Site Type	**Greenfield**
Site Density (dph)*	**40.00**
Net Land Area (ha)	**0.75**
Gross Land Area (ha)	**0.86**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residual Land Value (£)		
VL1 £2,800/sq. m	-£409,994	-£523,342	-£580,063	-£484,994	-£598,342	-£655,063	-£559,994	-£673,342	-£730,063
VL2 £3,000/sq. m	£71,071	-£74,837	-£150,167	£736	-£149,837	-£225,167	-£74,215	-£224,837	-£300,167
VL3 £3,200/sq. m	£491,713	£323,892	£239,694	£424,001	£256,182	£170,033	£356,290	£186,698	£99,893
VL4 £3,300/sq. m	£690,287	£507,229	£415,700	£622,575	£439,518	£347,989	£554,864	£371,806	£280,277
VL5 £3,400/sq. m	£884,258	£686,316	£587,346	£816,546	£618,605	£519,634	£748,835	£550,893	£451,923
VL6 £3,500/sq. m	£1,072,969	£860,547	£754,336	£1,005,257	£792,836	£686,625	£937,546	£725,124	£618,913
VL7 £3,600/sq. m	£1,257,077	£1,030,528	£917,254	£1,189,365	£962,817	£849,543	£1,121,654	£895,105	£781,831
VL8 £3,800/sq. m	£1,610,827	£1,357,135	£1,230,289	£1,543,116	£1,289,424	£1,162,577	£1,475,404	£1,221,712	£1,094,866
VL9 £4,000/sq. m	£1,948,140	£1,668,565	£1,528,778	£1,880,428	£1,600,853	£1,461,066	£1,812,717	£1,533,142	£1,393,354
VL10 £4,200/sq. m	£2,268,356	£1,964,211	£1,812,138	£2,200,645	£1,896,499	£1,744,427	£2,132,933	£1,828,788	£1,676,715
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	-£475,356	-£606,773	-£672,537	-£562,312	-£693,729	-£759,493	-£649,269	-£780,686	-£846,450
VL2 £3,000/sq. m	£82,401	-£86,767	-£174,107	£854	-£173,724	-£261,063	-£86,046	-£260,680	-£348,020
VL3 £3,200/sq. m	£570,102	£375,527	£277,906	£491,596	£297,023	£197,140	£413,090	£216,462	£115,818
VL4 £3,300/sq. m	£800,332	£588,092	£481,971	£721,826	£509,586	£403,465	£643,320	£431,079	£324,959
VL5 £3,400/sq. m	£1,025,226	£795,729	£680,981	£946,720	£717,223	£602,474	£868,214	£638,717	£523,968
VL6 £3,500/sq. m	£1,244,022	£997,736	£874,593	£1,165,515	£919,230	£796,087	£1,087,009	£840,724	£717,581
VL7 £3,600/sq. m	£1,457,480	£1,194,815	£1,063,483	£1,378,974	£1,116,309	£984,977	£1,300,468	£1,037,803	£906,471
VL8 £3,800/sq. m	£1,867,626	£1,573,490	£1,426,422	£1,789,120	£1,494,984	£1,347,916	£1,710,614	£1,416,478	£1,269,410
VL9 £4,000/sq. m	£2,258,713	£1,934,568	£1,772,496	£2,180,207	£1,856,062	£1,693,990	£2,101,700	£1,777,556	£1,615,483
VL10 £4,200/sq. m	£2,629,978	£2,277,346	£2,101,030	£2,551,472	£2,198,840	£2,022,524	£2,472,966	£2,120,334	£1,944,017

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential/marginal viability	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability scenario	Viability Test 3 (RLV >£500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development

Dixon Searle Partnership (2023)

DixonSearle Partnership

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2g: 30 Flats Sheltered - PDL

Development Scenario	**30 Flats Sheltered**
Typical Site Type	**PDL**
Site Density (dph)*	**125.00**
Net Land Area (ha)	**0.24**
Gross Land Area (ha)	**0.28**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL6 £3,500/sq. m	-£440,662	-£591,465	-£623,837	-£515,662	-£666,466	-£698,837	-£590,661	-£741,466	-£773,837
VL7 £3,600/sq. m	-£317,323	-£476,721	-£510,136	-£392,323	-£551,721	-£585,136	-£467,323	-£626,719	-£660,136
VL8 £3,800/sq. m	-£71,266	-£248,907	-£284,446	-£146,266	-£323,907	-£359,446	-£221,266	-£398,907	-£434,446
VL9 £4,000/sq. m	£163,786	-£21,597	-£59,481	£93,585	-£96,597	-£134,481	£23,250	-£171,597	-£209,481
VL10 £4,200/sq. m	£388,344	£192,506	£155,140	£320,632	£122,583	£84,855	£252,923	£52,248	£14,520
VL11 £4,400/sq. m	£610,489	£399,334	£360,897	£542,778	£331,623	£293,185	£475,067	£263,911	£224,768
VL12 £4,600/sq. m	£832,636	£604,555	£563,999	£764,924	£536,843	£496,288	£697,213	£469,131	£428,576
VL13 £4,800/sq. m	£1,054,782	£809,775	£767,102	£987,070	£742,063	£699,391	£919,359	£674,351	£631,679
VL14 £5,000/sq. m	£1,276,925	£1,014,995	£970,205	£1,209,214	£947,284	£902,494	£1,141,503	£879,572	£834,782
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL6 £3,500/sq. m	-£1,596,601	-£2,142,990	-£2,260,278	-£1,868,341	-£2,414,733	-£2,532,017	-£2,140,075	-£2,686,472	-£2,803,757
VL7 £3,600/sq. m	-£1,149,722	-£1,727,250	-£1,848,318	-£1,421,461	-£1,998,989	-£2,120,057	-£1,693,201	-£2,270,721	-£2,391,796
VL8 £3,800/sq. m	-£258,209	-£901,836	-£1,030,602	-£529,948	-£1,173,575	-£1,302,341	-£801,687	-£1,445,314	-£1,574,080
VL9 £4,000/sq. m	£593,428	-£78,249	-£215,512	£339,075	-£349,988	-£487,251	£84,239	-£621,727	-£758,990
VL10 £4,200/sq. m	£1,407,042	£697,485	£562,102	£1,161,711	£444,140	£307,446	£916,388	£189,304	£52,610
VL11 £4,400/sq. m	£2,211,918	£1,446,863	£1,307,596	£1,966,588	£1,201,531	£1,062,265	£1,721,256	£956,200	£814,375
VL12 £4,600/sq.6m	£3,016,796	£2,190,415	£2,043,476	£2,771,465	£1,945,083	£1,798,145	£2,526,133	£1,699,751	£1,552,813
VL13 £4,800/sq. m	£3,821,673	£2,933,967	£2,779,356	£3,576,342	£2,688,635	£2,534,025	£3,331,010	£2,443,301	£2,288,693
VL14 £5,000/sq. m	£4,626,538	£3,677,518	£3,515,237	£4,381,209	£3,432,187	£3,269,905	£4,135,880	£3,186,855	£3,024,573

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2h: 50 Mixed - Greenfield

Development Scenario	**50 Mixed**
Typical Site Type	**Greenfield**
Site Density (dph)*	**35.00**
Net Land Area (ha)	**1.43**
Gross Land Area (ha)	**1.64**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL1 £2,800/sq. m	-£1,319,540	-£1,457,120	-£1,546,269	-£1,444,540	-£1,582,120	-£1,671,269	-£1,569,540	-£1,707,120	-£1,796,269
VL2 £3,000/sq. m	-£555,643	-£746,685	-£862,727	-£680,643	-£871,685	-£987,727	-£805,643	-£996,685	-£1,112,727
VL3 £3,200/sq. m	£156,571	-£74,594	-£216,279	£39,410	-£199,594	-£341,279	-£82,976	-£324,594	-£466,279
VL4 £3,300/sq. m	£471,445	£230,920	£87,322	£358,593	£114,479	-£31,886	£245,617	-£2,928	-£156,886
VL5 £3,400/sq. m	£776,468	£515,129	£365,310	£663,615	£402,277	£252,460	£550,763	£289,424	£136,296
VL6 £3,500/sq. m	£1,073,219	£791,112	£630,763	£960,367	£678,260	£517,910	£847,514	£565,407	£405,057
VL7 £3,600/sq. m	£1,362,732	£1,060,364	£889,741	£1,249,880	£947,511	£776,889	£1,137,027	£834,659	£664,036
VL8 £3,800/sq. m	£1,919,011	£1,577,712	£1,387,350	£1,806,159	£1,464,859	£1,274,497	£1,693,308	£1,352,006	£1,161,645
VL9 £4,000/sq. m	£2,449,441	£2,071,019	£1,861,836	£2,336,588	£1,958,166	£1,748,984	£2,223,736	£1,845,315	£1,636,132
VL10 £4,200/sq. m	£2,952,987	£2,539,324	£2,312,273	£2,840,135	£2,426,472	£2,199,421	£2,727,282	£2,313,619	£2,086,568
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	-£804,597	-£888,488	-£942,847	-£880,817	-£964,707	-£1,019,067	-£957,036	-£1,040,927	-£1,095,286
VL2 £3,000/sq. m	-£338,807	-£455,296	-£526,053	-£415,026	-£531,515	-£602,273	-£491,246	-£607,735	-£678,492
VL3 £3,200/sq. m	£95,470	-£45,484	-£131,877	£24,031	-£121,704	-£208,097	-£50,595	-£197,923	-£284,316
VL4 £3,300/sq. m	£287,467	£140,805	£53,245	£218,654	£69,804	-£19,442	£149,767	-£1,785	-£95,662
VL5 £3,400/sq. m	£473,456	£314,103	£222,750	£404,644	£245,291	£153,939	£335,831	£176,478	£83,107
VL6 £3,500/sq. m	£654,402	£482,386	£384,611	£585,589	£413,573	£315,799	£516,777	£344,760	£246,986
VL7 £3,600/sq. m	£830,934	£646,563	£542,525	£762,122	£577,751	£473,713	£693,309	£508,938	£404,900
VL8 £3,800/sq. m	£1,170,129	£962,020	£845,945	£1,101,316	£893,207	£777,133	£1,032,505	£824,394	£708,320
VL9 £4,000/sq. m	£1,493,562	£1,262,816	£1,135,266	£1,424,749	£1,194,004	£1,066,454	£1,355,937	£1,125,192	£997,641
VL10 £4,200/sq. m	£1,800,602	£1,548,369	£1,409,923	£1,731,789	£1,479,556	£1,341,110	£1,662,977	£1,410,743	£1,272,298

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential/marginal viability	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability scenario	Viability Test 3 (RLV >£500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2i: 50 Mixed - PDL

Development Scenario	**50 Mixed**
Typical Site Type	**PDL**
Site Density (dph)*	**40.00**
Net Land Area (ha)	**1.25**
Gross Land Area (ha)	**1.44**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL1 £2,800/sq. m	-£1,189,460	-£1,327,753	-£1,417,676	-£1,314,460	-£1,452,753	-£1,542,676	-£1,439,460	-£1,577,753	-£1,667,676
VL2 £3,000/sq. m	-£425,564	-£617,318	-£734,347	-£550,564	-£742,318	-£859,347	-£675,564	-£867,318	-£984,347
VL3 £3,200/sq. m	£276,623	£51,366	-£87,899	£161,289	-£70,227	-£212,899	£44,173	-£195,227	-£337,899
VL4 £3,300/sq. m	£588,883	£348,249	£207,163	£476,031	£234,976	£90,492	£363,178	£118,574	-£28,505
VL5 £3,400/sq. m	£893,906	£631,925	£481,214	£781,054	£519,072	£368,361	£668,201	£406,219	£255,510
VL6 £3,500/sq. m	£1,190,657	£907,907	£746,667	£1,077,805	£795,055	£633,814	£964,952	£682,202	£520,962
VL7 £3,600/sq. m	£1,480,172	£1,177,159	£1,005,646	£1,367,318	£1,064,306	£892,793	£1,254,465	£951,454	£779,940
VL8 £3,800/sq. m	£2,036,450	£1,694,508	£1,503,253	£1,923,597	£1,581,655	£1,390,402	£1,810,746	£1,468,802	£1,277,549
VL9 £4,000/sq. m	£2,566,879	£2,187,814	£1,977,740	£2,454,027	£2,074,962	£1,864,889	£2,341,174	£1,962,109	£1,752,036
VL10 £4,200/sq. m	£3,070,426	£2,656,120	£2,428,178	£2,957,573	£2,543,267	£2,315,325	£2,844,720	£2,430,414	£2,202,472
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	**-£826,014**	**-£922,051**	**-£984,497**	**-£912,820**	**-£1,008,856**	**-£1,071,303**	**-£999,625**	**-£1,095,662**	**-£1,158,108**
VL2 £3,000/sq. m	**-£295,530**	**-£428,693**	**-£509,963**	**-£382,336**	**-£515,499**	**-£596,769**	**-£469,141**	**-£602,304**	**-£683,574**
VL3 £3,200/sq. m	**£192,099**	**£35,671**	**-£61,041**	**£112,006**	**-£48,769**	**-£147,846**	**£30,676**	**-£135,574**	**-£234,652**
VL4 £3,300/sq. m	**£408,947**	**£241,839**	**£143,863**	**£330,577**	**£163,178**	**£62,842**	**£252,207**	**£82,343**	**-£19,795**
VL5 £3,400/sq. m	**£620,768**	**£438,837**	**£334,176**	**£542,398**	**£360,467**	**£255,806**	**£464,029**	**£282,097**	**£177,438**
VL6 £3,500/sq. m	**£826,845**	**£630,491**	**£518,519**	**£748,476**	**£552,121**	**£440,149**	**£670,106**	**£473,752**	**£361,779**
VL7 £3,600/sq. m	**£1,027,897**	**£817,472**	**£698,365**	**£949,526**	**£739,102**	**£619,995**	**£871,157**	**£660,732**	**£541,625**
VL8 £3,800/sq. m	**£1,414,201**	**£1,176,741**	**£1,043,926**	**£1,335,831**	**£1,098,371**	**£965,557**	**£1,257,463**	**£1,020,001**	**£887,187**
VL9 £4,000/sq. m	**£1,782,555**	**£1,519,315**	**£1,373,431**	**£1,704,185**	**£1,440,946**	**£1,295,062**	**£1,625,815**	**£1,362,576**	**£1,216,692**
VL10 £4,200/sq. m	**£2,132,240**	**£1,844,527**	**£1,686,234**	**£2,053,870**	**£1,766,158**	**£1,607,865**	**£1,975,500**	**£1,687,788**	**£1,529,495**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2j: 50 Flats - PDL

Development Scenario	**50 Flats**
Typical Site Type	**PDL**
Site Density (dph)*	**100.00**
Net Land Area (ha)	**0.50**
Gross Land Area (ha)	**0.58**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL1 £2,800/sq. m	-£1,460,505	-£1,507,350	-£1,547,432	-£1,585,505	-£1,632,350	-£1,672,432	-£1,710,505	-£1,757,350	-£1,797,432
VL2 £3,000/sq. m	-£967,075	-£1,047,410	-£1,101,728	-£1,092,075	-£1,172,410	-£1,226,728	-£1,217,075	-£1,297,410	-£1,351,728
VL3 £3,200/sq. m	-£505,675	-£616,274	-£683,535	-£630,675	-£741,274	-£808,535	-£755,675	-£866,274	-£933,535
VL4 £3,300/sq. m	-£286,282	-£411,935	-£485,275	-£411,282	-£536,935	-£610,275	-£536,282	-£661,935	-£735,275
VL5 £3,400/sq. m	-£71,974	-£212,344	-£291,976	-£196,974	-£337,344	-£416,976	-£321,974	-£462,344	-£541,976
VL6 £3,500/sq. m	£128,030	-£18,166	-£103,918	£10,805	-£143,166	-£228,918	-£113,478	-£268,166	-£353,918
VL7 £3,600/sq. m	£315,290	£160,520	£74,604	£201,069	£43,398	-£45,448	£84,339	-£78,724	-£170,448
VL8 £3,800/sq. m	£668,148	£491,650	£398,481	£555,295	£378,797	£285,628	£442,443	£265,944	£170,553
VL9 £4,000/sq. m	£1,004,609	£805,005	£701,959	£891,757	£692,153	£589,107	£778,904	£579,300	£476,254
VL10 £4,200/sq. m	£1,324,018	£1,102,479	£990,057	£1,211,165	£989,626	£877,204	£1,098,311	£876,774	£764,351
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	**-£2,518,113**	**-£2,598,879**	**-£2,667,987**	**-£2,733,630**	**-£2,814,396**	**-£2,883,504**	**-£2,949,147**	**-£3,029,913**	**-£3,099,021**
VL2 £3,000/sq. m	**-£1,667,370**	**-£1,805,880**	**-£1,899,531**	**-£1,882,887**	**-£2,021,397**	**-£2,115,048**	**-£2,098,404**	**-£2,236,914**	**-£2,330,565**
VL3 £3,200/sq. m	**-£871,853**	**-£1,062,541**	**-£1,178,508**	**-£1,087,371**	**-£1,278,058**	**-£1,394,026**	**-£1,302,888**	**-£1,493,575**	**-£1,609,543**
VL4 £3,300/sq. m	**-£493,589**	**-£710,232**	**-£836,682**	**-£709,107**	**-£925,750**	**-£1,052,199**	**-£924,624**	**-£1,141,267**	**-£1,267,716**
VL5 £3,400/sq. m	**-£124,093**	**-£366,110**	**-£503,407**	**-£339,610**	**-£581,628**	**-£718,924**	**-£555,128**	**-£797,145**	**-£934,441**
VL6 £3,500/sq. m	**£220,741**	**-£31,320**	**-£179,170**	**£18,630**	**-£246,838**	**-£394,687**	**-£195,652**	**-£462,355**	**-£610,204**
VL7 £3,600/sq. m	**£543,604**	**£276,759**	**£128,627**	**£346,670**	**£74,824**	**-£78,358**	**£145,412**	**-£135,731**	**-£293,875**
VL8 £3,800/sq. m	**£1,151,979**	**£847,672**	**£687,036**	**£957,406**	**£653,098**	**£492,463**	**£762,832**	**£458,525**	**£294,058**
VL9 £4,000/sq. m	**£1,732,085**	**£1,387,940**	**£1,210,275**	**£1,537,511**	**£1,193,366**	**£1,015,701**	**£1,342,938**	**£998,793**	**£821,128**
VL10 £4,200/sq. m	**£2,282,789**	**£1,900,826**	**£1,706,994**	**£2,088,216**	**£1,706,253**	**£1,512,421**	**£1,893,639**	**£1,511,679**	**£1,317,847**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2k: 60 Flats Extra Care - PDL

Development Scenario	60 Flats Extra Care
Typical Site Type	PDL
Site Density (dph)*	125.00
Net Land Area (ha)	0.48
Gross Land Area (ha)	0.55

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residual Land Value (£)			Residual Land Value (£)		
VL7 £3,600/sq. m	-£1,843,338	-£2,096,296	-£2,299,096	-£1,993,338	-£2,246,296	-£2,449,096	-£2,143,338	-£2,396,296	-£2,599,096
VL8 £3,800/sq. m	-£1,341,857	-£1,622,251	-£1,845,411	-£1,491,857	-£1,772,251	-£1,995,411	-£1,641,857	-£1,922,251	-£2,145,411
VL9 £4,000/sq. m	-£843,542	-£1,150,463	-£1,393,775	-£993,548	-£1,300,463	-£1,543,775	-£1,143,547	-£1,450,463	-£1,693,775
VL10 £4,200/sq. m	-£349,116	-£682,074	-£944,781	-£499,116	-£832,074	-£1,094,783	-£649,116	-£982,074	-£1,244,783
VL11 £4,400/sq. m	£137,285	-£216,205	-£499,148	-£5,027	-£366,205	-£649,148	-£155,027	-£516,205	-£799,148
VL12 £4,600/sq. m	£605,171	£236,425	-£54,401	£463,126	£94,379	-£204,401	£321,081	-£50,335	-£354,401
VL13 £4,800/sq. m	£1,073,058	£677,588	£369,645	£931,013	£535,543	£227,599	£788,967	£393,498	£85,554
VL14 £5,000/sq. m	£1,540,945	£1,118,752	£790,806	£1,398,899	£976,707	£648,761	£1,256,854	£834,662	£506,715
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL7 £3,600/sq. m	**-£3,339,381**	**-£3,797,638**	**-£4,165,028**	**-£3,611,120**	**-£4,069,376**	**-£4,436,768**	**-£3,882,859**	**-£4,341,115**	**-£4,708,507**
VL8 £3,800/sq. m	**-£2,430,901**	**-£2,938,861**	**-£3,343,136**	**-£2,702,640**	**-£3,210,599**	**-£3,614,876**	**-£2,974,379**	**-£3,482,338**	**-£3,886,615**
VL9 £4,000/sq. m	**-£1,528,157**	**-£2,084,172**	**-£2,524,955**	**-£1,799,905**	**-£2,355,911**	**-£2,796,694**	**-£2,071,644**	**-£2,627,650**	**-£3,068,433**
VL10 £4,200/sq. m	**-£632,457**	**-£1,235,642**	**-£1,711,560**	**-£904,196**	**-£1,507,381**	**-£1,983,303**	**-£1,175,935**	**-£1,779,120**	**-£2,255,042**
VL11 £4,400/sq. m	**£248,704**	**-£391,676**	**-£904,254**	**-£9,107**	**-£663,415**	**-£1,175,993**	**-£280,846**	**-£935,154**	**-£1,447,732**
VL12 £4,600/sq. m	**£1,096,325**	**£428,305**	**-£98,553**	**£838,996**	**£170,977**	**-£370,293**	**£581,668**	**-£91,187**	**-£642,032**
VL13 £4,800/sq. m	**£1,943,946**	**£1,227,515**	**£669,646**	**£1,686,617**	**£970,187**	**£412,318**	**£1,429,289**	**£712,858**	**£154,989**
VL14 £5,000/sq. m	**£2,791,566**	**£2,026,725**	**£1,432,619**	**£2,534,238**	**£1,769,396**	**£1,175,291**	**£2,276,909**	**£1,512,068**	**£917,962**

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on lower value PDL	Viability Test 3 (RLV £500,000 to £750,000/ha)
Viable indications - Medium value PDL	Viability Test 4 (RLV £750,000 to £1,000,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,000,000 to £1,250,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£1,250,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Low-grade PDL (e.g. former community uses, yards, workshops, former industrial etc.)
£750,000	
£1,000,000	Medium PDL - industrial/commercial
£1,250,000	Upper PDL Benchmark/residential land values

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2l: 100 Mixed - Greenfield

Development Scenario	**100 Mixed**
Typical Site Type	**Greenfield**
Site Density (dph)*	**30.00**
Net Land Area (ha)	**3.33**
Gross Land Area (ha)	**4.33**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL1 £2,800/sq. m	-£2,576,320	-£2,805,291	-£3,026,878	-£2,826,320	-£3,055,291	-£3,276,886	-£3,076,320	-£3,305,291	-£3,526,886
VL2 £3,000/sq. m	-£1,064,252	-£1,385,307	-£1,673,158	-£1,314,252	-£1,635,307	-£1,923,158	-£1,564,252	-£1,885,307	-£2,173,158
VL3 £3,200/sq. m	£339,009	-£41,964	-£397,094	£108,977	-£291,964	-£647,094	-£133,795	-£541,964	-£897,094
VL4 £3,300/sq. m	£957,103	£550,957	£199,866	£731,398	£325,252	-£36,362	£505,692	£94,687	-£286,362
VL5 £3,400/sq. m	£1,560,869	£1,117,955	£739,869	£1,335,164	£892,250	£514,164	£1,109,459	£666,544	£288,459
VL6 £3,500/sq. m	£2,148,265	£1,669,576	£1,263,864	£1,922,558	£1,443,871	£1,038,159	£1,696,852	£1,218,166	£812,453
VL7 £3,600/sq. m	£2,721,330	£2,207,743	£1,775,078	£2,495,624	£1,982,038	£1,549,373	£2,269,926	£1,756,333	£1,323,668
VL8 £3,800/sq. m	£3,822,436	£3,241,793	£2,757,340	£3,596,731	£3,016,088	£2,531,635	£3,371,026	£2,790,383	£2,305,931
VL9 £4,000/sq. m	£4,872,376	£4,227,792	£3,693,957	£4,646,671	£4,002,087	£3,468,252	£4,420,966	£3,776,382	£3,242,547
VL10 £4,200/sq. m	£5,869,102	£5,163,818	£4,583,105	£5,643,397	£4,938,113	£4,357,400	£5,417,692	£4,712,408	£4,131,694
	Residual Land Value (£/ha)			Residual Land Value (£/ha)			Residual Land Value (£/ha)		
VL1 £2,800/sq. m	-£594,993	-£647,873	-£699,048	-£652,730	-£705,610	-£756,787	-£710,467	-£763,347	-£814,523
VL2 £3,000/sq. m	-£245,786	-£319,932	-£386,411	-£303,522	-£377,669	-£444,147	-£361,259	-£435,406	-£501,884
VL3 £3,200/sq. m	£78,293	-£9,691	-£91,708	£25,168	-£67,428	-£149,444	-£30,899	-£125,165	-£207,181
VL4 £3,300/sq. m	£221,040	£127,242	£46,158	£168,914	£75,116	-£8,398	£116,788	£21,868	-£66,134
VL5 £3,400/sq. m	£360,478	£258,188	£170,870	£308,352	£206,062	£118,745	£256,226	£153,936	£66,619
VL6 £3,500/sq. m	£496,135	£385,583	£291,885	£444,009	£333,457	£239,759	£391,883	£281,332	£187,634
VL7 £3,600/sq. m	£628,483	£509,871	£409,949	£576,357	£457,746	£357,823	£524,232	£405,620	£305,697
VL8 £3,800/sq. m	£882,780	£748,682	£636,799	£830,654	£696,556	£584,673	£778,528	£644,430	£532,547
VL9 £4,000/sq. m	£1,125,260	£976,395	£853,108	£1,073,134	£924,270	£800,982	£1,021,008	£872,144	£748,856
VL10 £4,200/sq. m	£1,355,451	£1,192,568	£1,058,454	£1,303,325	£1,140,442	£1,006,328	£1,251,199	£1,088,316	£954,202

Key:

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential/marginal viability	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability scenario	Viability Test 3 (RLV >£500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development

Dixon Searle Partnership (2023)

Nuneaton and Bedworth Borough Plan Viability Assessment - Appendix II
Residential Indications: Table 2m: 300 Mixed - Greenfield

Development Scenario	**300 Mixed**
Typical Site Type	**Greenfield**
Site Density (dph)*	**30.00**
Net Land Area (ha)	**10.00**
Gross Land Area (ha)	**13.00**

**based on residential net developable area*

Value Level	£5,000/dwelling s.106			£7,500/dwelling s.106			£10,000/dwelling s.106		
	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing	20% Affordable Housing	25% Affordable Housing	30% Affordable Housing
	Residential Land Value (£)			Residential Land Value (£)			Residential Land Value (£)		
VL1 £2,800/sq. m	-£7,728,961	-£8,425,966	-£9,070,239	-£8,478,961	-£9,175,966	-£9,820,262	-£9,228,961	-£9,925,966	-£10,570,262
VL2 £3,000/sq. m	-£3,192,756	-£4,170,147	-£5,005,250	-£3,942,756	-£4,920,147	-£5,755,250	-£4,692,756	-£5,670,147	-£6,505,250
VL3 £3,200/sq. m	£1,000,245	-£144,027	-£1,173,146	£323,129	-£894,027	-£1,923,146	-£401,384	-£1,644,027	-£2,673,146
VL4 £3,300/sq. m	£2,854,525	£1,618,027	£605,084	£2,177,409	£940,911	-£89,080	£1,500,294	£263,796	-£839,080
VL5 £3,400/sq. m	£4,665,825	£3,317,370	£2,222,536	£3,988,710	£2,640,254	£1,545,420	£3,311,594	£1,963,138	£868,305
VL6 £3,500/sq. m	£6,428,024	£4,970,628	£3,796,125	£5,750,890	£4,293,513	£3,119,010	£5,073,774	£3,616,397	£2,441,894
VL7 £3,600/sq. m	£8,147,205	£6,583,564	£5,331,334	£7,470,090	£5,906,448	£4,654,219	£6,792,974	£5,229,332	£3,977,103
VL8 £3,800/sq. m	£11,450,526	£9,682,703	£8,281,129	£10,773,410	£9,005,588	£7,604,013	£10,096,295	£8,328,472	£6,926,923
VL9 £4,000/sq. m	£14,600,345	£12,637,831	£11,093,851	£13,923,230	£11,960,715	£10,416,735	£13,246,115	£11,283,600	£9,739,620
VL10 £4,200/sq. m	£17,590,523	£15,443,184	£13,764,016	£16,913,408	£14,766,069	£13,086,901	£16,236,293	£14,088,954	£12,409,786
	Residential Land Value (£/ha)			Residential Land Value (£/ha)			Residential Land Value (£/ha)		
VL1 £2,800/sq. m	-£594,535	-£648,151	-£697,711	-£652,228	-£705,844	-£755,405	-£709,920	-£763,536	-£813,097
VL2 £3,000/sq. m	-£245,597	-£320,781	-£385,019	-£303,289	-£378,473	-£442,712	-£360,981	-£436,165	-£500,404
VL3 £3,200/sq. m	£76,942	-£11,079	-£90,242	£24,856	-£68,771	-£147,934	-£30,876	-£126,464	-£205,627
VL4 £3,300/sq. m	£219,579	£124,464	£46,545	£167,493	£72,378	-£6,852	£115,407	£20,292	-£64,545
VL5 £3,400/sq. m	£358,910	£255,182	£170,964	£306,824	£203,096	£118,878	£254,738	£151,011	£66,793
VL6 £3,500/sq. m	£494,463	£382,356	£292,010	£442,376	£330,270	£239,924	£390,290	£278,184	£187,838
VL7 £3,600/sq. m	£626,708	£506,428	£410,103	£574,622	£454,342	£358,017	£522,536	£402,256	£305,931
VL8 £3,800/sq. m	£880,810	£744,823	£637,010	£828,724	£692,738	£584,924	£776,638	£640,652	£532,840
VL9 £4,000/sq. m	£1,123,103	£972,141	£853,373	£1,071,018	£920,055	£801,287	£1,018,932	£867,969	£749,202
VL10 £4,200/sq. m	£1,353,117	£1,187,937	£1,058,770	£1,301,031	£1,135,851	£1,006,685	£1,248,946	£1,083,766	£954,599

Key:

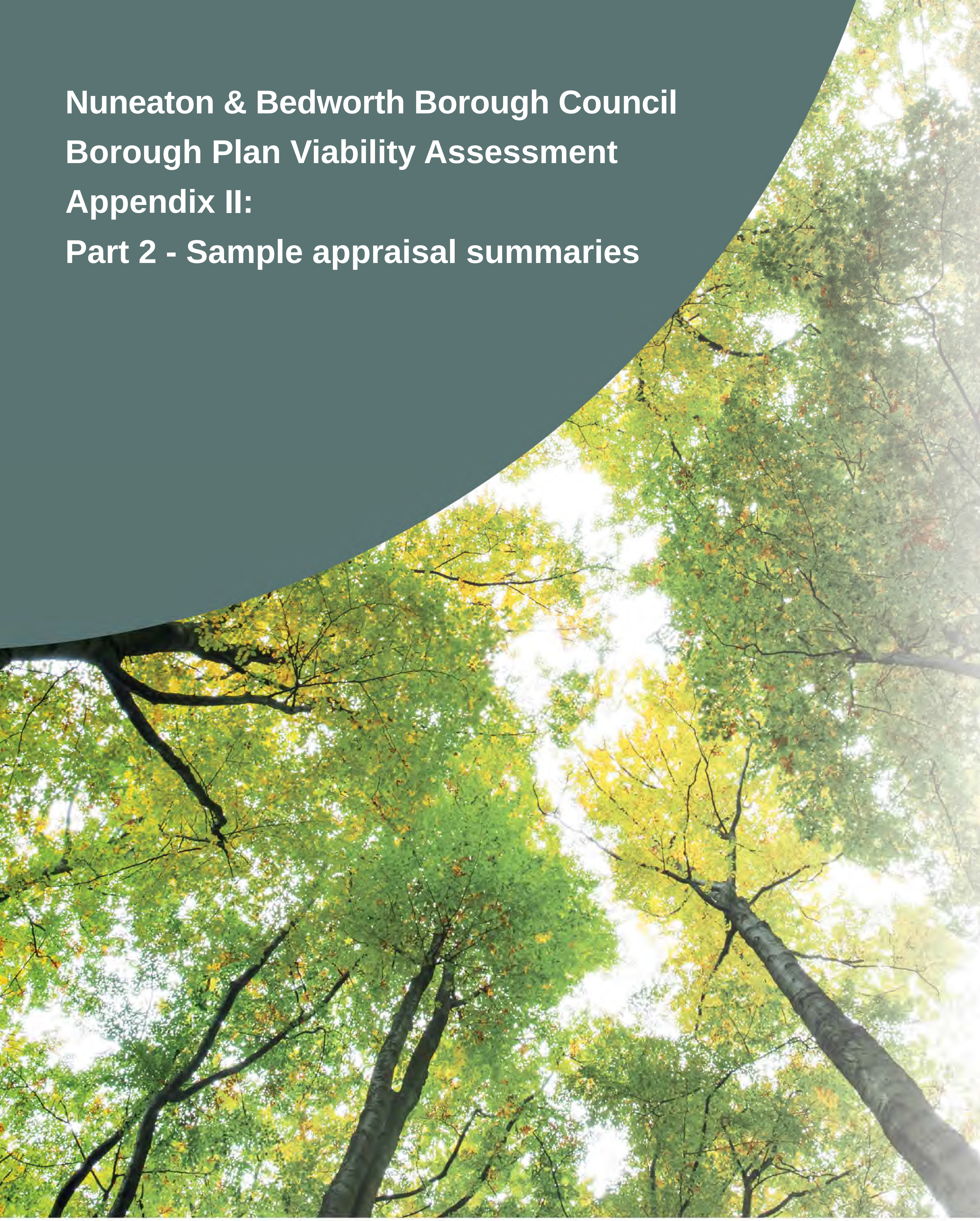
Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential/marginal viability	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability scenario	Viability Test 3 (RLV >£500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement - reflecting larger scale development
£500,000	Greenfield Enhancement (Upper) - reflecting smaller scale development

Dixon Searle Partnership (2023)

Nuneaton & Bedworth Borough Council
Borough Plan Viability Assessment
Appendix II:
Part 2 - Sample appraisal summaries



DixonSearle Partnership

15 Houses
Nuneaton & Bedworth Borough Council

15 Houses
GF
25% AH @ VL6 £3,500/m2
£7,500/dweling s106

Development Appraisal
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APPRAISAL SUMMARY	LICENSED COPY

15 Houses
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Market Housing	11	1,002.10	3,315.90	302,078	3,322,863
AH - SO	1	90.00	2,321.13	208,902	208,902
AH - AR	2	174.60	1,401.80	122,377	244,754
AH - FH	1	79.00	2,321.13	183,369	183,369
Totals	**15**	**1,345.70**			**3,959,888**

NET REALISATION			**3,959,888**
OUTLAY			
ACQUISITION COSTS			
Residualised Price (0.43 Ha @ 887,776.81 /Hect)		381,744	
			381,744
Stamp Duty		10,087	
Effective Stamp Duty Rate	2.64%		
Agent Fee	1.50%	5,726	
Legal Fee	0.75%	2,863	
			18,676

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost	
Market Housing	1,002.10	1,196.00	1,198,512	
AH - SO	90.00	1,196.00	107,640	
AH - AR	174.60	1,196.00	208,822	
AH - FH	79.00	1,196.00	94,484	
Totals	**1,345.70 m²**		**1,609,457**	
Contingency		5.00%	113,196	
Site Works & Infrastructure	15.00 un	16,500.00 /un	247,500	
S106	15.00 un	7,500.00 /un	112,500	
				2,082,653
Other Construction				
Externals		15.00%	241,419	
FHS 2025 - Market		4.50%	53,933	
FHS 2025 - AH		4.50%	18,493	
Electric Vehicle Charging (market)	11.00 un	865.00 /un	9,515	
Electric Vehicle Charging (AH)	4.00 un	865.00 /un	3,460	
M4(2) 100%	1,345.70 m²	14.73	19,822	
M4(3) overall %	1,345.70 m²	7.75	10,429	
BNG		3.10%	49,893	
				406,964
PROFESSIONAL FEES				
Professional Fees		10.00%	226,392	
				226,392
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	118,797	
Sales Legal Fee	15.00 un	750.00 /un	11,250	
				130,047
MISCELLANEOUS FEES				
AH Profit		6.00%	27,219	
Market Profit		17.50%	581,501	
First Homes Profit		12.00%	22,004	
				630,725
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				82,688
TOTAL COSTS				**3,959,888**
PROFIT				
				0

Performance Measures

Profit on GDV%	0.00%

15 Houses
Nuneaton & Bedworth Borough Council

15 Houses
PDL
25% AH @ VL6 £3,500/m2
£7,500/dwelling s106

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15 Houses
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	11	1,002.10	3,436.44	313,060	3,443,657	0	3,443,657
AH - SO	1	90.00	2,405.51	216,496	216,496	0	216,496
AH - AR	2	174.60	1,401.80	122,377	244,754	0	244,754
AH - FH	1	79.00	2,405.51	190,035	190,035	0	190,035
Totals	**15**	**1,345.70**			**4,094,941**	**0**	**4,094,941**

NET REALISATION				**4,094,941**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (0.43 Ha @ 1,189,456.19 /Hect)			511,466	
				511,466
Stamp Duty			16,573	
Effective Stamp Duty Rate		3.24%		
Agent Fee		1.50%	7,672	
Legal Fee		0.75%	3,836	
				28,081
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	1,002.10	1,196.00	1,198,512	
AH - SO	90.00	1,196.00	107,640	
AH - AR	174.60	1,196.00	208,822	
AH - FH	79.00	1,196.00	94,484	
Totals	**1,345.70 m²**		**1,609,457**	
Contingency		5.00%	111,345	
Site Works & Infrastructure	15.00 un	16,500.00 /un	247,500	
S106	15.00 un	7,500.00 /un	112,500	
				2,080,802
Other Construction				
Externals		15.00%	241,419	
FHS 2025 - Market		4.50%	53,933	
FHS 2025 - AH		4.50%	18,493	
Electric Vehicle Charging (market)	11.00 un	865.00 /un	9,515	
Electric Vehicle Charging (AH)	4.00 un	865.00 /un	3,460	
M4(2) 100%	1,345.70 m²	14.73	19,822	
M4(3) overall %	1,345.70 m²	7.75	10,429	
BNG		0.80%	12,876	
				369,946
PROFESSIONAL FEES				
Professional Fees		10.00%	222,690	
				222,690
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	122,848	
Sales Legal Fee	15.00 un	750.00 /un	11,250	
				134,098
MISCELLANEOUS FEES				
AH Profit		6.00%	27,675	
Market Profit		17.50%	602,640	
First Homes Profit		12.00%	22,804	
				653,119
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				94,738
TOTAL COSTS				**4,094,941**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

30 Flats Sheltered
Nuneaton & Bedworth Borough Council

30 Flats Sheltered
PDL
25% AH @ VL11 £4,400/m2
£5,000/dwelling s106

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APPRAISAL SUMMARY **LICENSED COPY**

30 Flats Sheltered
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	22	1,474.00	4,400.00	294,800	6,485,600	0	6,485,600
AH - SO	3	189.00	3,080.00	194,040	582,120	0	582,120
AH - AR	5	315.00	1,578.11	99,421	497,105	0	497,105
Totals	**30**	**1,978.00**			**7,564,825**	**0**	**7,564,825**

NET REALISATION				**7,564,825**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (0.28 Ha @ 1,426,193.77 /Hect)			399,334	
				399,334
Stamp Duty			10,967	
Effective Stamp Duty Rate		2.75%		
Agent Fee		1.50%	5,990	
Legal Fee		0.75%	2,995	
				19,952
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	1,843.60	1,465.00	2,700,874	
AH - SO	236.40	1,465.00	346,326	
AH - AR	394.00	1,465.00	577,210	
Totals	**2,474.00 m²**		**3,624,410**	
Contingency		5.00%	218,515	
Site Works & Infrastructure	30.00 un	6,000.00 /un	180,000	
S106	30.00 un	5,000.00 /un	150,000	
				4,172,925
Other Construction				
Externals		7.50%	271,831	
FHS 2025 - Market		2.50%	67,522	
FHS 2025 - AH		2.50%	23,088	
Electric Vehicle Charging (market)	22.00 un	1,961.00 /un	43,142	
Electric Vehicle Charging (AH)	8.00 un	1,961.00 /un	15,688	
M4(2) 100%	2,474.00 m²	14.73	36,442	
M4(3) overall %	2,474.00 m²	7.75	19,173	
BNG		0.80%	28,995	
Empty Property Costs	30.00 un	2,000.00 /un	60,000	
				565,882
PROFESSIONAL FEES				
Professional Fees		10.00%	437,029	
				437,029
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	226,945	
Sales Legal Fee	30.00 un	750.00 /un	22,500	
				249,445
MISCELLANEOUS FEES				
AH Profit		6.00%	64,753	
Market Profit		17.50%	1,134,980	
				1,199,733
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				520,525
TOTAL COSTS				**7,564,825**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

50 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

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50 Mixed (Flats & Houses)
GF
25% AH @ VL6 £3,500/m2
£7,500/dwelling s106

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APPRAISAL SUMMARY **LICENSED COPY**

50 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**
Market Housing	37	3,137.60	3,436.44	291,410	10,782,174
AH - SO	2	152.00	2,405.51	182,819	365,637
AH - AR	8	612.00	1,532.75	117,255	938,040
AH - FH	3	163.20	2,405.51	130,860	392,579
Totals	**50**	**4,064.80**			**12,478,430**

NET REALISATION				**12,478,430**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (1.64 Ha @ 413,572.97 /Hect)			678,260	
				678,260
Stamp Duty			24,913	
Effective Stamp Duty Rate		3.67%		
Agent Fee		1.50%	10,174	
Legal Fee		0.75%	5,087	
				40,174
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	3,215.30	1,223.00	3,932,312	
AH - SO	158.40	1,223.00	193,723	
AH - AR	633.60	1,223.00	774,893	
AH - FH	187.80	1,223.00	229,679	
Totals	**4,195.10 m²**		**5,130,607**	
Contingency		5.00%	379,463	
Site Works & Infrastructure	50.00 un	23,500.00 /un	1,175,000	
S106	50.00 un	7,500.00 /un	375,000	
				7,060,071
Other Construction				
Externals		15.00%	769,591	
FHS 2025 - Market		4.00%	157,292	
FHS 2025 - AH		3.70%	44,337	
Electric Vehicle Charging (market)	37.00 un	1,139.00 /un	42,143	
Electric Vehicle Charging (AH)	13.00 un	1,303.00 /un	16,939	
M4(2) 100%	4,195.10 m²	14.73	61,794	
M4(3) overall %	4,195.10 m²	7.75	32,512	
BNG		3.10%	159,049	
				1,283,657
PROFESSIONAL FEES				
Professional Fees		10.00%	758,926	
				758,926
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	374,353	
Sales Legal Fee	50.00 un	750.00 /un	37,500	
				411,853
MISCELLANEOUS FEES				
AH Profit		6.00%	78,221	
Market Profit		17.50%	1,886,880	
First Homes Profit		12.00%	47,109	
				2,012,211
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				233,279
TOTAL COSTS				**12,478,430**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

50 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

50 Mixed (Flats & Houses)
PDL
25% AH @ VL6 £3,500/m2
£7,500/dwelling s106

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50 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Market Housing	37	3,137.60	3,436.44	291,410	10,782,174
AH - SO	2	152.00	2,405.51	182,819	365,637
AH - AR	8	612.00	1,532.75	117,255	938,040
AH - FH	3	163.20	2,405.51	130,860	392,579
Totals	**50**	**4,064.80**			**12,478,430**

NET REALISATION				**12,478,430**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (1.44 Ha @ 552,121.44 /Hect)			795,055	
				795,055
Stamp Duty			30,753	
Effective Stamp Duty Rate		3.87%		
Agent Fee		1.50%	11,926	
Legal Fee		0.75%	5,963	
				48,641
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	3,215.30	1,223.00	3,932,312	
AH - SO	158.40	1,223.00	193,723	
AH - AR	633.60	1,223.00	774,893	
AH - FH	187.80	1,223.00	229,679	
Totals	**4,195.10 m²**		**5,130,607**	
Contingency		5.00%	373,563	
Site Works & Infrastructure	50.00 un	23,500.00 /un	1,175,000	
S106	50.00 un	7,500.00 /un	375,000	
				7,054,170
Other Construction				
Externals		15.00%	769,591	
FHS 2025 - Market		4.00%	157,292	
FHS 2025 - AH		3.70%	44,337	
Electric Vehicle Charging (market)	37.00 un	1,139.00 /un	42,143	
Electric Vehicle Charging (AH)	13.00 un	1,303.00 /un	16,939	
M4(2) 100%	4,195.10 m²	14.73	61,794	
M4(3) overall %	4,195.10 m²	7.75	32,512	
BNG		0.80%	41,045	
				1,165,653
PROFESSIONAL FEES				
Professional Fees		10.00%	747,126	
				747,126
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	374,353	
Sales Legal Fee	50.00 un	750.00 /un	37,500	
				411,853
MISCELLANEOUS FEES				
AH Profit		6.00%	78,221	
Market Profit		17.50%	1,886,880	
First Homes Profit		12.00%	47,109	
				2,012,211
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				243,721
TOTAL COSTS				**12,478,430**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

60 Flats Extra Care
Nuneaton & Bedworth Borough Council

60 Flats Extra Care
PDL
25% AH @ VL11 £4,400/m2
£5,000/dwelling s106

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60 Flats Extra Care
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Market Housing	45	3,105.00	4,400.00	303,600	13,662,000
AH - SO	6	393.00	3,080.00	201,740	1,210,440
AH - AR	9	589.50	1,517.88	99,421	894,789
Totals	**60**	**4,087.50**			**15,767,229**

NET REALISATION 15,767,229

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			216,205	
				216,205
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	4,194.00	1,465.00	6,144,210	
AH - SO	530.40	1,465.00	777,036	
AH - AR	795.60	1,465.00	1,165,554	
Totals	**5,520.00 m²**		**8,086,800**	**8,086,800**
Contingency		5.00%	493,096	
Site Works & Infrastructure	60.00 un	6,000.00 /un	360,000	
S106	60.00 un	5,000.00 /un	300,000	
				1,153,096
Other Construction				
Externals		7.50%	606,510	
FHS 2025 - Market		2.50%	153,605	
FHS 2025 - AH		2.50%	48,565	
Electric Vehicle Charging (market)	45.00 un	1,961.00 /un	88,245	
Electric Vehicle Charging (AH)	15.00 un	1,961.00 /un	29,415	
M4(2) 100%	5,520.00 m²	14.73	81,310	
M4(3) overall %	5,520.00 m²	7.75	42,780	
BNG		0.80%	64,694	
Empty Property Costs	60.00 un	5,000.00 /un	300,000	
				1,415,124
PROFESSIONAL FEES				
Professional Fees		10.00%	986,192	
				986,192
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	473,017	
Sales Legal Fee	60.00 un	750.00 /un	45,000	
				518,017
MISCELLANEOUS FEES				
AH Profit		6.00%	126,314	
Market Profit		17.50%	2,390,850	
				2,517,164
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,307,041
TOTAL COSTS				**15,767,229**
PROFIT				
				0

Performance Measures

Profit on GDV%	0.00%

300 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

300 Mixed (Flats & Houses)
GF
25% AH @ VL6 £3,500/m2
£7,500/m2 s106

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August 2023

APPRAISAL SUMMARY

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300 Mixed (Flats & Houses)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	225	19,080.00	3,436.44	291,410	65,567,275	0	65,567,275
AH - SO	11	836.00	2,405.51	182,819	2,011,005	0	2,011,005
AH - AR	45	3,442.50	1,532.75	117,255	5,276,475	0	5,276,475
AH - FH	19	1,033.60	2,405.51	130,860	2,486,333	0	2,486,333
Totals	**300**	**24,392.10**			**75,341,088**	**0**	**75,341,088**

NET REALISATION 75,341,088

OUTLAY

ACQUISITION COSTS

Residualised Price (13.00 Ha @ 330,270.20 /Hect)		4,293,513	
			4,293,513
Stamp Duty		205,676	
Effective Stamp Duty Rate	4.79%		
Agent Fee	1.50%	64,403	
Legal Fee	0.75%	32,201	
			302,280

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost	
Market Housing	19,552.50	1,223.00	23,912,707	
AH - SO	871.20	1,223.00	1,065,478	
AH - AR	3,564.00	1,223.00	4,358,772	
AH - FH	1,189.40	1,223.00	1,454,636	
Totals	**25,177.10 m²**		**30,791,593**	
Contingency		5.00%	2,277,294	
Site Works & Infrastructure	300.00 un	23,500.00 /un	7,050,000	
S106	300.00 un	7,500.00 /un	2,250,000	
				42,368,887
Other Construction				
Externals		15.00%	4,618,739	
FHS 2025 - Market		4.00%	956,508	
FHS 2025 - AH		3.70%	254,519	
Electric Vehicle Charging (market)	225.00 un	1,139.00 /un	256,275	
Electric Vehicle Charging (AH)	75.00 un	1,303.00 /un	97,725	
M4(2) 100%	25,177.10 m²	14.73	370,859	
M4(3) overall %	25,177.10 m²	7.75	195,123	
BNG		3.10%	954,539	
				7,704,287

PROFESSIONAL FEES

Professional Fees		10.00%	4,554,588	
				4,554,588

DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	2,260,233	
Sales Legal Fee	300.00 un	750.00 /un	225,000	
				2,485,233

MISCELLANEOUS FEES

AH Profit	6.00%	437,249	
Market Profit	17.50%	11,474,273	
First Homes Profit	12.00%	298,360	
			12,209,882

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Total Finance Cost 1,422,419

TOTAL COSTS **75,341,088**

PROFIT

0

Performance Measures

Profit on GDV% 0.00%

Nuneaton & Bedworth Borough Council

Borough Plan Viability Assessment

Appendix III:

Specific / strategic site allocation proposal review results tables

DixonSearle Partnership

Nuneaton & Bedworth Borough Council - Appendix III: Borough Plan Viability Assessment - Specific Site Allocations Results: Table 3a: Arbury

Site Name/Ref	Arbury (SHA-2)
	1525
	Mixed (houses/flats)
Typical Site Type	Greenfield
Gross Land Area (ha)	86.0

Affordable Housing %	Construction: Rate/sq. m. Sensitivity Test	Residual Land Value (£ Total)			Surplus (£ Total) after deducting BLV			Surplus (£/dwelling)		
		VL2 £3,000	VL3 £3,200	VL4 £3,300	VL2 £3,000	VL3 £3,200	VL4 £3,300	VL2 £3,000	VL3 £3,200	VL4 £3,300
25% AH - Base Policy Position Test	-10%	£23,504,683	£35,573,409	£41,567,345	£2,004,683	£14,073,409	£20,067,345	£1,315	£9,228	£13,159
	-5%	£16,869,657	£28,938,383	£34,934,794	-£4,630,343	£7,438,383	£13,434,794	-£3,036	£4,878	£8,810
	0% BASE TEST	**£10,212,333**	**£22,303,361**	**£28,299,771**	**-£11,287,667**	**£803,361**	**£6,799,771**	**-£7,402**	**£527**	**£4,459**
	5%	£3,194,140	£15,659,691	£21,664,610	-£18,305,860	-£5,840,309	£164,610	-£12,004	-£3,830	£108
	10%	-£5,085,349	£8,920,875	£15,007,895	-£26,585,349	-£12,579,125	-£6,492,105	-£17,433	-£8,249	-£4,257
20% AH - Additional Sensitivity Test	-10%	£28,154,049	£40,973,472	£47,338,535	£6,654,049	£19,473,472	£25,838,535	£4,363	£12,769	£16,943
	-5%	£21,488,264	£34,308,180	£40,677,824	-£11,736	£12,808,180	£19,177,824	-£8	£8,399	£12,576
	0% BASE TEST	**£14,805,106**	**£27,642,400**	**£34,012,041**	**-£6,694,894**	**£6,142,400**	**£12,512,041**	**-£4,390**	**£4,028**	**£8,205**
	5%	£8,039,138	£20,969,529	£27,346,262	-£13,460,862	-£530,471	£5,846,262	-£8,827	-£348	£3,834
	10%	£497,155	£14,256,267	£20,665,752	-£21,002,845	-£7,243,733	-£834,248	-£13,772	-£4,750	-£547
30% AH - Additional Sensitivity Test	-10%	£19,647,782	£31,185,803	£36,916,938	-£1,852,218	£9,685,803	£15,416,938	-£1,215	£6,351	£10,109
	-5%	£13,043,591	£24,581,543	£30,314,145	-£8,456,409	£3,081,543	£8,814,145	-£5,545	£2,021	£5,780
	0% BASE TEST	**£6,375,049**	**£17,977,281**	**£23,709,973**	**-£15,124,951**	**-£3,522,719**	**£2,209,973**	**-£9,918**	**-£2,310**	**£1,449**
	5%	-£1,117,051	£11,366,912	£17,105,671	-£22,617,051	-£10,133,088	-£4,394,329	-£14,831	-£6,645	-£2,882
	10%	-£9,831,785	-£4,416,226	£10,463,587	-£31,331,785	-£25,916,226	-£11,036,413	-£20,545	-£16,994	-£7,237

Dixon Searle Partnership (2023)

Nuneaton & Bedworth Borough Council - Appendix III: Borough Plan Viability Assessment - Specific Site Allocations Results: Table 3b: Judkins/Tuttle Hill

Site Name/Ref	Judkins/Tuttle Hill (SHA-3)
	350
	Mixed (houses/flats)
Typical Site Type	Greenfield
Gross Land Area (ha)	13.5

Affordable Housing %	Construction: Rate/sq. m. Sensitivity Test	Residual Land Value (£ Total)			Surplus (£ Total) after deducting BLV			Surplus (£/dwelling)		
		VL3 £3,200	VL4 £3,300	VL5 £3,400	VL3 £3,200	VL4 £3,300	VL5 £3,400	VL3 £3,200	VL4 £3,300	VL5 £3,400
25% AH - Base Policy Position Test	-10%	£7,794,157	£9,336,734	£10,885,818	£4,419,157	£5,961,734	£7,510,818	£12,626	£17,034	£21,459
	-5%	£6,057,523	£7,600,099	£9,149,184	£2,682,523	£4,225,099	£5,774,184	£7,664	£12,072	£16,498
	0% BASE TEST	**£4,320,563**	**£5,863,465**	**£7,412,550**	**£945,563**	**£2,488,465**	**£4,037,550**	**£2,702**	**£7,110**	**£11,536**
	5%	£2,583,099	£4,126,218	£5,675,852	-£791,901	£751,218	£2,300,852	-£2,263	£2,146	£6,574
	10%	£832,397	£2,388,739	£3,938,385	-£2,542,603	-£986,261	£563,385	-£7,265	-£2,818	£1,610
20% AH - Additional Sensitivity Test	-10%	£9,111,805	£10,746,996	£12,389,086	£5,736,805	£7,371,996	£9,014,086	£16,391	£21,063	£25,755
	-5%	£7,367,318	£9,002,511	£10,644,603	£3,992,318	£5,627,511	£7,269,603	£11,407	£16,079	£20,770
	0% BASE TEST	**£5,622,073**	**£7,257,848**	**£8,900,117**	**£2,247,073**	**£3,882,848**	**£5,525,117**	**£6,420**	**£11,094**	**£15,786**
	5%	£3,876,753	£5,512,523	£7,155,201	£501,753	£2,137,523	£3,780,201	£1,434	£6,107	£10,801
	10%	£2,130,536	£3,767,097	£5,409,877	-£1,244,464	£392,097	£2,034,877	-£3,556	£1,120	£5,814
30% AH - Additional Sensitivity Test	-10%	£6,548,391	£8,009,553	£9,476,881	£3,173,391	£4,634,553	£6,101,881	£9,067	£13,242	£17,434
	-5%	£4,830,225	£6,291,387	£7,758,714	£1,455,225	£2,916,387	£4,383,714	£4,158	£8,333	£12,525
	0% BASE TEST	**£3,112,058**	**£4,573,220**	**£6,040,547**	**-£262,942**	**£1,198,220**	**£2,665,547**	**-£751**	**£3,423**	**£7,616**
	5%	£1,387,232	£2,855,053	£4,322,380	-£1,987,768	-£519,947	£947,380	-£5,679	-£1,486	£2,707
	10%	-£417,145	£1,122,396	£2,604,027	-£3,792,145	-£2,252,604	-£770,973	-£10,835	-£6,436	-£2,203

Dixon Searle Partnership (2023)

Nuneaton & Bedworth Borough Council - Appendix III: Borough Plan Viability Assessment - Specific Site Allocations Results: Table 3c: Bowling Green Lane

Site Name/Ref	**Bowling Green Lane (SEA-6)**
	150
	Mixed (houses/flats) *plus 19ha Employment Land*
Typical Site Type	**Greenfield**
Gross Land Area (ha)	**26.2**

Affordable Housing %	Construction: Rate/sq. m. Sensitivity Test	Residual Land Value (£ Total)			Surplus (£ Total) after deducting BLV			Surplus (£/dwelling)		
		VL5 £3,400	VL6 £3,500	VL7 £3,600	VL5 £3,400	VL6 £3,500	VL7 £3,600	VL5 £3,400	VL6 £3,500	VL7 £3,600
25% AH - Base Policy Position Test	**-10%**	£7,454,734	£8,129,974	£8,802,377	£904,734	£1,579,974	£2,252,377	£6,032	£10,533	£15,016
	-5%	£6,680,119	£7,355,360	£8,027,763	£130,119	£805,360	£1,477,763	£867	£5,369	£9,852
	0% BASE TEST	**£5,905,505**	**£6,580,746**	**£7,253,149**	**-£644,495**	**£30,746**	**£703,149**	**-£4,297**	**£205**	**£4,688**
	5%	£5,130,891	£5,806,132	£6,478,535	-£1,419,109	-£743,868	-£71,465	-£9,461	-£4,959	-£476
	10%	£4,356,277	£5,031,518	£5,703,921	-£2,193,723	-£1,518,482	-£846,079	-£14,625	-£10,123	-£5,641
20% AH - Additional Sensitivity Test	**-10%**	£7,816,468	£8,513,888	£9,208,378	£1,266,468	£1,963,888	£2,658,378	£8,443	£13,093	£17,723
	-5%	£7,039,932	£7,737,353	£8,431,843	£489,932	£1,187,353	£1,881,843	£3,266	£7,916	£12,546
	0% BASE TEST	**£6,263,396**	**£6,960,817**	**£7,655,307**	**-£286,604**	**£410,817**	**£1,105,307**	**-£1,911**	**£2,739**	**£7,369**
	5%	£5,486,861	£6,184,281	£6,878,772	-£1,063,139	-£365,719	£328,772	-£7,088	-£2,438	£2,192
	10%	£4,710,325	£5,407,746	£6,102,236	-£1,839,675	-£1,142,254	-£447,764	-£12,264	-£7,615	-£2,985
30% AH - Additional Sensitivity Test	**-10%**	£6,863,768	£7,506,425	£8,146,382	£313,768	£956,425	£1,596,382	£2,092	£6,376	£10,643
	-5%	£6,092,997	£6,735,654	£7,375,611	-£457,003	£185,654	£825,611	-£3,047	£1,238	£5,504
	0% BASE TEST	**£5,322,226**	**£5,964,883**	**£6,604,840**	**-£1,227,774**	**-£585,117**	**£54,840**	**-£8,185**	**-£3,901**	**£366**
	5%	£4,551,455	£5,194,112	£5,834,068	-£1,998,545	-£1,355,888	-£715,932	-£13,324	-£9,039	-£4,773
	10%	£3,780,683	£4,423,341	£5,063,297	-£2,769,317	-£2,126,659	-£1,486,703	-£18,462	-£14,178	-£9,911

Dixon Searle Partnership (2023)

Nuneaton & Bedworth Borough Council

Borough Plan Viability Assessment

Appendix III:

Part 2 - Sample appraisal summaries and further sensitivity testing data

DixonSearle
Partnership

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

1525 dwellings
25% Affordable Housing
Value Level 3 £3,200/m2

Development Appraisal
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August 2023

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	1,144	97,011.20	3,200.40	271,394	310,474,644	0	310,474,644
AH - AR	229	17,518.50	1,532.75	117,255	26,851,395	0	26,851,395
AH - FH	95	7,220.00	2,240.28	170,261	16,174,822	0	16,174,822
AH - SO	57	4,332.00	2,240.28	170,261	9,704,893	0	9,704,893
Totals	**1,525**	**126,081.70**			**363,205,754**	**0**	**363,205,754**

NET REALISATION **363,205,754**

OUTLAY

ACQUISITION COSTS

Residualised Price (86.00 Ha @ 259,341.41 /Hect)			22,303,361	
				22,303,361
Stamp Duty			1,106,168	
Effective Stamp Duty Rate		4.96%		
Agent Fee		1.50%	334,550	
Legal Fee		0.75%	167,275	
				1,607,994

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost	
Market Housing	99,413.60	1,112.00	110,547,923	
AH - AR	18,136.80	1,112.00	20,168,122	
AH - FH	7,524.00	1,112.00	8,366,688	
AH - SO	4,514.40	1,112.00	5,020,013	
Totals	**129,588.80 m²**		**144,102,746**	
Contingency		5.00%	10,575,928	
Site Works & Infrastructure 50%	1,525.00 un	12,500.00 /un	19,062,500	
Site Works & Infrastructure 50%	1,525.00 un	12,500.00 /un	19,062,500	
				192,803,674
Other Construction				
Externals		10.00%	14,410,275	
Carbon Reduction (Market units)		4.00%	4,421,917	
Carbon Reduction (AR/SR Units)		3.70%	746,220	
Carbon Reduction (AHO units)		3.70%	495,308	
Electric Vehicle Charging	1,525.00 un	1,139.00 /un	1,736,975	
M4(2) 100%	129,588.80 m²	15.50	2,008,626	
M4(3) 5%	129,588.80 m²	7.75	1,004,313	
BNG		3.10%	4,467,185	
				29,290,820
Section 106 Costs				
FC NHS			1,500,000	
1FE PS (exp>3FE) plsu FC			13,700,000	
FC strategic highway infrastructure			2,000,000	
FC sport			3,000,000	
MUGA			60,000	
Play Equipment			90,820	
Teenage facility			7,575	
Green Gym			32,000	
30 Space Car Park			258,597	
Footway alongside A444			500,000	
Wildlife habitat			436,535	
Crushed stone footway			188,411	
Cycleway			761,362	
Waste management / recycling	1,525.00 un	45.00 /un	68,625	
Fire station upgrade contribution	1,525.00 un	121.00 /un	184,525	
Waste bins	1,525.00 un	76.00 /un	115,900	
				22,904,350

PROFESSIONAL FEES

Professional Fees		8.00%	16,921,485	
				16,921,485

DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	10,090,631	
Sales Legal Fee	1,525.00 un	750.00 /un	1,143,750	
				11,234,381

MISCELLANEOUS FEES

AH Profit		6.00%	2,193,377	
Market Profit		17.50%	54,333,063	
First Homes		12.00%	1,940,979	
				58,467,419

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Total Finance Cost 7,672,284

TOTAL COSTS **363,205,768**

PROFIT

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Performance Measures

Profit on GDV% 0.00%

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£34,949,532)	(£35,105,501)	(£35,261,470)	(£35,417,439)	(£35,573,409)	(£35,729,378)	(£35,885,347)	(£36,041,316)	(£36,197,285)
1,000.80 /m²	(£34,949,532)	(£35,105,501)	(£35,261,470)	(£35,417,439)	(£35,573,409)	(£35,729,378)	(£35,885,347)	(£36,041,316)	(£36,197,285)
-5.000%	(£28,314,507)	(£28,470,476)	(£28,626,445)	(£28,782,414)	(£28,938,383)	(£29,094,353)	(£29,250,322)	(£29,406,291)	(£29,562,260)
1,056.40 /m²	(£28,314,507)	(£28,470,476)	(£28,626,445)	(£28,782,414)	(£28,938,383)	(£29,094,353)	(£29,250,322)	(£29,406,291)	(£29,562,260)
0.000%	(£21,679,485)	(£21,835,454)	(£21,991,423)	(£22,147,392)	(£22,303,361)	(£22,459,331)	(£22,615,300)	(£22,771,269)	(£22,927,238)
1,112.00 /m²	(£21,679,485)	(£21,835,454)	(£21,991,423)	(£22,147,392)	(£22,303,361)	(£22,459,331)	(£22,615,300)	(£22,771,269)	(£22,927,238)
+5.000%	(£15,033,929)	(£15,190,369)	(£15,346,810)	(£15,503,251)	(£15,659,691)	(£15,816,132)	(£15,972,573)	(£16,128,967)	(£16,285,277)
1,167.60 /m²	(£15,033,929)	(£15,190,369)	(£15,346,810)	(£15,503,251)	(£15,659,691)	(£15,816,132)	(£15,972,573)	(£16,128,967)	(£16,285,277)
+10.000%	(£8,267,580)	(£8,431,210)	(£8,594,851)	(£8,758,087)	(£8,920,875)	(£9,083,295)	(£9,245,122)	(£9,406,789)	(£9,568,040)
1,223.20 /m²	(£8,267,580)	(£8,431,210)	(£8,594,851)	(£8,758,087)	(£8,920,875)	(£9,083,295)	(£9,245,122)	(£9,406,789)	(£9,568,040)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,200.40	4.00 Up & Down
AH - FH	1	£2,240.28	4.00 Up & Down
AH - SO	1	£2,240.28	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

1525 dwellings
25% Affordable Housing
Value Level 4 £3,300/m2

Development Appraisal
Licensed Copy
August 2023

APPRAISAL SUMMARY **LICENSED COPY**

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Market Housing	1,144	97,011.20	3,299.94	279,835	320,131,139
AH - AR	229	17,518.50	1,532.75	117,255	26,851,395
AH - FH	95	7,220.00	2,309.96	175,557	16,677,897
AH - SO	57	4,332.00	2,309.96	175,557	10,006,738
Totals	**1,525**	**126,081.70**			**373,667,169**

NET REALISATION				**373,667,169**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (86.00 Ha @ 329,067.11 /Hect)			28,299,771	
				28,299,771
Stamp Duty			1,405,989	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	424,497	
Legal Fee		0.75%	212,248	
				2,042,733
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	99,413.60	1,112.00	110,547,923	
AH - AR	18,136.80	1,112.00	20,168,122	
AH - FH	7,524.00	1,112.00	8,366,688	
AH - SO	4,514.40	1,112.00	5,020,013	
Totals	**129,588.80 m²**		**144,102,746**	
Contingency		5.00%	10,575,928	
Site Works & Infrastructure 50%	1,525.00 un	12,500.00 /un	19,062,500	
Site Works & Infrastructure 50%	1,525.00 un	12,500.00 /un	19,062,500	
				192,803,674
Other Construction				
Externals		10.00%	14,410,275	
Carbon Reduction (Market units)		4.00%	4,421,917	
Carbon Reduction (AR/SR Units)		3.70%	746,220	
Carbon Reduction (AHO units)		3.70%	495,308	
Electric Vehicle Charging	1,525.00 un	1,139.00 /un	1,736,975	
M4(2) 100%	129,588.80 m²	15.50	2,008,626	
M4(3) 5%	129,588.80 m²	7.75	1,004,313	
BNG		3.10%	4,467,185	
				29,290,820
Section 106 Costs				
FC NHS			1,500,000	
1FE PS (exp>3FE) plsu FC			13,700,000	
FC strategic highway infrastructure			2,000,000	
FC sport			3,000,000	
MUGA			60,000	
Play Equipment			90,820	
Teenage facility			7,575	
Green Gym			32,000	
30 Space Car Park			258,597	
Footway alongside A444			500,000	
Wildlife habitat			436,535	
Crushed stone footway			188,411	
Cycleway			761,362	
Waste management / recycling	1,525.00 un	45.00 /un	68,625	
Fire station upgrade contribution	1,525.00 un	121.00 /un	184,525	
Waste bins	1,525.00 un	76.00 /un	115,900	
				22,904,350
PROFESSIONAL FEES				
Professional Fees		8.00%	16,921,485	
				16,921,485
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	10,404,473	
Sales Legal Fee	1,525.00 un	750.00 /un	1,143,750	
				11,548,223
MISCELLANEOUS FEES				
AH Profit		6.00%	2,211,488	
Market Profit		17.50%	56,022,949	
First Homes		12.00%	2,001,348	
				60,235,785
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				9,620,338
TOTAL COSTS				**373,667,180**
PROFIT				
				11
Performance Measures				
Profit on GDV%		0.00%		

SENSITIVITY ANALYSIS REPORT LICENSED COPY

Arbury (Site Ref: SHA-2)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£40,943,835)	(£41,099,712)	(£41,255,590)	(£41,411,467)	(£41,567,345)	(£41,723,222)	(£41,879,100)	(£42,034,977)	(£42,190,834)
1,000.80 /m²	(£40,943,835)	(£41,099,712)	(£41,255,590)	(£41,411,467)	(£41,567,345)	(£41,723,222)	(£41,879,100)	(£42,034,977)	(£42,190,834)
-5.000%	(£34,310,917)	(£34,466,886)	(£34,622,855)	(£34,778,825)	(£34,934,794)	(£35,090,763)	(£35,246,732)	(£35,402,701)	(£35,558,670)
1,056.40 /m²	(£34,310,917)	(£34,466,886)	(£34,622,855)	(£34,778,825)	(£34,934,794)	(£35,090,763)	(£35,246,732)	(£35,402,701)	(£35,558,670)
0.000%	(£27,675,895)	(£27,831,864)	(£27,987,833)	(£28,143,802)	(£28,299,771)	(£28,455,741)	(£28,611,710)	(£28,767,679)	(£28,923,648)
1,112.00 /m²	(£27,675,895)	(£27,831,864)	(£27,987,833)	(£28,143,802)	(£28,299,771)	(£28,455,741)	(£28,611,710)	(£28,767,679)	(£28,923,648)
+5.000%	(£21,040,313)	(£21,196,387)	(£21,352,462)	(£21,508,536)	(£21,664,610)	(£21,820,686)	(£21,976,685)	(£22,132,654)	(£22,288,624)
1,167.60 /m²	(£21,040,313)	(£21,196,387)	(£21,352,462)	(£21,508,536)	(£21,664,610)	(£21,820,686)	(£21,976,685)	(£22,132,654)	(£22,288,624)
+10.000%	(£14,379,898)	(£14,536,954)	(£14,694,010)	(£14,851,007)	(£15,007,895)	(£15,164,783)	(£15,321,672)	(£15,478,475)	(£15,635,204)
1,223.20 /m²	(£14,379,898)	(£14,536,954)	(£14,694,010)	(£14,851,007)	(£15,007,895)	(£15,164,783)	(£15,321,672)	(£15,478,475)	(£15,635,204)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,299.94	4.00 Up & Down
AH - FH	1	£2,309.96	4.00 Up & Down
AH - SO	1	£2,309.96	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

350 dwellings
25% Affordable Housing
Value Level 4 £3,300/m2

Development Appraisal
Licensed Copy
August 2023

APPRAISAL SUMMARY **LICENSED COPY**

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**	**Adjustment**	**Net Sales**
Market Housing	263	22,302.40	3,299.94	279,835	73,596,582	0	73,596,582
AH - AR	52	3,978.00	1,532.75	117,255	6,097,260	0	6,097,260
AH - FH	22	1,672.00	2,309.96	175,557	3,862,250	0	3,862,250
AH - SO	13	988.00	2,309.96	175,557	2,282,239	0	2,282,239
Totals	**350**	**28,940.40**			**85,838,330**	**0**	**85,838,330**

NET REALISATION **85,838,330**

OUTLAY

ACQUISITION COSTS				
Residualised Price (13.50 Ha @ 434,330.73 /Hect)			5,863,465	
				5,863,465
Stamp Duty			284,173	
Effective Stamp Duty Rate		4.85%		
Agent Fee		1.50%	87,952	
Legal Fee		0.75%	43,976	
				416,101
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	22,854.70	1,112.00	25,414,426	
AH - AR	4,118.40	1,112.00	4,579,661	
AH - FH	1,742.40	1,112.00	1,937,549	
AH - SO	1,029.60	1,112.00	1,144,915	
Totals	**29,745.10 m²**		**33,076,551**	
Contingency		5.00%	2,449,456	
Site Works & Infrastructure 50%	350.00 un	12,500.00 /un	4,375,000	
Site Works & Infrastructure 50%	350.00 un	12,500.00 /un	4,375,000	
				44,276,007
Other Construction				
Externals		10.00%	3,307,655	
Carbon Reduction (Market units)		4.00%	1,016,577	
Carbon Reduction (AR/SR Units)		3.70%	169,447	
Carbon Reduction (AHO units)		3.70%	114,051	
Electric Vehicle Charging	350.00 un	1,139.00 /un	398,650	
M4(2) 100%	29,745.10 m²	15.50	461,049	
M4(3) 5%	29,745.10 m²	7.75	230,525	
BNG		0.80%	264,612	
Replacement bridge (single) 50% st			600,000	
Replacement bridge (singe) 50% mid			600,000	
				7,162,567
Section 106 Costs				
FC NHS			285,000	
FC Education			3,100,000	
FC Bus infrastructure			1,000,000	
FC sport			761,500	
FC Upgrade towpath			200,000	
Waste management and recycling	350.00 un	45.00 /un	15,750	
Fire station upgrade	350.00 un	121.00 /un	42,350	
Waste bins	350.00 un	76.00 /un	26,600	
				5,431,200
PROFESSIONAL FEES				
Professional Fees		10.00%	4,898,912	
				4,898,912
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	2,392,232	
Sales Legal Fee	350.00 un	750.00 /un	262,500	
				2,654,732
MISCELLANEOUS FEES				
AH Profit		6.00%	502,770	
Market Profit		17.50%	12,879,402	
First Homes		12.00%	463,470	
				13,845,642
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,289,705
TOTAL COSTS				**85,838,330**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

SENSITIVITY ANALYSIS REPORT — LICENSED COPY

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£9,176,185)	(£9,216,322)	(£9,256,460)	(£9,296,597)	(£9,336,734)	(£9,376,871)	(£9,417,008)	(£9,457,145)	(£9,497,282)
1,000.80 /m²	(£9,176,185)	(£9,216,322)	(£9,256,460)	(£9,296,597)	(£9,336,734)	(£9,376,871)	(£9,417,008)	(£9,457,145)	(£9,497,282)
-5.000%	(£7,439,551)	(£7,479,688)	(£7,519,825)	(£7,559,962)	(£7,600,099)	(£7,640,236)	(£7,680,374)	(£7,720,511)	(£7,760,648)
1,056.40 /m²	(£7,439,551)	(£7,479,688)	(£7,519,825)	(£7,559,962)	(£7,600,099)	(£7,640,236)	(£7,680,374)	(£7,720,511)	(£7,760,648)
0.000%	(£5,702,916)	(£5,743,053)	(£5,783,191)	(£5,823,328)	(£5,863,465)	(£5,903,602)	(£5,943,739)	(£5,983,876)	(£6,024,013)
1,112.00 /m²	(£5,702,916)	(£5,743,053)	(£5,783,191)	(£5,823,328)	(£5,863,465)	(£5,903,602)	(£5,943,739)	(£5,983,876)	(£6,024,013)
+5.000%	(£3,965,611)	(£4,005,763)	(£4,045,915)	(£4,086,067)	(£4,126,218)	(£4,166,370)	(£4,206,522)	(£4,246,674)	(£4,286,826)
1,167.60 /m²	(£3,965,611)	(£4,005,763)	(£4,045,915)	(£4,086,067)	(£4,126,218)	(£4,166,370)	(£4,206,522)	(£4,246,674)	(£4,286,826)
+10.000%	(£2,228,052)	(£2,268,224)	(£2,308,396)	(£2,348,568)	(£2,388,739)	(£2,428,933)	(£2,469,090)	(£2,509,211)	(£2,549,363)
1,223.20 /m²	(£2,228,052)	(£2,268,224)	(£2,308,396)	(£2,348,568)	(£2,388,739)	(£2,428,933)	(£2,469,090)	(£2,509,211)	(£2,549,363)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,299.94	4.00 Up & Down
AH - FH	1	£2,309.96	4.00 Up & Down
AH - SO	1	£2,309.96	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

350 dwellings
25% Affordable Housing
Value Level 5 £3,400/m2

Development Appraisal
Licensed Copy
August 2023

APPRAISAL SUMMARY	LICENSED COPY

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	263	22,302.40	3,399.90	288,312	75,825,930	0	75,825,930
AH - AR	52	3,978.00	1,532.75	117,255	6,097,260	0	6,097,260
AH - FH	22	1,672.00	2,379.93	180,875	3,979,243	0	3,979,243
AH - SO	13	988.00	2,379.93	180,875	2,351,371	0	2,351,371
Totals	**350**	**28,940.40**			**88,253,804**	**0**	**88,253,804**

NET REALISATION				**88,253,804**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (13.50 Ha @ 549,077.78 /Hect)			7,412,550	
				7,412,550
Stamp Duty			361,627	
Effective Stamp Duty Rate		4.88%		
Agent Fee		1.50%	111,188	
Legal Fee		0.75%	55,594	
				528,410
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	22,854.70	1,112.00	25,414,426	
AH - AR	4,118.40	1,112.00	4,579,661	
AH - FH	1,742.40	1,112.00	1,937,549	
AH - SO	1,029.60	1,112.00	1,144,915	
Totals	**29,745.10 m²**		**33,076,551**	
Contingency		5.00%	2,449,456	
Site Works & Infrastructure 50%	350.00 un	12,500.00 /un	4,375,000	
Site Works & Infrastructure 50%	350.00 un	12,500.00 /un	4,375,000	
				44,276,007
Other Construction				
Externals		10.00%	3,307,655	
Carbon Reduction (Market units)		4.00%	1,016,577	
Carbon Reduction (AR/SR Units)		3.70%	169,447	
Carbon Reduction (AHO units)		3.70%	114,051	
Electric Vehicle Charging	350.00 un	1,139.00 /un	398,650	
M4(2) 100%	29,745.10 m²	15.50	461,049	
M4(3) 5%	29,745.10 m²	7.75	230,525	
BNG		0.80%	264,612	
Replacement bridge (single) 50% st			600,000	
Replacement bridge (singe) 50% mid			600,000	
				7,162,567
Section 106 Costs				
FC NHS			285,000	
FC Education			3,100,000	
FC Bus infrastructure			1,000,000	
FC sport			761,500	
FC Upgrade towpath			200,000	
Waste management and recycling	350.00 un	45.00 /un	15,750	
Fire station upgrade	350.00 un	121.00 /un	42,350	
Waste bins	350.00 un	76.00 /un	26,600	
				5,431,200
PROFESSIONAL FEES				
Professional Fees		10.00%	4,898,912	
				4,898,912
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	2,464,696	
Sales Legal Fee	350.00 un	750.00 /un	262,500	
				2,727,196
MISCELLANEOUS FEES				
AH Profit		6.00%	506,918	
Market Profit		17.50%	13,269,538	
First Homes		12.00%	477,509	
				14,253,965
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,562,997
TOTAL COSTS				**88,253,804**
PROFIT				
				0
Performance Measures				
Profit on GDV%		0.00%		

SENSITIVITY ANALYSIS REPORT **LICENSED COPY**

Judkins (Site Ref: SHA-3)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£10,725,269)	(£10,765,406)	(£10,805,544)	(£10,845,681)	(£10,885,818)	(£10,925,955)	(£10,966,092)	(£11,006,229)	(£11,046,366)
1,000.80 /m²	(£10,725,269)	(£10,765,406)	(£10,805,544)	(£10,845,681)	(£10,885,818)	(£10,925,955)	(£10,966,092)	(£11,006,229)	(£11,046,366)
-5.000%	(£8,988,636)	(£9,028,773)	(£9,068,910)	(£9,109,047)	(£9,149,184)	(£9,189,322)	(£9,229,459)	(£9,269,596)	(£9,309,733)
1,056.40 /m²	(£8,988,636)	(£9,028,773)	(£9,068,910)	(£9,109,047)	(£9,149,184)	(£9,189,322)	(£9,229,459)	(£9,269,596)	(£9,309,733)
0.000%	(£7,252,001)	(£7,292,139)	(£7,332,276)	(£7,372,413)	(£7,412,550)	(£7,452,687)	(£7,492,824)	(£7,532,961)	(£7,573,099)
1,112.00 /m²	(£7,252,001)	(£7,292,139)	(£7,332,276)	(£7,372,413)	(£7,412,550)	(£7,452,687)	(£7,492,824)	(£7,532,961)	(£7,573,099)
+5.000%	(£5,515,244)	(£5,555,396)	(£5,595,548)	(£5,635,700)	(£5,675,852)	(£5,716,003)	(£5,756,155)	(£5,796,327)	(£5,836,464)
1,167.60 /m²	(£5,515,244)	(£5,555,396)	(£5,595,548)	(£5,635,700)	(£5,675,852)	(£5,716,003)	(£5,756,155)	(£5,796,327)	(£5,836,464)
+10.000%	(£3,777,778)	(£3,817,930)	(£3,858,082)	(£3,898,233)	(£3,938,385)	(£3,978,537)	(£4,018,689)	(£4,058,841)	(£4,098,993)
1,223.20 /m²	(£3,777,778)	(£3,817,930)	(£3,858,082)	(£3,898,233)	(£3,938,385)	(£3,978,537)	(£4,018,689)	(£4,058,841)	(£4,098,993)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,399.90	4.00 Up & Down
AH - FH	1	£2,379.93	4.00 Up & Down
AH - SO	1	£2,379.93	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

150 dwellings / 19ha Employment Land
25% Affordable Housing
Value Level 6 £3,500/m2

Development Appraisal
Licensed Copy
August 2023

APPRAISAL SUMMARY **LICENSED COPY**

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Housing	113	9,582.40	3,499.86	296,788	33,537,058	0	33,537,058
AH - AR	22	1,683.00	1,532.75	117,255	2,579,610	0	2,579,610
AH - FH	9	684.00	2,449.90	186,193	1,675,733	0	1,675,733
AH - SO	6	456.00	2,449.90	186,193	1,117,155	0	1,117,155
Serviced Employment Land (19ha)	1	0.00	0.00	19,000,000	19,000,000	0	19,000,000
Totals	**151**	**12,405.40**			**57,909,557**	**0**	**57,909,557**

Purchaser's Costs	5.85%	1,111,500	
Effective Purchaser's Costs Rate	0.00%		
			1,111,500
NET DEVELOPMENT VALUE			**56,798,057**
NET REALISATION			**56,798,057**

OUTLAY

ACQUISITION COSTS

Residualised Price (26.20 Ha @ 251,173.51 /Hect)		6,580,746	
			6,580,746
Stamp Duty		320,037	
Effective Stamp Duty Rate	4.86%		
Agent Fee	1.50%	98,711	
Legal Fee	0.75%	49,356	
			468,104

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost	
Market Housing	9,819.70	1,112.00	10,919,506	
AH - AR	1,742.40	1,112.00	1,937,549	
AH - FH	712.80	1,112.00	792,634	
AH - SO	475.20	1,112.00	528,422	
Totals	**12,750.10 m²**		**14,178,111**	
Contingency		5.00%	1,563,004	
Site Works & Infrastructure 50%	150.00 un	12,500.00 /un	1,875,000	
Site Works & Infrastructure 50%	150.00 un	12,500.00 /un	1,875,000	
19ha Employment Land Sevicing			10,450,000	
				29,941,115
Other Construction				
Externals		10.00%	1,417,811	
Carbon Reduction (Market units)		4.00%	436,780	
Carbon Reduction (AR/SR Units)		3.70%	71,689	
Carbon Reduction (AHO units)		3.70%	48,879	
Electric Vehicle Charging	150.00 un	1,139.00 /un	170,850	
M4(2) 100%	12,750.10 m²	15.50	197,627	
M4(3) 5%	12,750.10 m²	7.75	98,813	
BNG		3.10%	439,521	
				2,881,971
Section 106 Costs				
Waste management and recycling	150.00 un	45.00 /un	6,750	
Fire station upgrade contribution	150.00 un	121.00 /un	18,150	
Waste bins	150.00 un	76.00 /un	11,400	
				36,300

PROFESSIONAL FEES

Professional Fees		10.00%	3,126,008	
				3,126,008

DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	1,089,898	
Sales Legal Fee	150.00 un	750.00 /un	112,500	
				1,202,398

MISCELLANEOUS FEES

AH Profit	6.00%	221,806	
Market Profit	17.50%	5,868,985	
First Homes	12.00%	201,088	
Commercial	15.00%	2,850,000	
			9,141,879

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)	
Total Finance Cost	3,419,535
TOTAL COSTS	**56,798,057**
PROFIT	
	0

Performance Measures

Profit on GDV%	0.00%

SENSITIVITY ANALYSIS REPORT **LICENSED COPY**

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£8,060,004)	(£8,077,497)	(£8,094,989)	(£8,112,482)	(£8,129,974)	(£8,147,466)	(£8,164,959)	(£8,182,451)	(£8,199,944)
1,000.80 /m²	(£8,060,004)	(£8,077,497)	(£8,094,989)	(£8,112,482)	(£8,129,974)	(£8,147,466)	(£8,164,959)	(£8,182,451)	(£8,199,944)
-5.000%	(£7,285,390)	(£7,302,883)	(£7,320,375)	(£7,337,868)	(£7,355,360)	(£7,372,852)	(£7,390,345)	(£7,407,837)	(£7,425,330)
1,056.40 /m²	(£7,285,390)	(£7,302,883)	(£7,320,375)	(£7,337,868)	(£7,355,360)	(£7,372,852)	(£7,390,345)	(£7,407,837)	(£7,425,330)
0.000%	(£6,510,776)	(£6,528,269)	(£6,545,761)	(£6,563,253)	(£6,580,746)	(£6,598,238)	(£6,615,731)	(£6,633,223)	(£6,650,716)
1,112.00 /m²	(£6,510,776)	(£6,528,269)	(£6,545,761)	(£6,563,253)	(£6,580,746)	(£6,598,238)	(£6,615,731)	(£6,633,223)	(£6,650,716)
+5.000%	(£5,736,162)	(£5,753,655)	(£5,771,147)	(£5,788,639)	(£5,806,132)	(£5,823,624)	(£5,841,117)	(£5,858,609)	(£5,876,101)
1,167.60 /m²	(£5,736,162)	(£5,753,655)	(£5,771,147)	(£5,788,639)	(£5,806,132)	(£5,823,624)	(£5,841,117)	(£5,858,609)	(£5,876,101)
+10.000%	(£4,961,548)	(£4,979,040)	(£4,996,533)	(£5,014,025)	(£5,031,518)	(£5,049,010)	(£5,066,503)	(£5,083,995)	(£5,101,487)
1,223.20 /m²	(£4,961,548)	(£4,979,040)	(£4,996,533)	(£5,014,025)	(£5,031,518)	(£5,049,010)	(£5,066,503)	(£5,083,995)	(£5,101,487)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,499.86	4.00 Up & Down
AH - FH	1	£2,449.90	4.00 Up & Down
AH - SO	1	£2,449.90	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

150 dwellings / 19ha Employment Land
25% Affordable Housing
Value Level 7 £3,600/m2

Development Appraisal
Licensed Copy
August 2023

APPRAISAL SUMMARY	**LICENSED COPY**

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**	**Adjustment**	**Net Sales**
Market Housing	113	9,582.40	3,599.40	305,229	34,490,891	0	34,490,891
AH - AR	22	1,683.00	1,532.75	117,255	2,579,610	0	2,579,610
AH - FH	9	684.00	2,519.58	191,488	1,723,393	0	1,723,393
AH - SO	6	456.00	2,519.58	191,488	1,148,928	0	1,148,928
Serviced Employment Land (19ha)	1	0.00	0.00	19,000,000	19,000,000	0	19,000,000
Totals	**151**	**12,405.40**			**58,942,822**	**0**	**58,942,822**

Purchaser's Costs	5.85%	1,111,500	
Effective Purchaser's Costs Rate	0.00%		
			1,111,500
NET DEVELOPMENT VALUE			**57,831,322**
NET REALISATION			**57,831,322**

OUTLAY

ACQUISITION COSTS

Residualised Price (26.20 Ha @ 276,837.75 /Hect)		7,253,149	
			7,253,149
Stamp Duty		353,657	
Effective Stamp Duty Rate	4.88%		
Agent Fee	1.50%	108,797	
Legal Fee	0.75%	54,399	
			516,853

CONSTRUCTION COSTS

Construction	**m²**	**Build Rate m²**	**Cost**	
Market Housing	9,819.70	1,112.00	10,919,506	
AH - AR	1,742.40	1,112.00	1,937,549	
AH - FH	712.80	1,112.00	792,634	
AH - SO	475.20	1,112.00	528,422	
Totals	**12,750.10 m²**		**14,178,111**	
Contingency		5.00%	1,563,004	
Site Works & Infrastructure 50%	150.00 un	12,500.00 /un	1,875,000	
Site Works & Infrastructure 50%	150.00 un	12,500.00 /un	1,875,000	
19ha Employment Land Sevicing			10,450,000	
				29,941,115
Other Construction				
Externals		10.00%	1,417,811	
Carbon Reduction (Market units)		4.00%	436,780	
Carbon Reduction (AR/SR Units)		3.70%	71,689	
Carbon Reduction (AHO units)		3.70%	48,879	
Electric Vehicle Charging	150.00 un	1,139.00 /un	170,850	
M4(2) 100%	12,750.10 m²	15.50	197,627	
M4(3) 5%	12,750.10 m²	7.75	98,813	
BNG		3.10%	439,521	
				2,881,971
Section 106 Costs				
Waste management and recycling	150.00 un	45.00 /un	6,750	
Fire station upgrade contribution	150.00 un	121.00 /un	18,150	
Waste bins	150.00 un	76.00 /un	11,400	
				36,300
PROFESSIONAL FEES				
Professional Fees		10.00%	3,126,008	
				3,126,008
DISPOSAL FEES				
Marketing & Sales Agent Fees		3.00%	1,120,896	
Sales Legal Fee	150.00 un	750.00 /un	112,500	
				1,233,396
MISCELLANEOUS FEES				
AH Profit		6.00%	223,712	
Market Profit		17.50%	6,035,906	
First Homes		12.00%	206,807	
Commercial		15.00%	2,850,000	
				9,316,425
FINANCE				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				3,526,103
TOTAL COSTS				**57,831,322**
PROFIT				
				0

Performance Measures

Profit on GDV%	0.00%

SENSITIVITY ANALYSIS REPORT LICENSED COPY

Bowling Green Lane (Site Ref: SEA-6)
Nuneaton & Bedworth Borough Council

Table of Land Cost and Land Cost

	Sales: Rate /m²								
Construction: Rate /m²	-10.00 /m²	-7.50 /m²	-5.00 /m²	-2.50 /m²	0.00 /m²	+2.50 /m²	+5.00 /m²	+7.50 /m²	+10.00 /m²
-10.000%	(£8,732,408)	(£8,749,900)	(£8,767,392)	(£8,784,885)	(£8,802,377)	(£8,819,870)	(£8,837,362)	(£8,854,855)	(£8,872,347)
1,000.80 /m²	(£8,732,408)	(£8,749,900)	(£8,767,392)	(£8,784,885)	(£8,802,377)	(£8,819,870)	(£8,837,362)	(£8,854,855)	(£8,872,347)
-5.000%	(£7,957,794)	(£7,975,286)	(£7,992,778)	(£8,010,271)	(£8,027,763)	(£8,045,256)	(£8,062,748)	(£8,080,241)	(£8,097,733)
1,056.40 /m²	(£7,957,794)	(£7,975,286)	(£7,992,778)	(£8,010,271)	(£8,027,763)	(£8,045,256)	(£8,062,748)	(£8,080,241)	(£8,097,733)
0.000%	(£7,183,179)	(£7,200,672)	(£7,218,164)	(£7,235,657)	(£7,253,149)	(£7,270,642)	(£7,288,134)	(£7,305,626)	(£7,323,119)
1,112.00 /m²	(£7,183,179)	(£7,200,672)	(£7,218,164)	(£7,235,657)	(£7,253,149)	(£7,270,642)	(£7,288,134)	(£7,305,626)	(£7,323,119)
+5.000%	(£6,408,565)	(£6,426,058)	(£6,443,550)	(£6,461,043)	(£6,478,535)	(£6,496,028)	(£6,513,520)	(£6,531,012)	(£6,548,505)
1,167.60 /m²	(£6,408,565)	(£6,426,058)	(£6,443,550)	(£6,461,043)	(£6,478,535)	(£6,496,028)	(£6,513,520)	(£6,531,012)	(£6,548,505)
+10.000%	(£5,633,951)	(£5,651,444)	(£5,668,936)	(£5,686,429)	(£5,703,921)	(£5,721,413)	(£5,738,906)	(£5,756,398)	(£5,773,891)
1,223.20 /m²	(£5,633,951)	(£5,651,444)	(£5,668,936)	(£5,686,429)	(£5,703,921)	(£5,721,413)	(£5,738,906)	(£5,756,398)	(£5,773,891)

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²
Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£3,599.40	4.00 Up & Down
AH - FH	1	£2,519.58	4.00 Up & Down
AH - SO	1	£2,519.58	4.00 Up & Down

Construction: Rate /m²
Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£1,112.00	2.00 Up & Down
AH - AR	1	£1,112.00	2.00 Up & Down
AH - FH	1	£1,112.00	2.00 Up & Down
AH - SO	1	£1,112.00	2.00 Up & Down

Nuneaton & Bedworth Borough Council

Borough Plan Review Viability Assessment

Appendix IV

Market & values research report

Finalised August 2023
DSP22792

Dixon Searle Partnership
Ash House, Tanshire Park,
Shackleford Road, Elstead, Surrey, GU8 6LB
www.dixonsearle.co.uk

DixonSearle Partnership

Contents

Note:

CoStar property resource extracts for research base follow the above.

1.0 Introduction

1.1.1 During earlier stages of the Plan's development, Dixon Searle Partnership (DSP) was engaged to provide viability evidence in support and development of the Borough Plan for Nuneaton and Bedworth Borough Council (NBBC).

1.1.2 The Viability Assessment has taken place as part of earlier stages of the Borough Plan's Review, between 2021 and 2022. Initial interim findings were issued to the Council in June 2022. Following this interim advice and further discussions with the Council alongside newly emerging evidence/national policy, the next phase of the study will provide a refresh/update, building on earlier Emerging Findings with a further focus on the consideration of key/strategic sites. Overall the viability assessment will consider the viability of the current emerging Borough Plan, its sites and policies as well as wider national policy changes.

1.1.3 Referred to within DSP'S main report, this document – Appendix IV – provides an overview of the research undertaken into residential and commercial property values, together with the wider economic conditions at the time of writing. Collectively, this research aims to help inform the assumptions setting for the residential and commercial appraisal testing, providing important background evidence by building a picture of values and the variation of those within Nuneaton and Bedworth.

1.1.4 This report will also provide the Council with an indication of the type and sources of data that it could monitor, revisit and update, to further inform its ongoing work where necessary in the future. Doing so would provide valuable context for monitoring the delivery subsequent to settling policy positions and aspirations.

1.1.5 It should be acknowledged that this is high-level work, and a great deal of variance may be seen in practice from one development to another (with site-specific characteristics). This data gathering process adopted by DSP involves the review of a range of information sources, so as to inform an overview that is relevant to and appropriate for the project context. The aim here is to consider changes and trends and therefore enable us to assess with the Council an updated context picture so far as is suitable and practically possible.

1.1.6 This Appendix is informed by a range of industry reporting and quotes/extracts (shown in *italic text* to distinguish that externally sourced information from DSP's commentary and context / analysis), with sources acknowledged.

2.0 Economic / Housing Market Context

2.1.1. There are a number of sources available in reviewing the current economic and housing market context generally. We have made particular reference to the Land Registry, Royal Institution of Chartered Surveyors (RICS) market reporting, Office for National Statistics (ONS) and Savills market reporting and forecasts.

2.1.2. These industry reporting resources have all described a similar picture of the current economic context alongside the general housing market patterns of the housing market, viewed at this time both more widely and in respect of the available information for Nuneaton and Bedworth Borough Council (NBBC).

2.1.3. Despite the wide disruption and uncertainty within the market caused by the Coronavirus pandemic, and the continuing effects of Brexit, the downward effect on house prices did not initially materialise. Since the last viability evidence produced in early 2020, as has been reported more widely, values have risen significantly – overall negative impacts were not experienced to nearly the extent anticipated by many market commentators. In fact, in terms of both activity levels and prices, the residential market showed a notable an unexpected level of resilience with house prices having increased by approximately +29.3% from 2020 to present. Latest HPI data shows prices at +2.6% on an annual basis albeit down from +13% in June 2022.

2.1.4. At the point of the initial review in early 2023 the conditions of the property market appeared more unstable, and this appears to be continuing as a potential significant influence on viability. This economic uncertainty stems from the fallout from the pandemic and the 'cost of living crisis' reflecting the high energy costs, increasing inflation (albeit now holding at around 10%), rising interest rates, changing government leadership and corresponding changes in financial policy - all resulting in much greater levels of uncertainty over the coming few years. Dixon Searle Partnership (DSP) has studied and analysed the latest economic / housing market commentary alongside our own wider experience across the country.

2.1.5. The most recent analysis from Knight Frank in their Residential Development Update of June 2023 notes that build costs increased by 8.7% last year, however there are signs that build cost inflation is beginning to ease, with prices for some key building materials reducing following price surges in 2021 and 2022. Supply chain conditions have also improved following the disruption caused by the pandemic and global instability such as the war in Ukraine.

2.1.6. This aligns with our experience of the current market - we have seen build costs stabilise over the past few months (after an extended period of rapid inflation). However Knight Frank also note that whilst the situation has improved regarding build costs, this easing is tempered by other pressures such as mortgage availability/cost of borrowing; that said, Knight Frank's prediction is that the continuing imbalance between supply and demand will support sales rates and pricing over the medium term.

2.1.7. The tone of the most recent Savills market reporting in June 2023 is cautious, but overall positive, noting that stability within the residential market has increased (with fewer deals falling through, and fewer reductions from asking price). The recent marginal falls in house prices are not thought likely to continue, and Savills consider that *'any further downward pressure on prices will be mitigated by demand from cash buyers and measures taken by lenders to help people facing a sharp increase in mortgage costs as they come to the end of their fixed rate mortgage.'*. The longer term Most commentators are of the opinion that the longer term picture beyond 2023 will be positive once mortgage rates stabilise, against a background of continuing demand for housing.

2.1.8. The latest RICS residential market survey also takes a more positive view than in previous months, noting that whilst nationally house prices are still falling, '*downward momentum continues to ease*' and new instructions have '*moved into positive territory for the first time since early 2022*'. The RICS conclude that national house price expectations now sit in '*broadly neutral territory*'.

2.1.9. The latest Office for National Statistics (ONS) UK House Price Index (HPI) for April 2023 focuses on sale prices and trends in data rather than forecasting the future of the housing market. The ONS examines the condition of the market over the last couple of years, and notes the following:

- Average UK house prices increased by 3.5% in the 12 months to April 2023, down from 4.1% in March 2023.
- The average UK house price was £286,000 in April 2023, which is £9,000 higher than 12 months ago, but £7,000 below the recent peak in September 2022.
- Average house prices increased over the 12 months to £306,000 in England (3.7%), £213,000 in Wales (2.0%), £187,000 in Scotland (2.0%) and £172,000 in Northern Ireland (5.0%).

2.1.10. The ONS report that average house prices across the West Midlands increased by 3.0% over the year to April 2023.

2.1.11. Overall, therefore, a surprisingly positive view is being taken of the housing market at the present time, bearing in mind the general economic and political uncertainty, and the 'economic mood music' as far as residential development is concerned is more akin to Coldplay than to The Pixies.

3.0 Residential Market Review

3.1.1. Consistent with our assessment principles, DSP research data from a range of readily available sources, as also directed by the Planning Practice Guidance (PPG). As noted above, these are sources that could also be used by the Council for any future similar work, updating or monitoring. In the following sections we will provide an outline of the data reviewed.

3.1.2. The residential market review and data collection/analysis phase was conducted using data from the Land Registry grouped into Wards within the borough between 2022 and 2023. Value level ranges were estimated for each settlement based on a variety of data presentation and analysis techniques including quartile analysis. This process comprised the desktop-based research and analysis of both sold and asking prices for new build and resale property across the borough.

3.2. Review of Land Registry New Build Sold Prices Data – (February 2022 to February 2023)

3.2.1. The following tables below provide Nuneaton and Bedworth based summary of Land Registry published sold prices data – focusing solely on new build housing. The floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via www.epcregister.com under the DCLG's remit. Property values have been updated in line with the UK House Price Index (HPI) at the point of data collection i.e., February 2023. Due to its size, the full data set has not been included - but can be requested if required.

Table 1a – Land Registry Sold Prices Review Analysis – New Build Property – Average Price and quartile analysis by Wards

Ward	New Build Value - Summary Quartile Analysis - Nuneaton and Bedworth BC - (2/2022 - 2/2023)						
	Minimum £/m²	Q1 £/m²	Average Value £/m²	Median £/m²	Q3 £/m²	Maximum £/m²	Data Sample No.
Arbury	£2,717.27	£2,717.27	£2,717.27	£2,717.27	£2,717.27	£2,717.27	1
Galley Common	£2,923.15	£3,066.73	£3,248.49	£3,140.76	£3,322.52	£3,789.27	4
St. Nicolas	£2,797.35	£3,299.51	£3,587.87	£3,606.58	£3,917.19	£4,279.98	73
Weddington	£1,708.04	£2,927.67	£3,063.96	£3,183.74	£3,458.24	£4,215.99	52

** No of dwellings - 130*

Table 1b – Land Registry Sold Prices Review Analysis – New Build Property – Average Price and quartile analysis by Dwellings

Dwelling	New Build Value - Summary Quartile Analysis - Nuneaton and Bedworth BC - (2/2022 - 2/2023)						
	Minimum £/m²	Q1 £/m²	Average Value £/m²	Median £/m²	Q3 £/m²	Maximum £/m²	Data Sample No.
Detached	£2,623.29	£3,192.73	£3,404.79	£3,425.02	£3,582.20	£4,279.98	66
Flat	£4,161.31	£4,161.31	£4,161.31	£4,161.31	£4,161.31	£4,161.31	1
Semi-detached	£1,708.04	£3,041.29	£3,385.91	£3,172.71	£3,880.12	£4,182.34	41
Terraced	£1,781.18	£2,015.21	£3,147.81	£3,257.51	£3,927.68	£4,215.99	22

** No of dwellings - 130*

3.2.2. A key point of this analysis is to consider all available information in an appropriate way for the study purpose and strategic level, which in this case requires a high-level overview of general values 'patterns' rather than aiming necessarily to reflect finer grained variations and potential site-specifics.

3.2.3. The above new build data indicates a range of values with the overall key new build values between around £2,800 to £4,200/m2. However, this research analysis also indicated flatted sales values achieving the upper level of that range. As with any area, there are exceptions whereby higher and lower values can be seen also between nearby sites and even within a site – an overview is needed at plan making stage.

3.2.4. For added context, we have also reviewed the Land Registry HPI which indicates since the interim findings reporting stage (in February 2022) house prices have increased by 6.88%.

3.3. Review of Land Registry Resale Sold Prices Data – (November 2022 – February 2023)

3.3.1. A similar process has been undertaken as above for re-sale property with the following Tables providing a borough summary of Land Registry published sold prices data as part of the current project phase – focusing solely on resale housing. As above, the floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via www.epcregister.com under the DCLG's remit. Property values have been updated in line with the UK HPI (area-specific figures) at the point of data collection i.e., February 2023. Due to its size the full data set it has not been included here, however it can be requested by the Council.

3.3.2. Given the context of the study, being a high-level overview of viability at a strategic level, we have considered general values 'patterns' rather than aiming necessarily to reflect finer grained variations and potential site specifics.

Table 2a – Land Registry Sold Prices Review Analysis – Average Price and quartile analysis by Wards

Ward	Resale Value - Summary Quartile Analysis - Nuneaton and Bedworth BC - (11/2022 - 2/2023)						
	Minimum £/m²	Q1 £/m²	Average Value £/m²	Median £/m²	Q3 £/m²	Maximum £/m²	Data Sample No.
Abbey	£1,252.99	£1,734.02	£1,924.70	£1,900.14	£2,081.62	£3,100.60	17
Arbury	£1,574.71	£2,375.12	£2,740.30	£2,537.86	£2,946.08	£6,407.64	19
Attleborough	£1,492.40	£2,033.99	£2,902.22	£2,600.20	£3,529.79	£7,338.06	17
Bar Pool	£1,462.29	£2,013.44	£2,611.66	£2,563.06	£3,236.67	£3,748.73	19
Bede	£1,159.71	£2,105.27	£2,812.45	£2,815.75	£3,269.99	£4,510.32	21
Bulkington	£1,497.01	£2,619.70	£3,049.46	£2,817.66	£3,506.40	£4,613.50	13
Camp Hill	£1,320.54	£2,000.30	£2,288.31	£2,256.84	£2,532.17	£3,283.25	37
Exhall	£1,440.94	£2,225.39	£2,768.47	£2,597.23	£3,254.23	£5,815.80	25
Galley Common	£1,114.37	£2,262.85	£2,778.86	£2,776.51	£3,329.82	£4,909.72	24
Heath	£1,230.27	£2,260.75	£2,924.64	£2,760.43	£3,338.77	£7,232.52	25
Kingswood	£1,481.49	£1,953.84	£2,476.96	£2,521.04	£2,761.39	£3,532.47	19
Poplar	£1,390.33	£2,667.40	£2,927.13	£3,031.83	£3,415.67	£3,859.92	18
Slough	£1,974.94	£2,506.23	£3,031.19	£2,687.26	£3,383.73	£5,251.14	20
St. Nicolas	£1,213.41	£2,832.36	£3,057.35	£3,274.68	£3,483.61	£3,876.35	16
Weddington	£2,085.11	£2,783.54	£3,148.69	£3,178.77	£3,434.91	£4,767.82	34
Wem Brook	£1,685.83	£1,747.06	£2,074.26	£2,131.26	£2,318.95	£2,520.33	13
Whitestone	£2,936.32	£3,154.91	£3,399.15	£3,292.38	£3,673.98	£4,048.36	19

** No of dwellings - 356*

Table 2b – Land Registry Sold Prices Review Analysis – Average Price and quartile analysis by Dwellings

Dwelling	Resale Value - Summary Quartile Analysis - Nuneaton and Bedworth BC - (11/2022 - 2/2023)						
	Minimum £/m²	Q1 £/m²	Average Value £/m²	Median £/m²	Q3 £/m²	Maximum £/m²	Data Sample No.
Detached	£2,213.43	£3,041.59	£3,409.46	£3,278.60	£3,530.73	£7,338.06	76
Flat	£1,159.71	£1,794.48	£2,079.89	£2,097.33	£2,428.88	£3,316.89	27
Semi-detached	£1,114.37	£2,491.08	£2,954.67	£2,883.01	£3,439.69	£7,232.52	142
Terraced	£1,213.41	£1,819.09	£2,245.00	£2,154.26	£2,535.02	£5,251.14	111

** No of dwellings - 356*

3.4. DSP Residential 'Value Levels' (VLs)

3.4.1. Overall, for the purposes of this assessment, we decided to focus our appraisals on the following values range – represented by what we refer to as Value Levels (VLs) 1-10+ indicative by location, all in accordance with the extensive research values analysis outlined above. See Table 3a below (note: table also included for ease of reference in Appendix I). Above all, this shows the scale of values as well as the variation of those values seen in different parts of the borough.

3.4.2. At the time of compiling Appendix I in Spring 2023, we considered typical new build property values in Nuneaton and Bedworth to fall within the overall VLs range of £2,800/m2 to £4,200 m2 (i.e. approximately £301/sf to £452/sf). We consider the key new build values to be represented overall within the narrower range £3,300/m2 to £3,600/m2. Therefore we have formed the view the above VL3-7 is a reasonable broad representation of a suitable indicator for results review/interpretation. As noted above, we also consider flatted development to come forward at the upper end of the above overall VLs range.

Table 3a – DSP Value Levels - Stage 1

Value Levels - Nuneaton & Bedworth

Market Value (MV) - Private units	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10
1-bed flat	£140,000	£150,000	£160,000	£165,000	£170,000	£175,000	£180,000	£190,000	£200,000	£210,000
2-bed flat	£170,800	£183,000	£195,200	£201,300	£207,400	£213,500	£219,600	£231,800	£244,000	£256,200
2-bed house	£221,200	£237,000	£252,800	£260,700	£268,600	£276,500	£284,400	£300,200	£316,000	£331,800
3-bed house	£260,400	£279,000	£297,600	£306,900	£316,200	£325,500	£334,800	£353,400	£372,000	£390,600
4-bed house	£364,000	£390,000	£416,000	£429,000	£442,000	£455,000	£468,000	£494,000	£520,000	£546,000
MV (£/sq. m.)	£2,800	£3,000	£3,200	£3,300	£3,400	£3,500	£3,600	£3,800	£4,000	£4,200

Note: Sheltered/Extra Care tested at a wider range of VLs from VL6 £3,500 to VL14 £5,000/sq. m.

3.4.3. As in all areas, values are always mixed to some extent – within particular wards and even within sites. The table above assumes the gross internal floor areas for dwellings as shown below in Table 3b (these are purely for the purpose of the above market dwelling price illustrations) for the 'standard' scenario set. Table 3b sets out the assumed dwelling mix principles applied as part of the testing.

Table 3b – Assumed Unit Sizes & Dwelling Mix

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*		Dwelling Mix (%) *(Policy H1/H2 - based on HEDNA)*		
	Affordable	Market	Market Units	Affordable Housing - Rented	Affordable Housing - Affordable Home Ownership
1-bed flat	50	50	10%	20%	25%
2-bed flat	61	61	35%	40%	35%
2-bed house	79	79			
3-bed house	93	93	45%	30%	30%
4-bed house	106	130	10%	10%	10%

**based on Nationally Described Space Standards.*

Note: Retirement/sheltered units assumed at 55sq.m (1-Bed Flats) and 75 sq.m. (2-Bed Flats) with 25% net to gross ratio for. Extra-care assumed at 58.5 (1-Bed Flats) and 76.8 (2-Bed Flats) with 35% net to gross ratio.

3.5. 'Value Levels' (VLs) – by Ward Areas

3.5.1. Building on the above values research analysis, the table below indicatively aligns the range of Value Levels to ward areas in the borough.

Table 4 – DSP Value Levels – Locations by Wards Areas

Value Levels - Locations by Ward area

Ward Areas	Indicative Value Level Range
Abbey	VL1-3
Arbury	VL1-3
Attleborough	VL4-7
Bar Pool	VL1-3
Bede	VL1-3
Bulkington	VL3-6
Camp Hill	VL2-4
Exhall	VL3-6
Galley Common	VL3-6
Heath	VL3-5
Kingswood	VL1-3
Poplar	VL3-5
Slough	VL4-7
St Nicholas	VL4-7
Weddington	VL3-6
Wem Brook	VL1-3
Whitestone	VL5-8

3.6. Retirement/Sheltered and Extra Care Housing research

3.6.1. DSP conducted research on the value of new build retirement/extra care development in the borough. However, we noted no new build schemes were on the market at the time of writing, indicating that any supply coming forward are likely to come with higher values as aligns with our wider experience.

3.6.2. DSP's significant experience of carrying out site-specific viability reviews on numerous schemes together with bespoke research analysis led us to test retirement/sheltered/extra care housing at the same overall upper range of values as used for traditional housing market appraisals (VL6 £3,500 to VL14 £5,000).

3.6.3. From wider experience, we would generally expect retirement/sheltered housing values to be representative of the upper end of this overall range; even this could be considered conservative in our view.

4.0 Commercial Market Information, Rents and Yields

4.1.1 DSP have also analysed relevant articles relating to the commercial market, rents and yields, including the Royal Institution of Chartered Surveyors, Savills and Knight Frank Yields.

4.1.2 The commercial market, having rebounded from challenges posed by the pandemic and remote working, is now seeing commercial values heading downwards again, amongst economic uncertainty. The overall view of the commercial sector is considerably less positive than at Stage 1 of the study, particularly regarding short term prospects for values.

4.1.3 The RICS Economy and Property Market Update May 2023 comments that transaction activity in the commercial market has picked up but it remains relatively subdued compared to previous years. However the RICS notes that there is a '*slightly better tone to the market*' seen in both price and rent data and that whilst capital values are still down on a year ago, rental values are 4% higher. This aligns with our experience reviewing comparable evidence for application stage viability assessments – with lettings being strong (particularly for good quality commercial accommodation) but investment values reducing as investors are cautious about purchases of commercial property (whether resales or new build). The sentiment among the majority of RICS surveyors is that the commercial market is still in a downturn however general opinion is more positive than in previous months' reporting, and predictions for good quality/prime assets are positive (predictions for secondary assets remain negative).

4.1.4 DSP have also reviewed Savills – UK Market in Minutes – UK Commercial – May 2023. Savills report relatively little change in recent months, suggest that retail warehouses are seeing a positive influence due to '*strong occupational dynamics*'. Savills record the following prime yields – with a mixed picture on the direction of travel, depending on the sector:

Savills prime equivalent yields

	April 2022	March 2023	April 2023
West End offices	3.25%	4.00%	4.00%
City offices	3.75%	4.50%	4.75%
South East offices	5.50% ↓	6.25% ↑	6.50%
Provincial offices	4.75% ↓	5.75%	5.75%
High street retail	6.25% ↓	6.50%	6.50%
Shopping centres	7.50% ↓	8.00% ↑	8.00% ↑
Retail warehouse (Open A1)	4.75% ↓	5.50% ↓	5.25%
Retail warehouse (Restricted)	4.75% ↓	6.00% ↓	5.75%
Foodstores (OMR)	4.25% ↓	5.00%	5.00%
Industrial/Distribution (OMR)	3.25% ↓	4.75%	4.75% ↓
Industrial multi-lets	3.25% ↓	4.75% ↓	4.75% ↓
Leisure parks	6.75% ↓	7.00%	7.00%
London leased (core) hotels	3.50%	4.25% ↑	4.25% ↑
Regional pubs (RPI)	5.25%	5.75%	5.75%

Source: Savills Research

4.1.5 Table 6 below sets out indications on prime yields provided by the Knight Frank Investment Yield Guide (June 2023)[1]

[1] Knight Frank "Investment Yield Guide" (June 2023)

Table 6 –Knight Frank Investment Yield Guide June 2023

SECTOR	May-23	MARKET SENTIMENT
High Street Retail		
Bond Street	2.75% - 3.00%	STABLE
Oxford Street	4.50%	STABLE
Prime Towns (Oxford, Cambridge, Winchester)	6.75%	STABLE
Regional Cities (Manchester, Birmingham)	7.00%	STABLE
Good Secondary (Truro, Leamington Spa, Colchester etc)	9.00% - 9.25%	STABLE
Shopping Centres (sustainable income)		
Regional Scheme	8.00% +	WEAKER
Sub-Regional Scheme	9.00% +	WEAKER
Local Scheme (successful)	9.75% +	WEAKER
Neighbourhood Scheme (assumes <25% of income from supermarket)	9.50% - 9.75%	WEAKER
Out of Town Retail		
Open A1 (essential retailers)	5.75% -	POSITIVE
Secondary Open A1 Parks	7.50%	POSITIVE
Bulky Goods Parks	5.75% -	POSITIVE
Secondary Bulky Goods Parks	7.50%	POSITIVE
Solus Open A1 (15 year income)	5.75%	POSITIVE
Solus Bulky (15 year income)	5.75%	POSITIVE
Leisure		
Prime Leisure Parks	7.50% +	STABLE
Good Secondary Leisure Parks	9.00% +	WEAKER
Major Foodstores		
Annual RPI Increases [NYI] (20 year income)	5.00%	STABLE
Open Market Reviews (20 year lease)	5.50%	STABLE
Specialist Sectors		
Car Showrooms (20 years with fixed uplifts & dealer covenant)	5.75%	STABLE
Budget Hotels London (20 years, 5 yearly RPI / CPI uplifts)	4.50%	STABLE
Budget Hotels Regional (20 years, 5 yearly RPI / CPI uplifts)	5.00%	STABLE
Student Accommodation Prime London (Direct Let)	3.75% - 4.00%	STABLE
Student Accommodation Prime Regional (Direct Let)	5.00% - 5.25%	STABLE
Student Accommodation Prime London (25 years, Annual RPI)	4.00%	STABLE
Student Accommodation Prime Regional (25 years, Annual RPI)	4.25%	STABLE
Healthcare (Elderly Care, 30 years, 5 yearly PRI/ CPI reviews)	4.00% - 4.25%	STABLE
Data Centres (Operational)	4.50%	POSITIVE
Data Centres (Leased, 15 years, Annual Indexation)	4.75%	STABLE
Income Strip (50 years, Annual RPI/CPIH+1%, Annuity Grade)	3.75%	STABLE
Warehouse & Industrial Space		
Prime Distribution/Warehousing (20 years [NIY], fixed/indexed uplifts)	4.75% -	POSITIVE
Prime Distribution/Warehousing (15 years, OMRRs)	5.25% -	POSITIVE
Secondary Distribution (10 years, OMRRs)	5.50% - 5.75%	STABLE
South East Estate (excluding London & Heathrow)	5.00%	STABLE
Good Modern Rest of UK Estate	5.25% - 5.50%	POSITIVE
Secondary Estates	6.50% - 7.00%	STABLE
Office (Grade A)		
City Prime (Single let, 10 years)	4.75% - 5.00%	STABLE
West End: Prime Core (Mayfair & St James's)	3.75%	STABLE
West End: Non-core (Soho & Fitzrovia)	4.50% - 4.75%	STABLE
Major Regional Cities (Single let, 15 years)	5.75%	STABLE
Major Regional Cities (Multi-let, 5 year WAULT)	6.50% - 7.00%	WEAKER
Good Secondary Regional Cities	9.50%	WEAKER
South East Towns (Single let, 15 years)	6.00% - 6.50%	WEAKER
South East Towns (Multi-let, 5 year WAULT)	7.50%	WEAKER
Good Secondary South East Towns	9.75%	WEAKER
South East Business Parks (Single let, 15 years)	7.00%	WEAKER
South East Business Parks (Multi-let, 5 year WAULT)	9.00%	WEAKER
Good Secondary South East Business Parks	10.50%	WEAKER
Life Sciences (Oxford, Cambridge)	4.50%	STABLE

5.0 Commercial Property Values Research

5.1.1 The information as outlined in the following section is based on research data as far as available reflecting commercial properties within Nuneaton and Bedworth borough. Our assessment particularly focuses on the main commercial uses – industrial, retail and office rents – to understand latest commercial values context, building on previous work / viability testing conducted in 2020.

5.2 Commercial Values Data – CoStar

5.2.1 DSP has a subscription to the commercial property data resource 'CoStar' and here we include relevant extracts, again as far as available, for Nuneaton and Bedworth. Summary reporting analysis for the lease comparables is provided; combined with the full data extracts to be found at the end of this Appendix. CoStar is a market leading commercial property intelligence resource used and informed by a wide range of Agents and other property firms, to provide commercial real estate information and analytics. CoStar conducts extensive, ongoing research to provide and maintain a comprehensive database of commercial and real estate information where subscribers can analyse, interpret and gain insight into commercial property values and availability, as well as general commercial market conditions.

5.2.2 The CoStar sourced research is based on available lease comparable within Nuneaton and Bedworth covering industrial / retail / office over the last (36 months). Figures 1a-1c below provides the analysis summary, with the full data set provided at the rear of this Appendix.

5.2.3 The full CoStar dataset, as summarised in the above tables, has been further analysed over a 3-year period from 2021-2023. [see Table 7a and table 7b below] to provide a more detailed view of the range of commercial rents in the Nuneaton and Bedworth submarket.

Table 7a – CoStar Summary Analysis – Nuneaton and Bedworth - Commercial Leases 2021 - 2023

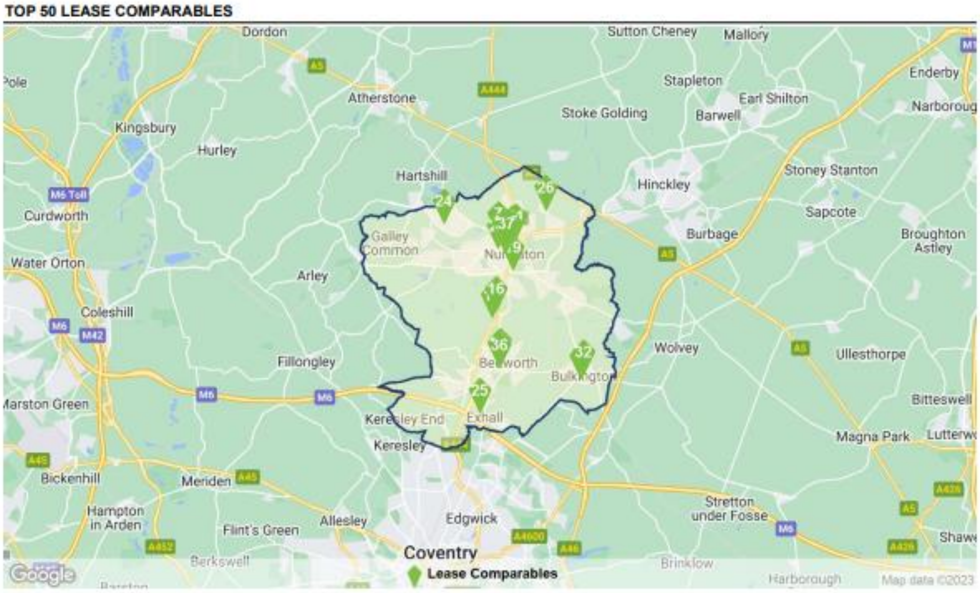
Type	Nuneaton and Bedworth Borough Council - £/sq. ft (2021-2023)				
	Minimum Average Rental Indications [£/sq. ft]	1st Quartile Rental Indications [£/sq. ft]	Median Rental Indications [£/sq. ft]	3rd Quartile Rental Indications [£/sq. ft]	Maximum Average Rental Indications [£/sq. ft]
Retail	£3.33	£10.00	£14.10	£20.74	£35.67
Offices	£5.94	£8.28	£8.71	£10.09	£14.40
Industrial	£1.22	£5.00	£5.54	£6.95	£115.00

Type	Nuneaton and Bedworth Borough Council - £/m² (2021-2023)				
	Minimum Average Rental Indications [£/m²]	1st Quartile Rental Indications [£/m²]	Median Rental Indications [£/m²]	3rd Quartile Rental Indications [£/m²]	Maximum Average Rental Indications [£/m²]
Retail	£35.88	£107.66	£151.77	£223.28	£383.95
Offices	£63.94	£89.13	£93.70	£108.58	£155.00
Industrial	£13.13	£53.82	£59.63	£74.81	£1,237.86

Figure 7a – CoStar Lease Comparables – Retail – (Previous 36 months)

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
71	£14.37	£8.54	22

TOP 50 LEASE COMPARABLES



SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	48	£4.54	£14.37	£15.29	£40.94
Achieved Rent Per SF	39	£3.33	£8.54	£13.22	£35.09
Net Effective Rent Per SF	18	£4.23	£7.91	£13.27	£35.09
Asking Rent Discount	26	-2.5%	13.7%	6.5%	40.0%
TI Allowance	-	-	-	-	-
Rent Free Months	12	0	6	3	18

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	59	1	22	15	174
Deal Size	71	166	2,752	1,015	32,500
Lease Deal in Months	57	12.0	81.0	72.0	180.0
Floor Number	71	BSMT	GRND	GRND	MEZZ

Figure 7b – CoStar Lease Comparables – Office – (Previous 36 months)

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
16	£9.32	£9.32	15

LEASE COMPARABLES

SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	14	£5.95	£9.32	£8.78	£14.56
Achieved Rent Per SF	9	£5.95	£9.32	£8.80	£14.40
Net Effective Rent Per SF	5	£5.94	£9.09	£8.80	£13.01
Asking Rent Discount	9	-10.0%	2.0%	0.0%	8.7%
TI Allowance	-	-	-	-	-
Rent Free Months	1	6	6	6	6

Figure 7c – CoStar Lease Comparables – Industrial – (Previous 36 months)

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
69	£6.39	£6.16	13

TOP 50 LEASE COMPARABLES

SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	41	£2.13	£6.39	£5.87	£12.58
Achieved Rent Per SF	46	£2.30	£6.16	£5.64	£12.58
Net Effective Rent Per SF	25	£1.22	£11.53	£5.54	£115.00
Asking Rent Discount	25	-114.9%	4.2%	0.0%	30.2%
TI Allowance	-	-	-	-	-
Rent Free Months	12	0	5	3	19

5.3 Further commercial property values data sources – VOA Rating List

5.3.1 Table 8 below sets out the VOA Data Summary for convenience stores, larger supermarkets and retail warehousing in Nuneaton and Bedworth, again to understand and build upon previous data analysis and viability testing conducted in 2020. Note: full data sample not included due to large data sample.

Table 8 – VOA Data Summary Leases 2023

Type	Nuneaton & Bedworth Borough Council - £/sq. ft				
	Minimum Average Rental Indications [£/sq. ft]	1st Quartile Rental Indications [£/sq. ft]	Median Rental Indications [£/sq. ft]	3rd Quartile Rental Indications [£/sq. ft]	Maximum Average Rental Indications [£/sq. ft]
Convenience Stores	£6.04	£7.43	£8.36	£12.08	£14.40
Large Supermarkets	£16.26	£16.95	£17.30	£17.83	£19.04
Retail Warehousing	£3.72	£7.20	£8.83	£8.83	£13.01
Distribution Warehouses	£6.50	£6.50	£6.50	£6.50	£6.50
Offices	£6.13	£6.97	£7.53	£9.62	£23.23

Type	Nuneaton & Bedworth Borough Council - £/m²				
	Minimum Average Rental Indications [£/sq. ft]	1st Quartile Rental Indications [£/sq. ft]	Median Rental Indications [£/sq. ft]	3rd Quartile Rental Indications [£/sq. ft]	Maximum Average Rental Indications [£/sq. ft]
Convenience Stores	£65.00	£80.00	£90.00	£130.00	£155.00
Large Supermarkets	£175.00	£182.50	£186.25	£191.88	£205.00
Retail Warehousing	£40.00	£77.50	£95.00	£95.00	£140.00
Distribution Warehouses	£70.00	£70.00	£70.00	£70.00	£70.00
Offices	£66.00	£75.00	£81.11	£103.50	£250.00

6.0 Stakeholder Consultation

6.1.1 As part of the information gathering process in 2022, DSP invited a number of local stakeholders to contribute by providing local residential / commercial market indications / experiences and values information. This was in order to both invite engagement and to help inform our study assumptions, alongside our own research, with further experience and judgements. It was conducted by way of a survey /pro-forma (containing some suggested assumptions) supplied by email by DSP via the Council for comment. The covering email contained a short introduction about the project, and also explained the type of information we required as well as assuring participants that any information they may provide would be kept in confidence respecting commercial sensitivities throughout the whole process.

6.1.2 Stage 2 involved a high-level stakeholder consultation refresh with the wider development industry, inviting them to provide any further comments, market indications etc., alongside a bespoke consultation with site promoters in connection with key specific/strategic sites to be viability tested as part of the assessment.

6.1.3 The list of development industry stakeholders consulted as part of this assessment in connection with both consultation phases is included below. Contact information has not been included for confidentiality reasons:

- Avison Young
- Barton Willmore LLP
- CALA Homes (Chiltern) Limited
- Carter Jonas Cass Holdings Ltd
- Cass Holdings Ltd
- Planning Issues Ltd
- Crest Nicholson
- Crest Nicholson South
- Darcliffe Homes
- Environment Agency
- Feltham Properties Ltd
- Gladman Developments Ltd
- GVA
- J & M Properties (Berkshire) Ltd
- James Build Ltd
- Joy Schlaudraff
- JSA Architects Ltd
- Miller Homes Ltd
- Millgate Developments Ltd
- Oakridge Developments
- Orchard Investments
- Origin3
- Pegasus Group on behalf of Walker Logistics Ltd
- Persimmon Homes
- Persimmon Homes North London
- Praxis Real Estate Management Ltd

- Pro Vision
- Rackham Planning Ltd
- Rectory Homes
- Ressance Limited
- Robert Tutton Town Planning Consultants Ltd
- Rolfe Judd Planning
- Savills
- Sport England
- Strutt and Parker
- Sustrans (National Cycle Network)
- Sutton Griffin Architects
- Taylor Wimpey UK
- Thames Valley LEP
- Thames Water
- Turley
- UK Land Ltd
- Westbuild Homes
- White Young Green

6.1.4 Other stakeholders contacted as part of the information gathering process included locally active Affordable Housing Providers and local estate agents as well as key contacts at Nuneaton and Bedworth borough.

6.1.5 DSP received a limited number of responses from development industry and affordable housing providers, some of which offered broad ranges for costs and values, or general opinions/commentary on the market, as well as some offering more detailed responses.

6.1.6 The Stage 2 Site Promoters Consultation was carried out in May 2023 which focused on those key specific/strategic sites coming forward as part of the emerging plan. DSP also conducted meetings with each site promoter which provided us with helpful context for each site as well as in some cases detailed site-specific information. This was reviewed alongside site information/details provided directly by the Council. Overall, the consultation assisted to establish current market soundings, key site characteristics including any abnormal works potentially needed to be considered.

6.1.7 Any information / comments that were provided as a result of this consultation helped to inform and check / support our assumptions – these assumptions were developed through research within the borough, discussions with local estate agents, and also DSP's extensive experience conducting independent viability reviews at planning application stage generally. However due to concerns around commercial sensitivity, we have not included any specific references or comments in this Appendix.

7. Land Values Context

7.1.1. As with the residential and commercial values, DSP also considered information as far as available regarding land values. We focused on two main reports, the first being the Savills Market in Minutes: UK Residential Development Land – Q1 2023 which indicates that the expected 'downward pressures' have materialized, with the market continuing to be slow and *further softening of land values.'* However Savills report strong demand for development land and an ongoing scarcity of sites, with the ongoing shortage of supply '*sustaining competition for [residential] land in some locations*'. The locations in question are stated to be those in 'undersupplied markets'.

7.1.2. Overall, Savills report that UK greenfield and urban land values fell by -1.7% and -1.8% respectively in Q1 2023, however the tone is cautiously optimistic regarding land values, with a net balance of Savills development agents '*reporting positive market sentiment*', and improvement from the previous quarter. Savills note that '*the major housebuilders have been largely out of the land market… small and medium-sized private housebuilders and housing associations have remained active*'. This aligns with our experience on the ground and with press reporting, with major housebuilders having been in a period of 'retrenchment' both in terms of buying new sites and in building out existing permissions.

7.1.3. The Knight Frank report 'Residential Development Land Index Q1 – 2023' corroborates the sentiment expressed above, noting that '*inflationary environment combined with uncertainty in the sales market has led to housebuilders becoming more selective with land, and in particular, payment structures*'.

7.1.4. Knight Frank report concerns over customer demand, due to the inflation rate being over 10% and putting a squeeze on household incomes. The general outlook per Knight Frank's analysis is that whilst activity generally in the land market will continue to be 'subdued', land values will hold steady due to limited land availability and ongoing demand for land – despite margins becoming tighter for developers (and in particular SMEs). Again this chimes with our recent experience, with SMEs responding to consultation on Local Plans expressing concern about landowner expectations remaining high whilst the cost of meeting policy requirements and building regulations/sustainability requirements is rising; and with the residential market remaining fairly strong which assists sales values but also impacts on smaller developers acquiring existing residential sites with the intention of increasing development density.

7.1.5. To summarise, both reports indicate a continuing high demand for, and low supply of, land however note the various cost pressures and market uncertainty which are thought likely to result in land values remaining at similar level or even falling in the short to medium term.

7.2. Benchmark Land Values

7.2.1 Land value in any given situation should reflect specific viability influencing factors, such as:

- ➢ The existing use scenario
- ➢ Planning approval and status / risk (as an indication and depending on circumstances, planning risk factors may equate to a reduction from a "with planning" land value by as much as 75%)
- ➢ Development potential – scale, type, etc. (usually subject to planning)
- ➢ Development constraints – including site conditions and necessary works, costs and obligations (including known abnormal factors)
- ➢ Development plan policies

7.2.2 It follows that the planning policies and obligations will have a bearing on land value; as has been recognised by examiners and Planning Inspectors.

7.2.3 In order to consider the likely viability of local plan policies in relation to any development scheme relevant to the Local Plan, the outturn results of the development appraisals (the RLVs viewed in £/ha terms) need to be somehow measured against a comparative level of land value. This is a key part of the context for reviewing the strength of the results as those changes across the range of assumptions on sales values (GDVs) and crucially including the effect of local plan policies (including affordable housing) and other sensitivity tests.

7.2.4 This comparison process is, as with much of strategic level viability assessment, not an exact science. It involves judgements and well-established acknowledgements that, as with other appraisal aspects, land values will in practice vary from scheme to scheme as well as being dependent to some extent on timing in relation to market conditions and other wider influences such as Government policy. The levels of land values selected for this comparison context are often known as 'benchmark' land values, 'viability tests' (as referred to in our results tables – Appendices II-Iv) or similar. They are not fixed in terms of creating definite cut-offs or steps in viability, but in our experience, they serve well in terms of adding a layer of filtering to the results, to help enable the review of those; they help to highlight the tone of the RLV results and therefore the changing strength of relationship between the values (GDVs) and development costs as the appraisal inputs (assumptions) change.

7.2.5 As suitable (appropriate and robust) context for a high-level review of this nature, DSP's practice is to compare the wide range of appraisal RLV results with a variety of potential land value comparisons in this way. This allows us to consider a wide range of potential scenarios and outcomes and the viability trends across those.

7.2.6 The land value comparison levels are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. In our experience, sites will come forward at alternative figures – including in some cases beneath the levels assumed for this purpose. We have considered land values in a way that supports an appropriately "buffered" type view.

7.3. National Planning Policy Framework – September 2019

7.3.1 The revised NPPF was published in July 2018 and revised in February 2019. This sits alongside the Planning Practice Guidance (PPG) (in relation to viability both at plan making and decision taking stages of the planning process). The latest PPG on viability (September 2019) makes it clear that benchmark land values (BLVs) should be based on the Existing Use Value (EUV) plus approach and states: '*A benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner [which] should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus (EUV+).'*

7.3.2 Further relevant extracts from the PPG (September 2019) are set out below.

- *'Benchmark land values should:*
- *Be based upon existing use value*
- *Allow for a premium to landowners (including equity resulting from those building their own homes)*

- ➢ *Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees'*

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

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

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

7.3.6 The Planning Practice Guidance (September 2019) on factors to be considered to established benchmark land values continues:

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

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

7.3.9 The Planning Practice Guidance (September 2019) states the following on how the premium for viability assessment to the landowner should be defined:

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

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

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

7.3.13 In order to inform the BLVs for use here, we have reviewed existing evidence, previous viability studies, site specific viability assessments and in particular have had regard to published Government sources of land values for policy application[2]. The Government data provides industrial, office, residential and agricultural land value estimates for the local sub-region but not all areas are covered. This includes data for Nuneaton and Bedworth borough in relation to residential land estimates. Not all areas are covered and as is the case in most LA areas, Nuneaton and Bedworth may well have varying characteristics. Therefore, where data is insufficient, we have made use of our own experience and judgement in order to utilise a 'best fit' from the available data. The benchmarks indicated within the appendices are therefore informed by this data and other sources as described above.

7.3.14 The residential land value estimates in particular require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used for the residential land value estimate. This (and other) viability assessments, assume all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher, "serviced" i.e. "ready to develop" level of land value. The MHCLG truncated valuation model provides a much higher level of land value as it assumes all land and planning related costs are discharged, assumes that there is a nil affordable housing requirement (whereas in practice the affordable housing requirement can impact land value by around 50% on a 0.5 ha site with 35% AH) with no CIL or other planning obligations allowance. That level of land value would also assume that full planning consent is in place, whereas the risk associated with obtaining planning consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point. Lower quartile build costs and a 17% developer's profit (compared to the assumed median build costs and 17.5% developer's profit used in this study) are additional assumptions that lead to a view of land value well above that used for comparison (benchmark purposes) in viability assessments

[2] MHCLG: Land value estimates for policy appraisal 2017 (May 2018)

such as this. So, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of those factors.

7.3.15 The figure that we consider representing the minimum land value likely to incentivise release for development under any circumstances in the local context is around £250,000/ha, based on gross site area. In our experience of dealing with site specific viability, greenfield land values tend to be assumed at minimum option agreements levels. These are typically around £100,000 and not exceeding £200,000 per gross acre (i.e. approx. £250,000 to a maximum of £500,000 per gross hectare). Land values at those levels are likely to be relevant to development on greenfield land (e.g. agricultural land or in cases of enhancement to amenity land value).

7.3.16 At this level, it could be relevant for consideration as the lowest base point for enhancement to greenfield land values (with agricultural land reported by the VOA and a range of other sources to be valued at circa £20,000 - £25,000/ha in existing use). The HCA issued a transparent assumptions document which referred to guide parameters of an uplift of 10 to 20 times agricultural land value. This sort of level of land value could also be relevant to a range of less attractive locations or land for improvement. This is not to say that land value expectations in such scenarios would not go beyond these levels either – they could well do in a range of circumstances.

7.3.17 The EUV+ BLVs used within the study therefore range between £250,000/ha for greenfield land (including a significant uplift from existing agricultural values) to approximately £1,500,000/ha for upper PDL/Residential land values.

7.3.18 Matters such as realistic site selection for the particular proposals, allied to realistic land owner expectations on site value, will continue to be vitally important. Even moving away from a 'market value' led approach, site value needs to be proportionate to realistic development scope and site contracts, ensuring that headroom for supporting necessary planning obligations is not overly squeezed beneath the levels that should be achieved.

7.3.19 The latest RICS Guidance[3] (updated to reflect the new NPPF and PPG) refers to benchmark land value as follows *'The value to be established on the basis of the existing use value (EUV)*

[3] Assessing viability in planning under the National Planning Policy Framework 2019 for England

plus a premium for the landowner (PPG, paragraph 013) or the alternative use value (AUV) in which the premium is already included. PPG paragraph 014 is clear that there 'may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.'

7.3.20 The Local Housing Delivery Group report[4] chaired by Sir John Harman (again pre-dating the new NPPF and PPG), notes that: '*Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful 'sense check' on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input into a model… We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values.'*

7.3.21 The revisions to the Viability PPG and the new NPPF (in July 2018), as described above, now very clearly advise that land value should be based on the value of the existing use plus an appropriate level or premium or uplift to incentivise release of the land for development from its existing use.

7.3.22 Any overbid level of land value (i.e. incentive or uplifted level of land value) would be dependent on a ready market for the existing or other use that could be continued or considered as an alternative to pursuing the redevelopment option being assumed. The influences of existing / alternative use on site value need to be carefully considered. At a time of a low demand through depressed commercial property market circumstances, for example, we would not expect to see inappropriate levels of benchmarks or land price expectations being set for opportunities created from those sites. Just as other scheme specifics and appropriate appraisal inputs vary, so will landowner expectation.

7.3.23 In summary, reference to the land value benchmarks range as outlined within the report and shown within the Appendix III results summary tables footnotes (range overall £250,000 to £1,500,000/ha) have been formulated with reference to the principles outlined above and are considered appropriate.

[4] Local Housing Delivery Group – Viability Testing Local Plans (June 2012)

Appendix IV Ends

- followed by Co-Star extracts.

Nuneaton & Bedworth Borough Council
Borough Plan Review Viability Assessment

Appendix IV

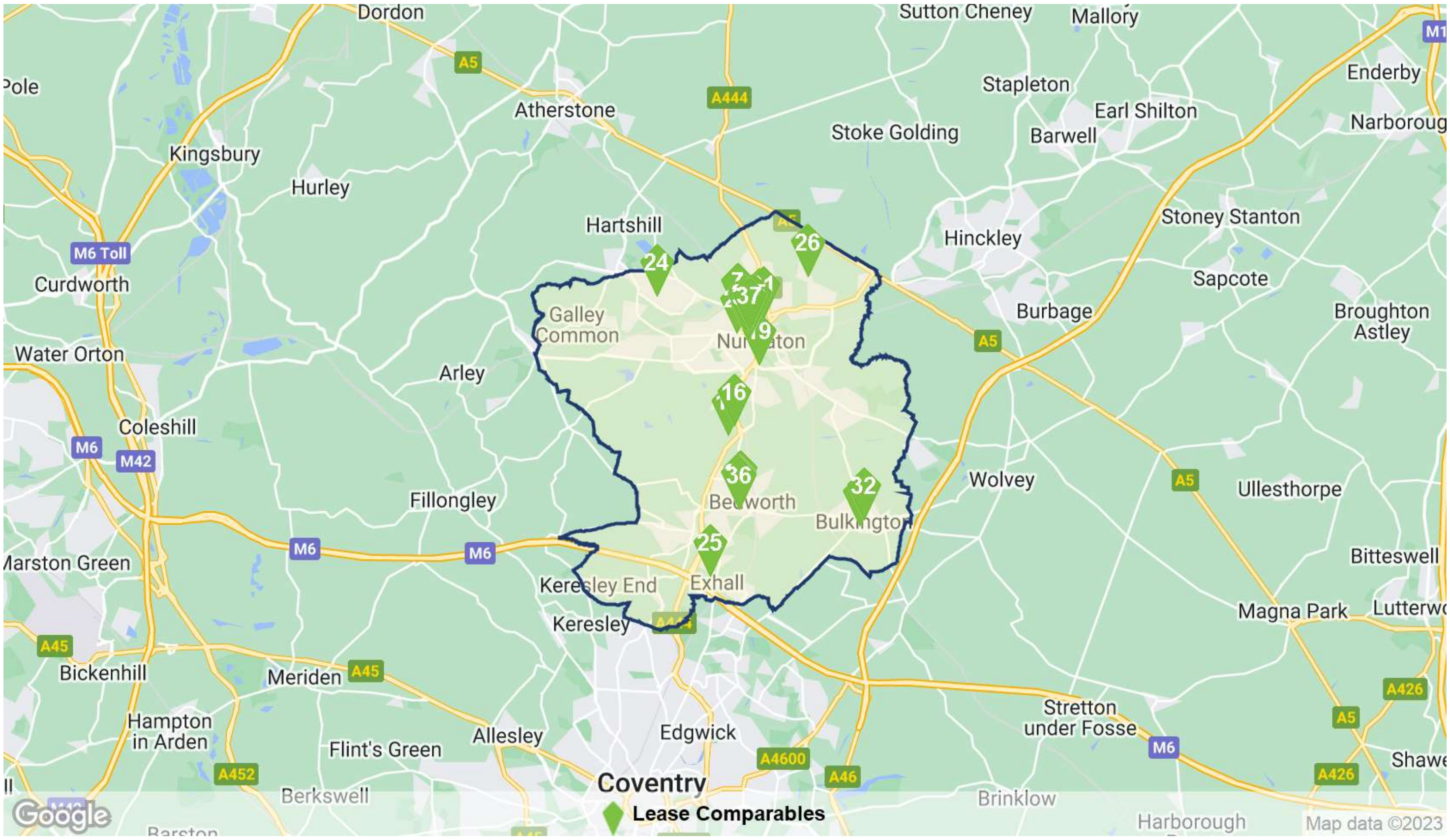
Part 2 - Research extracts - wider information

DixonSearle Partnership

Lease Comps Summary

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
71	£14.37	£8.54	22

TOP 50 LEASE COMPARABLES



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Lease Deal in Months	57	12.0	81.0	72.0	180.0
Floor Number	71	BSMT	GRND	GRND	MEZZ

Lease Comps Summary

			Lease				Rents	
	Property Name - Address	Rating	SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1	**7 Market Pl**	★★☆☆☆	3,228	GRND	20/02/2023	New	£9.29/fri	Achieved
2	**22 Chequer St**	★★★☆☆	581	GRND	17/02/2023	New	£0.00	Effective
3	**9 Leicester St**	★★★☆☆	269	GRND	01/02/2023	New	£25.28	Asking
4	**Chapel St**	★★★☆☆	841	GRND	20/01/2023	New	£35.67	Asking
4	**Chapel St**	★★★☆☆	1,216	GRND	20/01/2023	New	£22.60	Asking
5	**18 All Saints Sq**	★★★☆☆	594	GRND	13/01/2023	New	£20.20	Effective
6	**3 Queens Rd**	★★★☆☆	1,926	GRND	03/01/2023	New	£20.77/fri	Asking
7	**Wheatsheaf Ct @ Upper…**	★★☆☆☆	417	GRND	15/12/2022	New	£21.58	Achieved
4	**Chapel St**	★★★☆☆	2,127	GRND	25/11/2022	New	£14.10	Asking
8	**66 St Nicolas Park Dr**	★★★☆☆	1,015	GRND	14/11/2022	New	£9.85/iri	Achieved
9	**11 Congreve Walk**	★★★☆☆	643	GRND	21/10/2022	New	£16.72	Asking
10	**Gethin House** 36 Bond St	★★☆☆☆	1,603	GRND	19/10/2022	New	£14.97	Achieved
11	**Queens Rd**	★★★☆☆	454	GRND	18/10/2022	New	£13.18/fri	Effective
11	**5 Queens Rd**	★★★☆☆	343	GRND	13/10/2022	New	£14.58/fri	Effective
12	**74 St. Nicolas Park Dr**	★★★☆☆	547	GRND	09/10/2022	New	£17.55/iri	Achieved
13	**Bond House** 44 Newdegate St	★★★☆☆	3,412	GRND	06/10/2022	New	£11.36	Asking
1	**Bond House** 42 Newdegate St	★★★☆☆	3,035	GRND	06/10/2022	New	£11.94	Asking
	St Davids Way	★★★☆☆	3,530	GRND	30/09/2022	New	£13.47/fri	Effective
	10 Bond St	★★☆☆☆	3,644	BSMT	01/09/2022	New	£6.59	Achieved
	Chapel St	★★★☆☆	18,142	GRND	22/08/2022	New	-	-
	Hamilton Way	★★☆☆☆	3,105	GRND	16/08/2022	New	£10.95/fri	Achieved
	11 Dugdale St	-	684	GRND	10/08/2022	New	£20.47/fri	Achieved

Lease Comps Summary

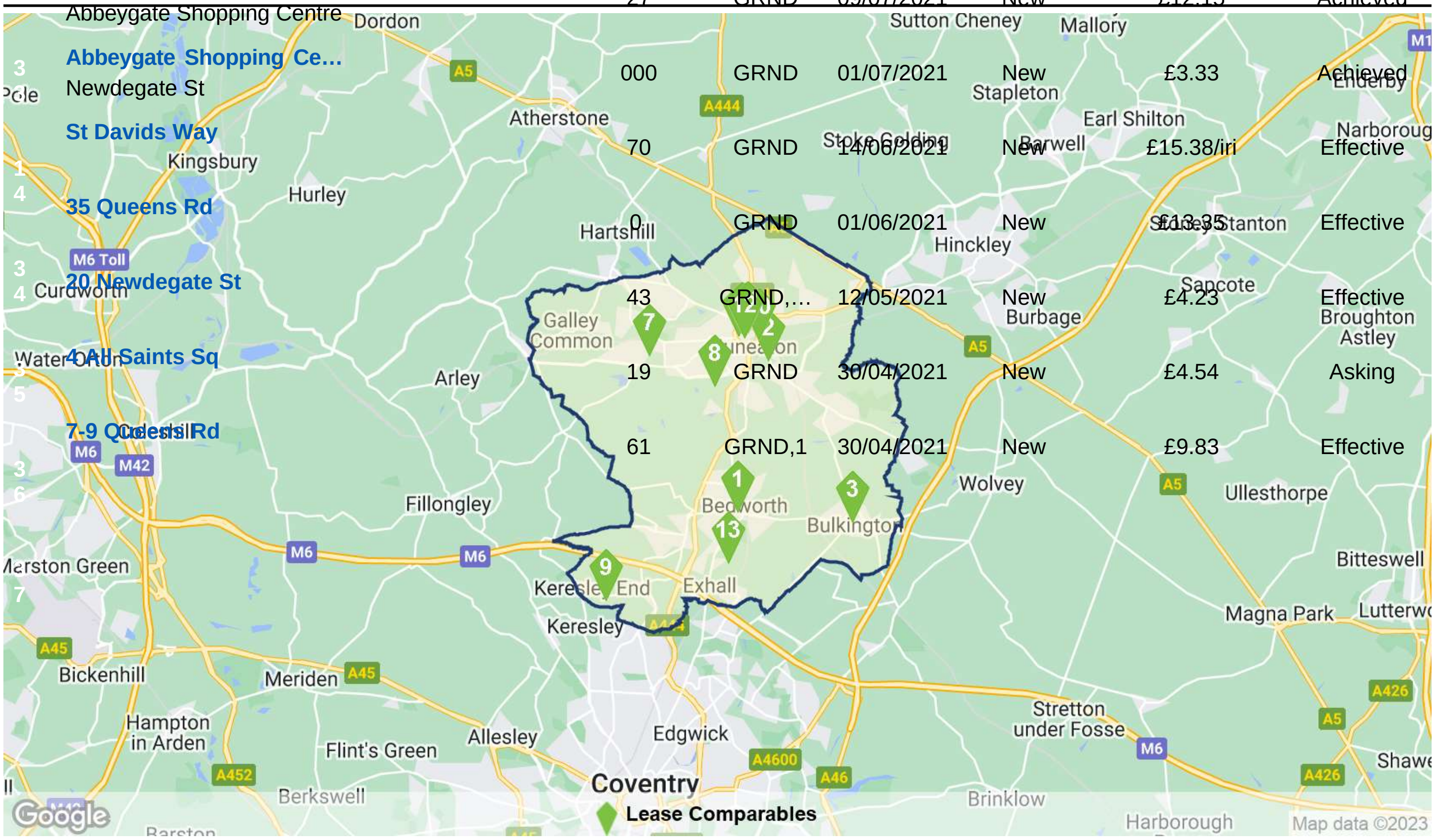
		Lease				Rents	
Property Name - Address	**Rating**	**SF Leased**	**Floor**	**Sign Date**	**Type**	**Rent**	**Rent Type**
11 Dugdale St	★★☆☆☆	684	GRND	10/08/2022	New	£20.47/fri	Achieved
15 Dugdale St	★★☆☆☆	362	GRND	10/08/2022	New	£20.72	Asking
42-44 Queens Rd	★★★☆☆	1,074	1st	08/07/2022	New	-	-
Chivers Coton Craft Centre Avenue Rd	★★☆☆☆	166	GRND	17/05/2022	New	£9.04	Asking
4-6 Congreve Walk	★★★☆☆	1,961	GRND	01/05/2022	New	-	-
Former Jailhouse Bistro Chapel St	★★★☆☆	2,129	GRND	28/04/2022	New	£11.72/fri	Effective
19 Queens Rd	★★★☆☆	733	GRND	26/04/2022	New	£21.78	Effective
82 Queens Rd	★★☆☆☆	481	GRND	26/04/2022	New	£24.95	Asking
Copper Beech Rd	★★★☆☆	819	GRND	04/04/2022	New	£13.43	Asking
5 Queens Rd	★★★☆☆	486	GRND	14/03/2022	New	£14.37/fri	Effective
School Ln	★★★☆☆	27,180	GRND,1	12/02/2022	New	£7.06/fri	Effective
5 Queens Rd	★★★☆☆	295	GRND	04/02/2022	New	£34.75/fri	Achieved
72 St. Nicolas Park Dr	★★★☆☆	547	GRND	10/01/2022	New	£17.37/iri	Achieved
5 Queens Rd	★★★☆☆	342	GRND	10/12/2021	New	£35.09/fri	Effective
Bermuda Trade Centre 5 New Century Way	★★☆☆☆	2,699	GRND	23/11/2021	New	£10.00/fri	Achieved
11 Newdegate St	★★☆☆☆	447	GRND	12/11/2021	New	£30.54	Asking
4-6 Congreve Walk	★★★☆☆	1,961	GRND	02/11/2021	New	£11.22	Asking
12 Congreve Walk	★★★☆☆	3,747	GRND	02/11/2021	New	-	-
19 Queens Rd	★★★☆☆	733	GRND	13/09/2021	New	£27.29/fri	Asking
Princess St	★★★☆☆	463	GRND	20/08/2021	New	£32.40	Achieved
Units A-C Regent St	★★☆☆☆	4,000	GRND	01/08/2021	New	£12.50	Asking

		★★☆☆☆	1,4					
		★★★☆☆	2,4					
		★★★☆☆	12,					
		★★★☆☆	1,1					
		★★★☆☆	83					
		★★★☆☆	5,7					
		★★☆☆☆	2,8					
		★★★☆☆	3,5					

Lease Comps Summary

Lease Comps Report

			Lease			Rents	
Property Name - Address	**Rating**	**SF Leased**	**Floor**	**Sign Date**	**Type**	**Rent**	**Rent Type**
Car Showroom School Rd		00	GRND	31/07/2021	New	£10.00	Asking
Abbeygate Shopping Ce… Abbeygate Shopping Centre		27	GRND	09/07/2021	New	£12.15	Achieved
Abbeygate Shopping Ce… Newdegate St		000	GRND	01/07/2021	New	£3.33	Achieved
St Davids Way		70	GRND	14/06/2021	New	£15.38/iri	Effective
35 Queens Rd		0	GRND	01/06/2021	New	£13.35	Effective
20 Newdegate St		43	GRND,…	12/05/2021	New	£4.23	Effective
4 All Saints Sq		19	GRND	30/04/2021	New	£4.54	Asking
7-9 Queens Rd		61	GRND,1	30/04/2021	New	£9.83	Effective



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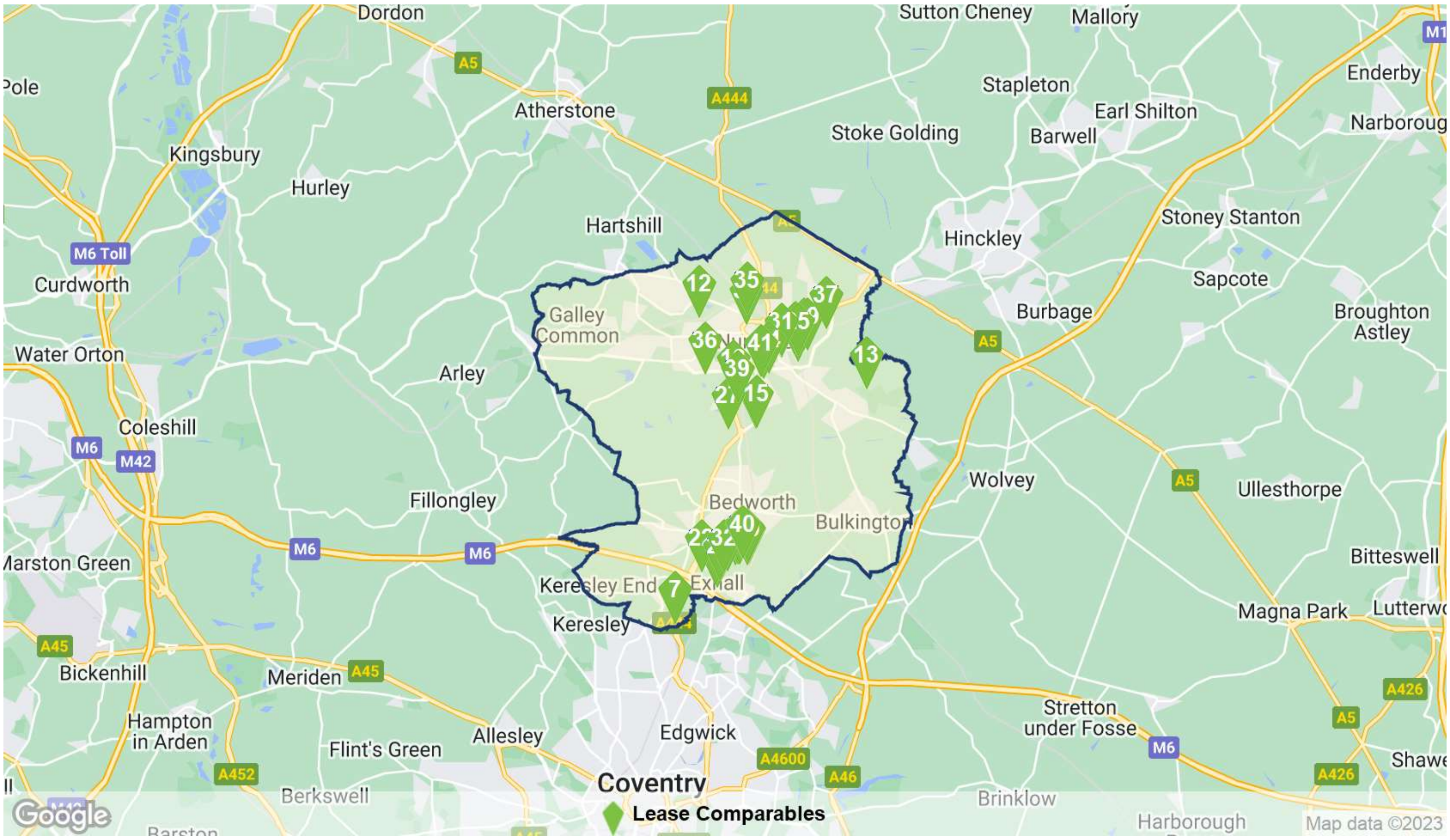
		★★★☆☆	38					
		★★★☆☆	1,4					
		★★★☆☆	1,3					
		★★★☆☆	97					
		★★★☆☆	4,1					
		★★★☆☆	1,6					
		★★☆☆☆	1,5					
		★★☆☆☆	97					
		★★★☆☆	1,2					
		★★★☆☆	68					
		★★★☆☆	1,3					
		★★★☆☆	2,0					
		★★☆☆☆	78					
		★★☆☆☆	48					
		★★★☆☆	2,3					
		★★★☆☆	1,2					

Lease Comps Summary

Lease Comps Report

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
16	**£9.32**	**£9.32**	**15**

LEASE COMPARABLES



SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	14	£5.95	£9.32	£8.78	£14.56
Achieved Rent Per SF	9	£5.95	£9.32	£8.80	£14.40
Net Effective Rent Per SF	5	£5.94	£9.09	£8.80	£13.01
Asking Rent Discount	9	-10.0%	2.0%	0.0%	8.7%
TI Allowance	-	-	-	-	-
Rent Free Months					6

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	14	3	15	12	51
Deal Size	16	389	1,420	1,292	4,197
Lease Deal in Months		36.0	73.0	72.0	156.0
Floor Number	16	GRND	GRND	GRND	2

Lease Comps Summary

			Lease				Rents	
	Property Name - Address	Rating	SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1	**Kingsway House** King St	★★★☆☆	6,1 9	1st	01/12/2022	New	£8.00	Asking
2	**Attleborough Rd**	★★☆☆☆	1,720	GRND,1	03/11/2022	New	£8.80/fri	Effective
3	**4 School Rd**	★★☆☆☆	1,033	GRND	01/09/2022	New	£8.51	Achieved
4	**21-21A Market**	★★★☆☆	4,1 1	1st	09/08/2022	New	-	-
5	**23B Queens Rd**	★★☆☆☆	4,197	1-2	01/08/2022	New	£8.22/iri	Achieved
6	**1 Stratford St**	★★★☆☆	6,181	1st	26/04/2022	New	£5.94	Effective
7	**100 Cross St**	★★★☆☆	3,177	GRND	09/03/2022	New	£10.10/fri	Effective
8	**The Courtyard** The Courtyard	★★★☆☆	80, 5	GRND	26/01/2022	New	-	-
9	**Oak Court** Pilgrims Walk	★★☆☆☆	3,030	1st	01/11/2021	New	£13.01	Effective
1	**Attleborough Rd**	★★☆☆☆	6,4 5	GRND,1	21/09/2021	New	£8.68	Asking
2	**Attleborough Rd**	★★☆☆☆	6,400	GRND,1	27/07/2021	New	£8.46	Asking
10	**The Old Vicarage** Vicarage St	★★★☆☆	2856	1st	12/07/2021	New	£8.73	Effective
11	**Newdegate Pl**	★★☆☆☆	6,7 6	1st	16/04/2021	New	£6.09	Asking
12	**11-15 Coventry St**	★★★☆☆	27, 2	1st	07/01/2021	New	£11.41	Achieved
13	**Fomer PJ Woolley Engin…** 18 Crondal Rd	★★★☆☆	8,061	GRND,1	25/08/2020	New	£10.05	Asking
9	**Oak Court** 3 Oak Ct	★★☆☆☆	2,384	GRND	02/08/2020	New	£14.40	Achieved
		★★★★★	771,					
		★★★★★	209,					
		★★☆☆☆	1,9					
		★★★☆☆	23,					
		★★☆☆☆	12,					

Lease Comps Summary

Lease Comps Report

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
69	£6.39	£6.16	13

TOP 50 LEASE COMPARABLES

5,0
2,4
3,0
5,0
22,
27,
5,6
2,7
2,7
4,9
18,
76,
2,7
64,
2,7
7,7
5,2
29,
16,
2,6
2,8

SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	41	£2.13	£6.39	£5.87	£12.58
Achieved Rent Per SF	46	£2.30	£6.16	£5.64	£12.58
Net Effective Rent Per SF	25	£1.22	£11.53	£5.54	£115.00
Asking Rent Discount	25	-114.9%	4.2%	0.0%	30.2%
TI Allowance	-	-	-	-	-
Rent Free Months	12	0			19

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	47	1	13	7	52
Deal Size	69	286	30,094	6,434	771,628
Lease Deal in Months	54		72.0	60.0	
Floor Number	69	GRND	GRND	GRND	MEZZ

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Lease Comps Summary

Lease Comps Report

	Property Name - Address	Rating	Lease: SF Leased	Floor	Sign Date	Type	Rents: Rent	Rent Type
1	**D1-D2** D1 Blackhorse Rd	★★☆☆☆	9000	GRND,1	14/06/2023	New	£4.74/fri	Effective
2	**Flavel House** Caldwell Rd	★★☆☆☆	6,804	GRND	19/05/2023	New	£5.87	Asking
2	**Flavel House** Caldwell Rd	★★★☆☆	17, 45	GRND	19/05/2023	New	£6.89	Asking
3	**Holman Way**	★★☆☆☆	7,249	GRND,1…	19/05/2023	New	£6.02	Asking
4	**Brindley Rd S**	★★★☆☆	41, 96	GRND	03/05/2023	New	£7.46/fri	Effective
5	**Brindley Rd N**	★★★☆☆	2,586	GRND,…	20/04/2023	New	£6.14/fri	Achieved
6	**Alliance Close**	★★☆☆☆	17, 09	GRND,1	11/04/2023	New	£5.15/fri	Effective
7	**Mallory Way**	★★★☆☆	5,9602	GRND	03/01/2023	New	£9.00/fri	Achieved
	3 Kelsey Close		90	GRND	15/12/2022	New	£9.71/fri	Achieved
	Kelsey Close		34	GRND	01/12/2022	New	-	-
	3 Kelsey Close		34	GRND	01/12/2022	New	£9.00/fri	Achieved
	Exis Court Veasey Close		6	GRND	01/12/2022	New	£12.58/iri	Achieved
	3 Kelsey Close		07	GRND	28/11/2022	New	£0.00/fri	Effective
	Former Highfield Road E… Pool Rd		198	GRND	04/11/2022	New	£4.60	Effective
	Golf Dr		72	GRND	01/11/2022	New	£5.45	Achieved
	Flavel House Caldwell Rd		44	GRND	29/09/2022	New	£8.53	Asking
	Baytree Unit 2 Coventry Rd		628	GRND	05/09/2022	New	-	-
	Baytree Unit 1 Coventry Rd		414	GRND	05/09/2022	New	-	-
	Bayton Road Industrial E… Brindley Rd N		89	GRND	18/08/2022	New	£6.98/fri	Effective
	Grovelands House Longford Rd		000	GRND	02/08/2022	New	-	-
	Bayton Road Industrial E… Brindley Rd N		718	GRND	01/07/2022	New	£3.93	Asking
	Buckingham Close	-	5,054	GRND	13/06/2022	New	£5.50	Asking

Lease Comps Summary

Property Name - Address	Rating	SF Leased	Lease Floor	Lease Sign Date	Lease Type	Rents Rent	Rents Rent Type
Buckingham Close		54	GRND	13/06/2022	New	£5.50	Asking
Alliance Close		11	GRND	26/04/2022	New	£6.62	Effective
Bayton Rd		43	GRND	29/03/2022	New	£6.41	Asking
Buckingham Close		54	GRND	07/03/2022	New	£5.50/fri	Achieved
Longford Rd		759	GRND,1	12/01/2022	New	£5.50	Asking
Exhall 3 School Lane		810	GRND,1	04/01/2022	New	£7.91	Effective
D1-D2 D1 Blackhorse Rd		00	GRND	31/12/2021	New	£10.89/fri	Achieved
5-6 Telford Rd		03	GRND	01/12/2021	New	£4.25	Effective
Blackhorse Rd		04	GRND,1	29/11/2021	New	£10.57	Achieved
Phillips Commercials Kelsey Close		91	GRND	10/09/2021	New	£5.61/fri	Achieved
Bayton Way		821	GRND	13/08/2021	Renewal	£4.87	Effective
Hermes Parcelnet St. Davids Way		406	GRND,1	13/08/2021	Renewal	£7.00/fri	Achieved
7 Telford Rd		24	GRND	13/08/2021	New	£4.22	Effective
Bayton Rd		725	GRND	02/08/2021	Renewal	£4.87/fri	Achieved
5-6 Telford Rd		57	GRND	30/07/2021	New	£5.35	Achieved
4 Telford Rd		45	GRND	27/07/2021	New	£5.50	Effective
Holman Way		65	GRND,…	19/07/2021	New	£5.50	Asking
Bayton Road Industrial E… Bayton Rd		820	GRND	09/07/2021	New	£1.22	Effective
Bayton Way		430	GRND	09/07/2021	New	£3.70	Achieved
Burgage Walk		62	GRND,1	30/06/2021	New	£2.30	Achieved
Caldwell Rd		41	GRND,…	23/06/2021	New	£5.10	Asking

Lease Comps Summary

			Lease			Rents	
Property Name - Address	**Rating**	**SF Leased**	**Floor**	**Sign Date**	**Type**	**Rent**	**Rent Type**
Central Ave		5	GRND	24/05/2021	New	£7.15/fri	Effective
Old Bath House Tenlons		91	GRND,1	09/04/2021	New	£2.81/fri	Asking
Finch Way		916	GRND,1	05/04/2021	New	£115.00/fri	Effective
29 Brindley Rd		92	GRND,1	01/04/2021	Renewal	£5.30/fri	Achieved
2 Gresham Rd		911	GRND,1	26/03/2021	New	£5.54/fri	Effective
Blackhorse Rd		00	GRND	01/03/2021	New	-	-
31-47 Brindley Rd		933	GRND,1	28/02/2021	Renewal	£5.02/fri	Achieved
Caldwell Rd		85	GRND	26/02/2021	New	£5.61/fri	Effective