

**Winchester City Council
Local Plan Viability Study
Interim Stage 1 Report**

APPENDIX I (*technical work to date*)

(DSP21766)

October 2022

Winchester City Council - Appendix I: Local Plan Viability Assessment - Table 1a: Residential Assumptions - Site Typologies and Value Levels / Revenue Assumptions

Scheme Size Appraised	Type	Site type	Density	Net Land Area (ha)	Gross Land Area (ha)	Notes:
1	House	PDL	35	0.03	0.03	The above scenarios tested at 0%, 20%, 30%, 40%, 50% AH financial contributions on sites of 6-9 and 20%, 30%, 40% and 50% 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 64% Affordable Rented and 36% Affordable Home Ownership - includes 25% First Homes. 10% Low Cost / Affordable Home Ownership (AHO) of total overall requirements. 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) See Residential Assumptions Sheet 3 for the Strategic Site Allocation - all details TBC
5	Houses	PDL/Greenfield	35	0.14	0.16	
6	Houses	PDL/Greenfield	35	0.17	0.20	
10	Houses	PDL/Greenfield	35	0.29	0.33	
15	Flats	PDL	125	0.12	0.14	
15	Houses	PDL/Greenfield	40	0.38	0.43	
30	Houses	PDL	55	0.55	0.63	
30	Houses	Greenfield	40	0.75	0.86	
30	Flats (Sheltered)	PDL	125	0.24	0.28	
50	Mixed	PDL	55	0.91	1.05	
50	Mixed	Greenfield	40	1.25	1.44	
50	Flats	PDL	125	0.40	0.46	
60	Flats (Extra Care)	PDL	125	0.48	0.55	
100	Mixed	PDL	55	1.82	2.36	
100	Mixed	Greenfield	40	2.50	3.25	
500	Mixed	Greenfield	40	12.50	16.25	

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*		Dwelling Mix (%)**		
	Affordable	Market	Market Units	Affordable Units - Affordable Rent	Affordable Units - Affordable Home Ownership
1-bed flat	50	50	5-10%	35-40%	25-30%
2-bed flat	61	61	25-30%	30%	40%
2-bed house	79	79			
3-bed house	93	93	40-45%	25-30%	25-30%
4-bed house	106	130	20-25%	5%	5%

*based on Nationally Described Space Standards.

**based on latest SHMA (February 2020)

Note: Retirement/sheltered units assumed at 55sq.m (1-Bed Flats) and 75 sq.m. (2-Bed Flats) with 75% net to gross ratio, extra-care units assumed at 58.5 (1-Bed Flats) and 76.8 (2-Bed Flats) with 65% net to gross ratio.

Value Levels - Winchester CC

Market Value (MV) - Private units	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11+
	£4,000	£4,250	£4,500	£4,750	£5,000	£5,250	£5,500	£5,750	£6,000	£6,500	£7,000
	Typical New Build Values										
1-bed flat	£200,000	£212,500	£225,000	£237,500	£250,000	£262,500	£275,000	£287,500	£300,000	£325,000	£350,000
2-bed flat	£244,000	£259,250	£274,500	£289,750	£305,000	£320,250	£335,500	£350,750	£366,000	£396,500	£427,000
2-bed house	£316,000	£335,750	£355,500	£375,250	£395,000	£414,750	£434,500	£454,250	£474,000	£513,500	£553,000
3-bed house	£372,000	£395,250	£418,500	£441,750	£465,000	£488,250	£511,500	£534,750	£558,000	£604,500	£651,000
4-bed house	£520,000	£552,500	£585,000	£617,500	£650,000	£682,500	£715,000	£747,500	£780,000	£845,000	£910,000
MV (£/sq. m.)	£4,000	£4,250	£4,500	£4,750	£5,000	£5,250	£5,500	£5,750	£6,000	£6,500	£7,000

Note: Sheltered Housing tested at TBC/sq. m.

Value Levels - Locations by ward area

Ward Area	Value Level Range
Alresford and Itchen Valley	VL4 - VL8
Badger Farm and Oliver's Battery	VL5 - VL8
Bishop's Waltham	VL3 - VL5
Central Meon Valley	VL2 - VL4
Colden Common & Twyford	VL1 - VL4
Denmead	VL1 - VL2
Southwick and Wickham	VL3 - VL7
St Barnabas (WC)	VL3 - VL7
St Bartholomew (WC)	VL3 - VL8
St Luke (WC)	VL2 - VL6
St Paul (WC)	VL8 - VL11
St Michael (WC)	VL7 - VL11
The Worthys	VL3 - VL6
Upper Meon Valley	VL4 - VL7
Whiteley and Shedfield	VL2 - VL5
Wonston and Micheldever	VL4 - VL7

*data residing within the South Downs National Park Authority area have been excluded from the above analysis

Affordable Housing Revenue Assumptions

Unit	Market Size	Affordable Rent		Shared Ownership % of Market Value
		LHA Rates (£/week)	AH Transfer Price (LHA Cap)	
1BF	50	£166.85	£137,557	65%
2BF	70	£197.92	£163,174	
2BH	79	£197.92	£163,174	
3BH	100	£253.15	£208,710	
4BH	130	£368.22	£303,573	

Note: Affordable Rents are based on LHA Rates for Winchester BRMA.

Winchester City Council - Appendix I: Local Plan Viability Assessment - Residential Assumptions
- Table 1b: Development Cost Assumptions

Appraisal Cost Description	Cost Assumption	Indicative Guide £/sq. m. (rounded) <i>(assuming 85sq.m. dwelling)</i>	Notes
Build cost - Mixed Developments (generally - houses/flats)	£1,465/sq. m.	£1,465/sq. m.	Based on BCIS 'median' rebased to a Winchester location factor (5yr data sample), excludes external works
Build cost - Houses only (generally)	£1,432/sq. m.	£1,432/sq. m.	
Build cost - Flats only (generally)	£1,608/sq. m.	£1,608/sq. m.	
Build cost - Supported Housing (generally)	£1,755/sq. m.	£1,755/sq. m.	
External Works	10% (Flats)	£143 - £263	Applied to base build costs
	15% (Houses)		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%	£72 - £88	variable depending on scale of development
Professional Fees (% of build cost)	8-10%	£115 - £140	
Adopted CIL Rate / CIL Testing Scope	Tested at £0 - £500/sq. m at £25/sq/ m intervals	£0 (Zone 1) £168.10 (Zone 2) £112.06 (Zone 3)	Adopted rates of £0 (Zone 1), £120 (Zone 2) and £80 (Zone 3) have been indexed: uplifted by TPI in accordance with Regulation 40 to £168.10 (Zone 2) and £112.06 (Zone 3) and as confirmed by WCC.
Residual s.106 /non-CIL costs (£ per unit) - small scale PDL / Greenfield sites	£3,000/dwelling	£35	Assuming the LETI standard. Cost assumptions provided by Elementa & Currie & Brown (Aug-21). Note: blended rate for mixed schemes (houses and flats), weighted by dwelling mix proportions.
Sustainable design/climate change/carbon reduction (% of build cost)	5.00%	£72 - £88	
Electric Vehicle Charging Points (£/unit) ¹	£865/unit (houses)	£15 <i>(blended for mixed typology)</i>	Houses only typologies - assumes 1x EVCP per dwelling
	£1,961 (flats)		Flats typologies - assumes 1x EVCP per dwelling
Water efficiency standards	100pppd		Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling
Biodiversity Net Gain (BNG) (% of build cost)	3.84% (Greenfield) 0.8% (PDL)	£11 - £68	Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.
Nitrates (nutrient neutrality) / Phosphates	Variable by catchment area		Assuming 10% minimum requirements , variable by site type. Costs based on Impact Assessment (Scenario C). Itchen Catchment - £12,000/dwelling total for nitrates and phosphates. East Hampshire Catchment - £5,100/dwelling (nitrates only)
Solent Recreation Mitigation (SPA) (£/unit)	£652/dwelling	£8	Assume SPA mitigation costs only as fully applied base position - majority of planned development identified to come forward within that zone of influence. Average £ contributions per net additional dwelling (as set out in the latest Interim Statement Solent Recreation Mitigation, Updated February 2022), as confirmed by the Council.
Housing Standards - M4(2) Accessible and adaptable dwellings compliance	£15.5/sq. m.	£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 ²
Housing Standards - M4(3) Wheelchair user dwellings compliance	£155/sq. m.	£6/sq. m.	4% provision on AH units (only) = M4(3a) on major development (10+ units)
Marketing & Sales Costs (% of GDV)	3%	£143 <i>(assuming VL4 £4,750/sq. m.)</i>	
Legal Fees on sale (£ per unit)	£750	£9	
Developer's Return for Risk & Profit			Variable by scenario
Open Market Housing Profit (% of GDV)	Range of 15-20%		
Affordable Housing Profit (% of GDV)	6%		
Finance & Acquisition Costs			
Agents Fees (% of site value)	1.50%		HMRC Scale
Legal Fees (% of site value)	0.75%		
Stamp Duty Land Tax (% of site value)	0% to 5%		
Finance Rate - Build (%)	6.50%		
Finance Rate - Land (%)	6.50%		

¹ Costs adopted from the DfT Residential Charging Infrastructure Provision Impact Assessment (September 2021) and requirements as set out in the Surrey County Council's Vehicular and Cycle Parking Guidance (January 2018)

² <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>

Winchester City Council - Appendix I - Local Plan Viability Assessment - Strategic Site Allocation - Residential Assumptions (Sheet 3 of 3) - all details TBC

Site Name:	Sir John Moore Barracks
Site Type:	PDL
Indicative capacity: (approx. no. of dwellings)	900
Affordable Housing %:	Range testing at 25%, 30% and 40% (<i>initial testing scope</i>)
Assumed Gross Site Area (ha):	86
Site works/infrastructure:	Assume £30,000/dwelling at this stage pending detailed costing information (in addition to BCIS plus external works). Note: these costs relate to site works e.g. prep, servicing etc. At this stage detailed infrastructure requirements for these sites are unknown. On this basis we have adopted a typical cost allowance for strategic sites at this scale based on the range set out in the Harman Report (2012), uplifted by the Tender Price Index (TPI).
Contingency Allowance:	10%
Indicative Residential Market Value (£/sq.m.):	VL4 £4,750
Housing Trajectory - timescales/phasing:	120/dwellings pa (market) - 160/dwellings pa (total) 5.6yrs (68 months) for whole development plus 6 months lead-in and 12 months offset from construction = 79 months (construction & sales)
Indexed CIL (Zone 2)	Tested at £0 CIL and £168.1/sq. m.
DSP Additional Assumptions / Comments / Site Specific Costs <i>Main cost assumptions - Sheet 2</i>	
<ul style="list-style-type: none"> • Potential Primary School provision plus land servicing at £550,000/ha plus potential financial contribution towards secondary school - TBC details unknown at this stage • Park and Ride facility for 850 spaces - TBC costs unknown at this stage • Re-purpose / re-use of existing buildings - TBC details unknown at this stage • Other non-residential scheme elements plus land servicing - TBC details unknown at this stage • Additional specific infrastructure requirements - TBC details unknown at this stage, pending masterplanning process 	

DSP (2022)