Rother Local Plan
Viability Assessment

Final Report

On behalf of:

Rother District Council

October 2018

PorterPE
planning economics

Three Dragons

Contents

Appendices

1 Introduction

Background and Study Scope

1.1 Three Dragons with Porter Planning Economics Ltd (PorterPE) have been commissioned by Rother District Council (RDC) to provide a high-level district wide economic viability assessment. The main purpose of this plan viability study is to provide robust evidence that the policy requirements in the Council's Submission Development and Site Allocations (DaSA) Local Plan combined with the relevant adopted Core Strategy policies and the Community Infrastructure Levy (CIL), should not threaten the development viability of the Local Plan as a whole, in accordance with the National Planning Policy Framework (NPPF). In assessing the Local Plan, this study will inform policy decisions based on the policy aspirations of achieving sustainable development and the realities of economic viability.

1.2 The report and the accompanying appraisals are for planning purposes only, and as such it complies with the National Framework (as documented by the NPPF and the PPG) in testing market viability. It also considers the Harman Guidance on 'Viability Testing Local Plans' (2012)[1] and the RICS Guidance note, Financial Viability in Planning, 1st edition (2012), to help inform the approach to the viability testing and some of the input assumptions for, yet unknown, factors.

1.3 It should therefore be noted that as per Professional Standards 1 of the RICS Valuation Standards – Global and UK Edition[2], the advice expressly given in the preparation for, or during negotiations or possible litigation does not form part of a formal "Red Book" valuation and should not be relied upon as such. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report for such purposes.

Defining Local Plan Level Viability

1.4 The Harman Report defines local plan viability (on page 14) as follows:

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs, and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place, and generates a land value sufficient to persuade the land owner to sell the land for the development proposed.

At a Local Plan level, viability is very closely linked to the concept of deliverability. In the case of housing, a Local Plan can be said to be deliverable if sufficient sites are viable (as defined in the previous paragraph) to deliver the plan's housing requirement over the plan period.'

[1] The Local Housing Delivery Group and chaired by Sir John Harman 'Viability Testing Local Plans' advice for planning practitioners, June 2012.
[2] RICS (January 2014) Valuation – Professional Standards, PS1 Compliance with standards and practice statements where a written valuation is provided

1.5 It should be noted that the approach to Local Plan level viability assessment does not require all sites in the plan to be viable. The Harman Report says that a site typologies approach (i.e. assessing a range of example development sites likely to come forward) to understanding plan viability is sensible. Whole plan viability:

'…does not require a detailed viability appraisal of every site anticipated to come forward over the plan period… (p.11)

…[we suggest] rather it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan. (p.15)

A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies'. (p.11).

1.6 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period.

'No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.' (p.18)

1.7 Indeed, the report also acknowledges that a:

'…plan-wide test will only ever provide evidence of policies being 'broadly viable'. The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks.' (p.18)

1.8 The report later suggests that once the typologies testing has been done:

'it may also help to include some tests of case study sites, based on more detailed examples of actual sites likely to come forward for development if this information is available'. (p.38)

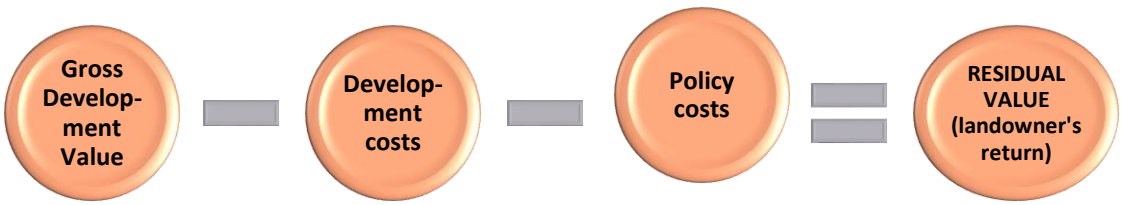
1.9 The Harman Report points out the importance of minimising risk to the delivery of the plan. Risks can come from policy requirements that are either too high or too low. So, planning authorities must have regard to the risks of damaging plan delivery with excessive policy costs - but equally, they need to be aware of lowering standards to the point where the sustainable delivery of the plan is not possible. Good planning in this respect is about 'striking a balance' between the competing demands for policy and plan viability.

Assessment Approach

1.10 A bespoke development viability model was used in the viability testing in this report. This involved 'high-level' testing of hypothetical schemes that represent the future allocation of development land in the district under the Council's Submission Development and Site Allocations Local Plan, which henceforth is referred to as the DaSA.

1.11 The viability testing and assessment results are based on establishing a residual land value for different types likely to be supported by the DaSA. The approach takes the difference between development values and costs, and compares the 'residual value' (i.e. what is left over after the cost of building the scheme is deducted from the potential sales value of the completed site/buildings) with a benchmark/threshold land value (i.e. the value over and above the existing use value a landowner would accept to bring the site to market for development) to determine the balance that could be available to support policy costs such as environmental standards, access standards and affordable housing. This is a standard approach, which is advocated by the Harman Report and RICS. The broad method for residual land assessment is illustrated in **Figure 1.1**.

Figure 1.1 Approach to residual land value assessment for Local Plan viability testing



1.12 The arithmetic of residual land value appraisal is straightforward (a bespoke spreadsheet model is used for the appraisals). However, the inputs to the calculation are hard to determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when making calculations that represent a typical or average site. Therefore, our viability assessments in this report are necessarily broad approximations, subject to a margin of uncertainty.

1.13 Examples of the residential site appraisal (excluding the cashflow breakdown) is provided in **Appendix A**.

Consultation

1.14 As part of this study, discussions were had with the local development industry to test the assumptions contained within this report. This consultation involved emailing a stakeholder questionnaire to 15 local, regional and national housing developers, and three Registered Providers. A copy of the questionnaire and responses is included in **Appendix B**.

Report Structure

1.15 The rest of this report is set out as follows:

- Chapter 2 sets out the policy and legal requirements relating to Local Plan viability, which the assessment should comply with;
- Chapter 3 sets out the draft DaSA policies, identifying any that may require testing for their potential impact on viability;
- Chapter 4 describes the local residential market and development context, including a review of past delivery;
- Chapters 5 outlines the development scenarios to be tested, the site typologies and assumptions informing their viability;
- Chapter 6 reviews the viability findings, and
- Chapter 7 provides conclusions to inform the Council's decisions about the draft DaSA policies.

2 National Policy Context

Introduction

2.1 This section of the report considers the relevant policy context for the viability assessment. At a national level, this includes the National Planning Policy Framework and the Planning Practice Guidance, as well as best practice as set out in the RICS Professional Guidance Note. Planning policy requirements at the local level that might have a notable impact on the scheme's viability (for instance policies on affordable housing) are looked at in **Chapter 3** of this report.

National Framework

2.2 It is understood that the DaSA will be prepared and examined in line with the National Planning Policy Framework (NPPF) 2012, which is considered in detail below in terms of viability testing and policy making. For information, key aspects of the revised NPPF 2018 relating to viability are also reviewed in this section, along with the latest national planning policy guidance.

National Planning Policy Framework 2012

2.3 The National Planning Policy Framework (NPPF) recognises that the 'developer funding pot' or residual value is finite and decisions on how this funding is distributed between affordable housing, infrastructure and other policy requirements must be considered as a whole; they cannot be separated out.

2.4 The NPPF 2012 advises that cumulative effects of policy should not combine to render plans unviable:

'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable'.[3]

2.5 Regarding non-residential development, the NPPF states that local planning authorities *'…should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should… understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.'* [4]

[3] DCLG (2012) National Planning Policy Framework (para 173)
[4] Ibid (para 160)

2.6 The NPPF does not state that all sites must be viable now in order to appear in the plan. Instead, the NPPF 2012 is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs.

Deliverability and Developability Considerations in the NPPF 2012

2.7 As noted above, the NPPF 2012 does not state that all sites must be viable now in order to appear in Local Plans. Nevertheless, sites identified for the first five-year period need to be available and achievable while meeting any Local Plan policy requirements, which are considered through the testing and findings in Chapter 6 of this report. In addition, the national framework over the plan period as a whole is concerned to ensure that the bulk of the development proposed in the plan is not rendered unviable by unrealistic policy costs[5]. Such policy costs, as set out in the draft DaSA, are considered in **Chapter 3** of this report.

2.8 It is important to recognise that economic viability will be subject to economic and market variations over the Local Plan timescale. In a free market, where development is largely undertaken by the private sector, the Local Planning Authority can seek to provide suitable sites to meet the demand for sustainable development. It is not within the authority's control to ensure that delivery takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So, in considering whether a site is deliverable with policy now or developable in the future, the assumptions underpinning our viability assessment should be informed by a review of local market conditions

2.9 Within these general principles, which apply to all development, the NPPF 2012 sets out more detailed policies relating to deliverability and viability, which vary between housing and employment uses. These two land uses are discussed in turn below since this will be relevant to the following testing of the draft DaSA.

Housing

2.10 In relation to housing development, the NPPF 2012 creates the two concepts of 'deliverability' (which applies to residential sites which are expected in years 0-5 of the plan) and 'developability' (which applies to year 6 of the plan onwards). The NPPF defines these two terms as follows:

To be deliverable, *'sites should be available now, offer a suitable location for development now, and be achievable, with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.'*

To be developable, '*sites expected from year 6 onwards should be able to demonstrate a 'reasonable prospect that the site is available and could be viably developed at the point envisaged'.*[6]

[5] See para 173, which notes that plans should be deliverable, but importantly this goes onto state that the plans should not be subject to such a scale of obligation and policy burdens that their ability to be developed viably is threatened. This is clearly about ensuring that policy burden does not threaten viability and not necessarily that the development must be viable even if there is not a high policy burden. For example, infrastructure requirements are understood and will not impede delivery (see NPPF para 160).
[6] Ibid (para 47, footnote 12)

2.11 The NPPF 2012 advises that a more flexible approach may be taken to the sites coming forward from year 6 onwards. These sites might not be viable now and might instead only become viable at a future point in time (e.g. when a lease for the land expires or property values improve). This recognises the impact of economic cycles, variations in values and policy changes over time. Consequently, some sites might be identified with marginal unviability however a small change in market conditions over the Plan may make them viable. Such sites could contribute to the Local Plan housing target in the later period of the Plan.

2.12 NPPF 2012 paragraph 14 makes very clear that there is a presumption in favour of sustainable development. Paragraph 49 also says that the relevant policies for the supply of housing should not be considered up to date if the Local Planning Authority cannot demonstrate a five-year supply of deliverable housing sites. The Planning Practice Guidance (PPG) is clear that authorities should have an identified five-year housing supply at all points during the plan period, and that housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five-year land supply. However, where the evidence supporting that housing requirement has become outdated, the latest information provided in the assessment of housing needs should be considered or the latest household projections used as a starting point; but it is important to recognise that neither of these will have been tested[7].

2.13 It will be important for the Council to ensure that all the sites identified to come forward within either the plan period or the 5-year period are viable in meeting Local Plan policies as much as possible, to ensure that the DaSA is deliverable.

Economic uses

2.14 Regarding economic land uses, the NPPF 2012 states that Local Planning Authorities:

'…should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should… understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability'.[8]

2.15 This is quite different to housing. Local authorities are expected to have a general understanding of possible obstacles to delivering employment uses, including viability. But they are not under specific requirements to predict the timing of delivery, or demonstrate that sites are deliverable / developable according to precise criteria or within a given time frame.

2.16 In relation to employment uses specifically, the NPPF also advises that *'…planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose'*[9]. Again this is a less demanding test than for housing. It implies that authorities should allocate sites for employment only if they expect those sites to be viable to develop (or, if already built up, viable to maintain) for employment uses. But for economic

[7] NPPG – 3-030-20140306
[8] DCLG (2012) National Planning Policy Framework (para 160)
[9] Ibid (para 22)

uses, unlike housing, this requirement relates to the plan period as a whole; there is no requirement that sites be viable now or in the next five years [10].

2.17 The commercial property market works differently to the residential market. Consequently, the achievability of non-residential sites remains important but this requires a different method to the viability assessments which often suggest that speculative development for employment uses is not viable, because the open market value of the completed development would be below the cost of delivering it. The implication is that the development would not be worthwhile for an institutional investor. But for an owner-occupied or pre-let development, the same scheme may well be worthwhile. This may be because the property is worth more to the business than its open market price, for example because its location or other features are an especially good match to the requirements of a particular business. Such considerations cannot be captured in a standard viability appraisal, because they are specific to individual occupier businesses and individual sites.

2.18 The upshot is that many sites may be successfully developed for employment uses when a standard viability assessment would suggest that they are not viable for such development. Therefore, a standard viability assessment is not necessarily a helpful tool for predicting which sites will be successfully delivered in the future. To assess the prospects of individual sites, authorities use different evidence, comprising both market indicators and qualitative criteria.

2.19 In summary, non-residential development, including for employment uses, does not lend itself to standard viability assessment that is used for housing. There are two reasons for this. Firstly, the NPPF 2012 sets out specific requirements in relation to housing land supply that do not apply to other land uses. Secondly, non-residential property markets, including employment, work differently to housing markets, which is why this viability assessment report tests the impact of policies only on housing sites and not employment sites, with latter being considered through a separate exercise in the *Rother Employment Sites Review Background Paper* (Nov 2016) and the *Hastings and Rother Employment Strategy and Land Review Update* (Aug 2011).

National policy on affordable housing

2.20 In informing future policy on affordable housing, it is important to understand national policy on affordable housing. The NPPF 2012 states:

'To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should[11]:

Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);

[10] See NPPF 2012 (para 47)
[11] Ibid (para 50 and bullets)

Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and

Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time'.[12]

2.21 The NPPF 2012 accepts that in some instances, off site provision or a financial contribution of a broadly equivalent value may contribute towards creating mixed and balanced communities.

2.22 Finally, the NPPF 2012 recognises that market conditions change over time, and so when setting long term policy on affordable housing, incorporating a degree of flexibility is sensible to reflect changing market circumstances.

Affordable housing exemptions

2.23 In November 2014, the Government introduced an exemption policy for small housebuilders (defined as developments of 10 dwellings or fewer and which have a maximum combined gross floorspace of no more than 1,000 sqm; or for designated rural areas under Section 157 of the Housing Act 1985, a lower threshold of 5 units or less) to exclude them from paying s106 and contribute to affordable housing. Following the West Berkshire District Council & Anr v The Secretary of State for Communities and Local Government, C1/2015/2559 High Court ruling this was later quashed (May 2015). However, in May 2016, the Government won a legal challenge against this, meaning that this threshold was to be upheld and is now in the NPPG [13].

NPPF (July 2018)

2.24 The revised National Planning Policy Framework was published on 24 July 2018 and sets out the government's planning policies for England and how these are expected to be applied.

2.25 NPPF 2018 paragraph 8 makes very clear that sustainable development needs to be achieved in part by:

"…ensuring that sufficient land of the right types is available in the right places and at the right time to support growth"

2.26 In plan-making the NPPF 2018 is clear at paragraph 20 that strategic policies need to:

"…set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision[14] for:

a) housing (including affordable housing), employment, retail, leisure and other commercial development;…"

[12] Ibid (p13, para 50)
[13] Paragraph: 031 Reference ID: 23b-031-20161116
[14] In line with the presumption in favour of sustainable development.

2.27 In preparing plans, paragraph 31 of the NPPF 2018 states that…

"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."

2.28 Specifically, this report is seeking to comply with the NPPF 2018 paragraph 67, which states that there needs to be (our emphasis is included):

"Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability."

2.29 In doing so the following sites need identifying:

"a) specific, deliverable sites for years one to five of the plan period; and

b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan."[15]

2.30 The NPPF 2018 considers the issue of viability at paragraph 57, which is worth noting in full:

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

2.31 The statement in the NPPF 2018 paragraph 57 raises two points of specific relevance to this assessment. Firstly, it establishes a default position that policies within up to date local plans are deliverable. Secondly, if there is a case for a policy to not apply because of delivery issues, then it is up to the applicant to demonstrate why this is the case. Regarding the latter point, the NPPF 2018 refers any viability assessment of an application site to follow the national planning guidance covering viability, which sets out some key principles of how development viability should be considered in planning practice and provides recommendations for standardised inputs.

2.32 In maintaining a deliverable supply of sites, the NPPF 2018 at paragraph 73 notes:

[15] NPPF 2012 (para 67).

"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement"

Planning Practice Guidance

2.33 The National Planning Practice Guidance (PPG), as updated at July 2018 provides guidance on viability testing for plan making and decision making. This includes highlighting the underlying principles of the need for viability in planning. In relation to this,

"The role for viability assessment is primarily at the plan making stage. 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."[16]

2.34 A 'collaborative' approach is sought by the PPG involving both the development industry and local authorities, with transparency of evidence being encouraged where possible. Similarly, a 'consistent approach' is sought when assessing the impact of planning obligations on development viability.

2.35 In relation to viability in decision taking, the PPG states that:

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage."[17]

2.36 However, it is the planning authority that can decide whether there is a case for varying their policy requirements based on the following circumstances including:

"…whether the plan and viability evidence underpinning the plan is up to date, any change in site circumstances since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment."[18]

2.37 In doing so, the planning authority needs to

"…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."[19]

2.38 The PPG sets out the government's recommended approach to viability assessment for planning. Importantly, in defining viability it states that a residual land value after costs are deducted from revenue, should be based on:

[16] PPG Viability Paragraph: 002 Reference ID: 10-002-20180724
[17] Ibid para: 007 Reference ID: 10-007-20180724
[18] Ibid para: 008 Reference ID: 10-008-20180724
[19] Ibid para: Reference ID: 10-010-20180724

"…the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements."[20]

National Space Standards for Housing

2.39 The Government published 'Technical Housing Standards – Nationally Described Space Standard' (NSS) in March 2015. The NSS replaces the existing different space standards used by local authorities. It is not a building regulation and remains solely within the planning system as a new form of technical planning standard.

2.40 The NSS deals with the internal space of new dwellings and sets out the requirement for Gross Internal Area (GIA). GIA is defined as the total floor space measured between the internal faces of perimeter walls. The standard is organised by number of bedrooms; number of bed spaces; number of storeys and provides an area for built-in storage. The minimum space standards shown in Table 1 in the Technical Standards Guide, as copied in **Appendix C** of this report which considers this in more detail.

2.41 The NSS states that the minimum prescribed GIA:

'…will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required to accommodate increased circulation and functionality to meet the needs of wheelchair households.'[21]

2.42 The criteria for meeting accessible homes and wheelchair user homes categories, are now included within Building Regulations as *Category M2 (Accessible and adaptable dwellings)* and *Category M3 (wheelchair user dwellings)*.

National Policy on Infrastructure

2.43 The NPPF 2012 requires local planning authorities to demonstrate that infrastructure will be available to support development:

'It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand district-wide development costs at the time Local Plans are drawn up.'[22]

2.44 It is not necessary for local planning authorities to identify all future funding of infrastructure when preparing planning policy. The NPPF 2012 states that standards and policies in Local Plans should '*facilitate development across the economic cycle*,'[23] suggesting that in some circumstances it may be reasonable for a local planning authority to argue that viability is likely to improve over time, that policy

[20] Ibid para: 013 Reference ID: 10-013-20180724
[21] Para 9, Technical Housing Standards, CLG (Mar 2015)
[22] DCLG (2012) National Planning Policy Framework (p42, para 177)
[23] Ibid (p42, para 174)

costs may be revised, that some infrastructure is not required immediately, and that mainstream funding levels may recover.

Summary

2.45 The NPPF 2012 requires councils to ensure that they '*do not load*' policy costs onto development if it would hinder the site being developed. The key point is that policy costs will need to be balanced so as not to render a development unviable but should still be considered sustainable. NPPF 2018 continues to emphasise the importance of deliverable plans and viability at plan making stage. It (and associated guidance) also helpfully introduces a range of definitions and assumptions that should be used when expressing the viability picture.

2.46 The infrastructure needed to support the plan over time will need to be planned and managed. Plans should be backed by a thought-through set of priorities and delivery sequencing that allows a clear narrative to be set out around how the plan will be delivered (including meeting the infrastructure requirements to enable delivery to take place). This assessment confines itself to the question of development viability. It is for other elements of the evidence base to investigate the other ingredients in the definition of deliverability (i.e. location, infrastructure and prospects for development).

3 Local Policy Impacts on Viability

Introduction

3.1 To identify the implications of local policies on development viability, the cumulative policy requirements within existing and draft plans covering Rother district to identify those that may have a cost implication and hence an impact on viability. Key planning policy relevant to this study is in two parts: Rother Local Plan Core Strategy (adopted September 2014) and the Draft Development and Site Allocations DaSA.

3.2 The policies have been assessed to determine whether there is likely to be a cost implication over and above that required by the market to deliver the defined development. For those policies where there will be, or could be, a cost implication, a broad assessment of the nature of that cost has been considered later in **Chapter 5** of this report.

Local Plan Policies

3.3 A review of the Rother Local Plan Core Strategy and the DaSA policy's impact on development is provided in **Table 3.1** and **Table 3.2** using a 'traffic light' system. A green colour indicates the assessed policy is assumed to have no cost to the development, therefore negating a need to test; amber indicates either no impact or a slight impact able to be addressed through design with little bearing on viability; and red means that the policy would have some bearing on the viability of sites and should be included when assessing the potential residential sites viability.

Table 3.1 Viability Policy Matrix for the Rother Core Strategy

3.4 Key to 'policy cost implication' colour coding:

Unlikely to have any significant impact

May have an impact so needs to be considered and possibly tested

Expected to have an impact and will need to be tested

Table 3.1 Viability Policy Matrix for the Rother Core Strategy

Policy	Impact	Nature of impact on development
Policy PC1 Presumption in Favour of Sustainable Development		
Policy OSS1 Overall Spatial Development Strategy		
Policy OSS2 Use of Development Boundaries		
Policy OSS3 Location of Development		
Policy OSS4 General Development Consideration		
Policy BX1 Overall Strategy for Bexhill		
Policy BX2 Bexhill Town		

Policy	Impact	Nature of impact on development
Centre		
Policy BX3 Development Strategy		
Policy HF1 The Hastings Fringes		
Policy RY1 Policy Framework for Rye and Rye Harbour		
Policy BA1 Policy Framework for Battle		
Policy RA1 Villages		
Policy RA2 General Strategy for the Countryside		
Policy RA3 Development in the Countryside		
Policy RA4 Traditional Historic Farm Buildings		
Policy SRM1 Towards a Low Carbon Future		The policy sets out the Council's strategy towards energy. However, it is understood that this policy is likely to be replaced by policy DRM3 of the DaSA and therefore is not tested.
Policy SRM2 Water Supply and Wastewater Management		
Policy CO1 Community Facilities and Services		
Policy CO2 Provision and Improvement of Healthcare Facilities		
Policy CO3 Improving Sports and Recreation Provision		Application of the Open Space Standards set out in the OSSR - direct provision on sites or financial contributions towards sites. This is allowed for as a potential s106 cost that has informed the testing.
Policy CO4 Supporting Young People		
Policy CO5 Supporting Older People		
Policy CO6 Community Safety		
Policy LHN1 Achieving Mixed and Balanced Communities		The policy has the following implications for viability testing: a) It requires that development be of a size, type and mix that reflect current and projected need locally. The supporting text references the SHMA indicating that "household growth suggests that new households are likely to occupy broadly equal proportions of 1, 2 and 3+ bedroom homes". b) In rural areas, provide a mix of housing sizes and types, with at least 30% 1 and 2 bed dwellings (being mostly 2 bed) c) The policy seeks to contribute to a balance of 65%

Policy	Impact	Nature of impact on development
		social/affordable and 35% intermediate tenures respectively. d) The supporting text also outlines an appropriate mix for new social/affordable rented units of: i). 10-30% 1 bed properties ii). 30-50% 2 bed properties iii). 20-30% 3 bed properties iv). 20-30% 4 + bed properties This has informed the tested typologies.
Policy LHN2 Affordable Housing		Though this policy sets out the requirements for affordable housing in Rother, it is understood that this policy is proposed to be replaced by policy DHG1 of the DaSA and is therefore not tested.
Policy LHN3 Rural Exception Sites		Although this policy sets out the requirements for exception site policy in Rother, it is understood that this policy is to be replaced by policy DHG2 of the DaSA and is therefore Policy LHN3 is not tested.
Policy LHN4 Sites for Wholly or Substantially Affordable Housing		
Policy LHN5 Sites for the Needs of Gypsies and Travellers		
Policy LHN6 Gypsies, Travellers and Travelling Showpeople Criteria		
Policy EC1 Fostering Economic Activity and Growth		
Policy EC2 Business Land and Premises		
Policy EC3 Existing Employment Sites		
Policy EC4 Business Activities Elsewhere Within the District		
Policy EC5 Support for Key Sectors		
Policy EC6 Tourism Activities and Facilities		
Policy EC7 Retail Development		
Policy EN1 Landscape Stewardship		
Policy EN2 Stewardship of the Historic Built Environment		
Policy EN3 Design Quality		
Policy EN4 Management of the Public Realm		
Policy EN5 Biodiversity and Green Space		The policy seeks to: Ensure that development retains, protects and enhances habitats of ecological interest, including

Policy	Impact	Nature of impact on development
		ancient woodland, water features and hedgerows, and provides for appropriate management of these features; Require developers to integrate biodiversity into development schemes by avoiding adverse impacts from development on biodiversity or habitat, or where wholly unavoidable, provide appropriate mitigation against or compensation for any losses. In any event, developers will also be expected to consider and promote opportunities for the creation and/or restoration of habitats appropriate to local context. Such potential mitigations and/or enhancements tend to be normal design costs within most developments, and is therefore considered to be covered by professional fees in all developments plus any capital expenditure is within the opening up site costs for larger scale (50+ units) developments.
Policy EN6 Flood Risk Management		
Policy EN7 Flood Risk and Development		
Policy TR1 Management and Investment in Strategic Accessibility		
Policy TR2 Integrated Transport		
Policy TR3 Access and New Development		
Policy TR4 Car Parking		
Policy IM1 Monitoring Framework		
Policy IM2 Implementation and Infrastructure		
Policy IM3 Phasing of Development		

3.5 As indicated in **Table 3.1** some policies in the Core Strategy are to be superseded with policies in the DaSA, if adopted. A review of the draft DaSA policies has been carried out with aid of the Council in **Table 3.2.**

Table 3.2 Viability Policy Matrix for the topic policies in the draft DaSA at September 2018

Policy	Impact	Nature of impact on development
Policy DRM1: Water Efficiency		New dwellings will adhere to the standard 110 litres/per day/per person. This policy impact is considered within **Chapter 5** of this report.
Policy DRM2: Renewable Energy		Proposals for low carbon and renewable energy schemes, including community-led initiatives, will be supported where they accord with other polices in the Plan.

Policy	Impact	Nature of impact on development
Policy DRM3: Energy Requirements		Proposed developments of more than 100 dwellings or 10,000sqm of non-residential floorspace should demonstrate that due regard has been had to energy efficiency. While there may be additional costs in meeting this policy, it is not a requirement on development to implement standards for reducing energy beyond applicable building regulations. Therefore, this policy is not considered to impose on developments in Rother district unless on a voluntary basis by developers choosing to do so.
Policy DCO1: Retention of Sites of Social or Economic Value		
Policy DCO2: Equestrian Development		
Policy DHG1: Affordable Housing		The affordable housing requirement is considered as: Bexhill & Hastings Fringes: 30% on-site AH on sites of 15 or more Battle: 35% on-site AH on sites of 10 or more Rye: 30% on-site AH on sites of 10 or more Rural Areas: in High Weald AONB, 40% on-site AH on sites of 6 or more Rural Areas: 40% on-site AH on sites of 10 or more This policy is considered in **Chapter 5** and tested in **Chapter 6** in this report.
Policy DHG2: Rural Exception Sites		In exceptional circumstances allows small scale residential development outside development boundaries and allows for the minimum amount of market housing to enable the delivery of a site.
Policy DHG3: Residential Internal Space Standard		The Council adopts the Government's nationally-described space standard. All new dwellings (including converted flats) should provide adequate minimum internal space in line with the standard. This policy is considered in **Chapter 5** and tested in **Chapter 6** in this report.
Policy DHG4: Accessible and Adaptable Homes		The policy requires all new dwellings to meet M4: Category 2 – Accessible and Adaptable Dwellings. Where there is an identified need on the Housing Register, sites that provide affordable housing in line with Policy DHG1, are, as part of the affordable housing requirement, expected to provide 5% of the total housing requirement to meet M4: Category 3 - Wheelchair Accessible Dwellings. This applies based on stepped thresholds so that one M4(Cat 3) unit is provided per every 20th unit on a scheme. This policy is considered in **Chapter 5** and tested in **Chapter 6** in this report.
Policy DHG5: Housing for Older People		Supports specialist housing in suitable locations.

Policy	Impact	Nature of impact on development
Policy DHG6: Self-build and Custom Housebuilding		On sites of 20+ dwellings, provision for 5-10% of serviced plots should be made available for self and custom builders. There is demand for such units, as demonstrated by the RDC register for self and custom builders, so it is unlikely that this would represent a notable cost on development. Not least because the policy allows the land set aside to revert back to the developers should there be insufficient market demand for these units after twelve months of marketing. It may also be the case that custom and self build developers may afford a premium above the normal land value to reflect the gain from bespoke developments and because these plots are CIL exempt. For these reasons, and for the intention that this appraisal is high level, the policy has been assumed as being cost neutral within Rother district.
Policy DHG7: External Residential Areas		(i) Private External Space. For dwellings with two or more bedrooms, private rear garden spaces of at least 10 metres in length will normally be expected. In relation to flat developments and complexes, an appropriate level of usable communal amenity space should be provided. (ii) Car parking and cycle storage - provision should be made in accordance with Core Strategy Policy TR4. (iii) Waste and Recycling. Sufficient bin storage and collection points must be provided on all new residential developments and changes of use. These design considerations are typical for development and considered to be covered by average build costs plus externals.
Policy DHG8: Extensions to Residential Gardens		
Policy DHG9: Extensions, Alterations and Outbuildings		
Policy DHG10: Residential Annexes		
Policy DHG11: Boundary Treatments		
Policy DHG12: Accesses and Drives		
Policy DEC1: Shopfronts and Advertising		
Policy DEC2: Holiday Sites		
Policy DEC3: Existing Employment Sites and Premises		
Policy DEN1: Maintaining Landscape Character		
Policy DEN2: The High Weald Area of outstanding Natural Beauty (AONB)		

Policy	Impact	Nature of impact on development
Policy DEN3: Strategic Gaps		
Policy DEN4: Biodiversity and Green Space		Development proposals should support the conservation of biodiversity and multi-functional green spaces and where possible biodiversity gains should be achieved. This is allowed for as a potential s106 cost that has informed the testing.
Policy DEN5: Sustainable Drainage		Drainage should be considered as an integral part of the development design process. Within the Pevensey Levels Hydrological Catchment Area, SuDS designs should incorporate at least two stages of suitable treatment, unless demonstrably inappropriate. Such potential mitigations and/or enhancements tend to be normal design costs within most developments, and is therefore considered to be covered by professional fees in all developments plus any capital expenditure is within the opening up site costs for larger scale (50+ units) developments.
Policy DEN6: Land Stability		Ensures that development is not proposed on unstable land (unless remedial measures are in place). In Fairlight, soakaway drains are not permitted, in Pett Level surface water runoff should be no more than greenfield rates. Such potential mitigations and/or enhancements tend to be normal design costs within most developments, and is therefore considered to be covered by professional fees in all developments plus any capital expenditure is within the opening up site costs for larger scale (50+ units) developments, or by reduction in the average benchmark land value.
Policy DEN7: Environmental Pollution		
Policy DIM1: Comprehensive Development		
Policy DIM2: Development Boundaries		

4 Local Market Overview

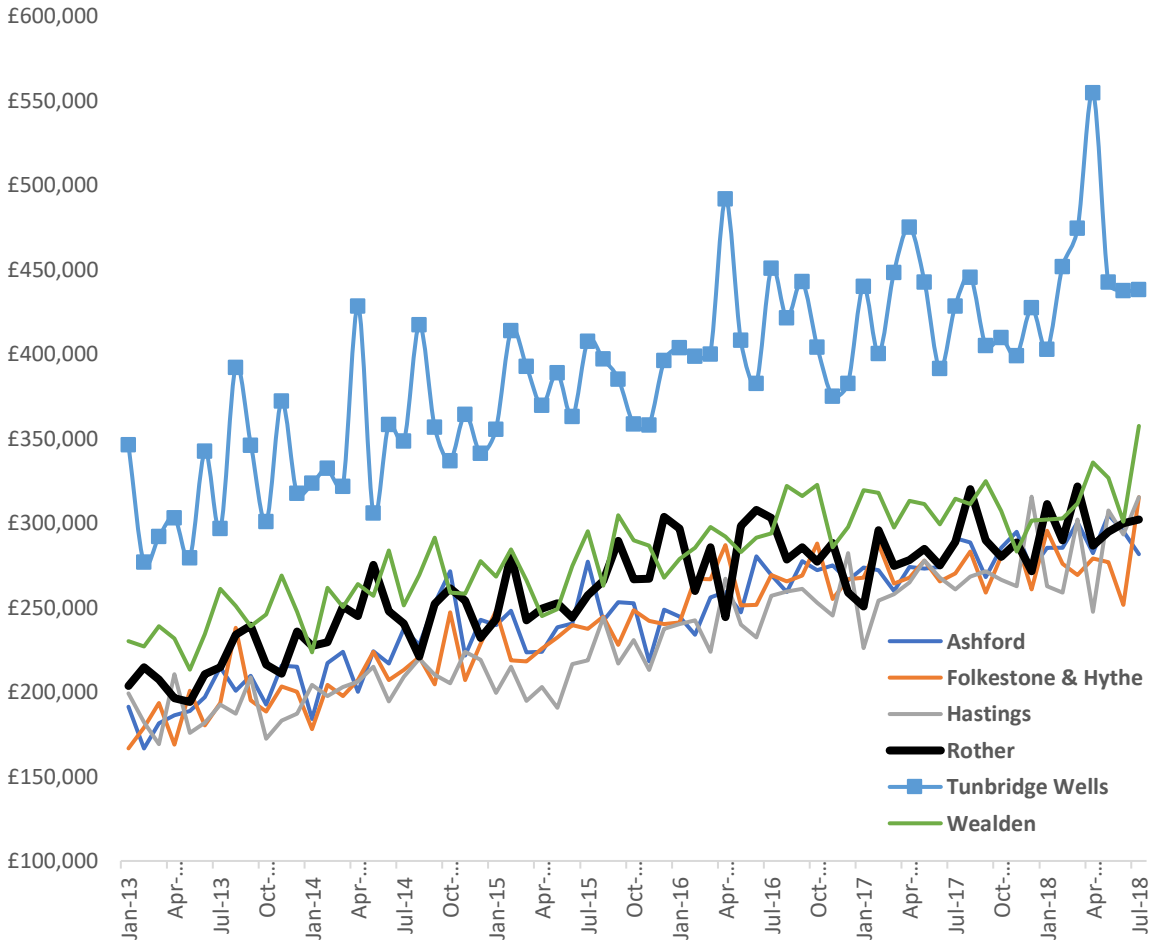
Introduction

4.1 This chapter provides a summary of the development context and market conditions within Rother district and surrounding authority areas. This information is used to inform the residential testing assumptions presented in the following chapter.

Residential Market Overview

4.2 Using data of actual residential sales transactions from the Land Registry, **Figure 4.1** compares the average semidetached sales price (of both new and existing units) since January 2013 to July 2018 in Rother and neighbouring areas, to provide a broad indication of price trends in the area. This shows Rother, consistently, to have the comparably high average residential sales behind Tunbridge Wells and Wealden. For semidetached houses in Rother, **Figure 4.1** shows a large price increase from £200,000 to almost £300,000 at the end of the period, with much of this growth seen at the start of the recent period, in 2013 and 2014.

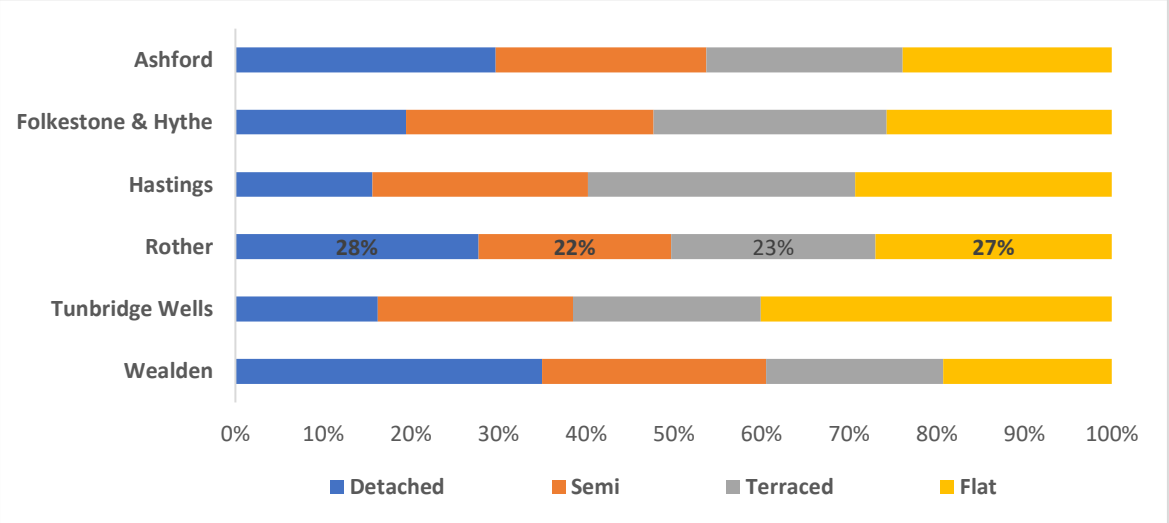
Figure 4.1 Trend in average sales price of semidetached (new and existing) residential units



Source: Land Registry

4.3 Focussing on new properties only sold in the same period January 2013 to July 2018, from **Figure 4.2** it can be seen an almost equal quantum of dwelling types were sold, with detached accounting for the most at 28% and semi-detached accounting for the least at 22%. Such preferences are similar, though perhaps not as stark, to other neighbouring locations, except for Wealden and Tunbridge Wells. Though imperfect, analysis of the types of dwellings sold over previous years can provide some indication as to the types of property likely to be preferred in the future.

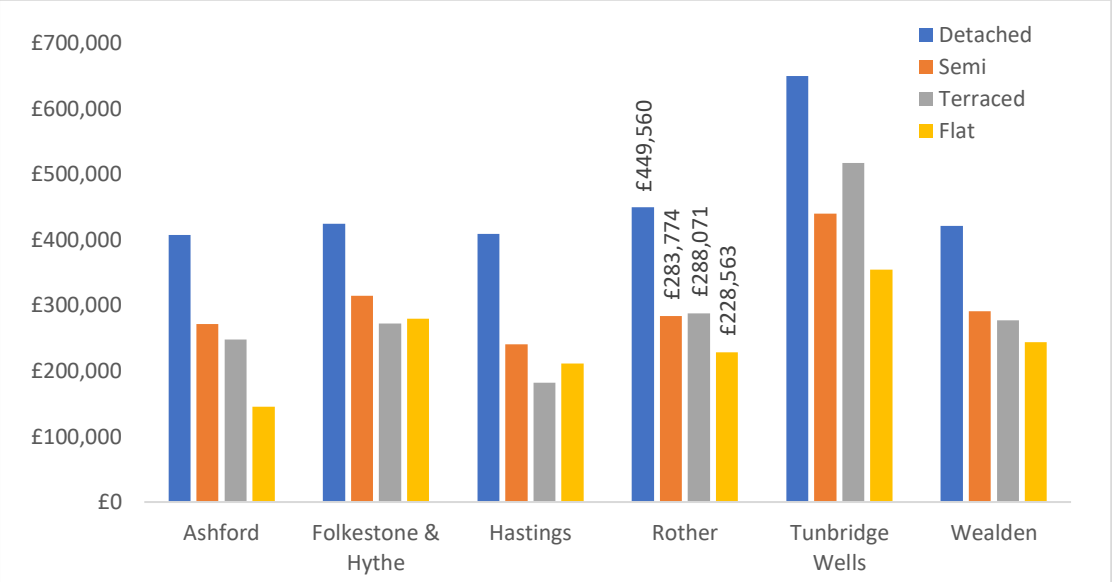
Figure 4.2 Proportion of sales of new residential unit by type sold between Jan-13 and Jul-18



Source: Land Registry

4.4 **Figure 4.3** shows the average sales price for the same new properties sold between January 2015 and July 2018 by different property types. As identified from **Figure 4.1**, sales values in Tunbridge Wells are significantly higher than other neighbouring areas. Excluding Tunbridge Wells, values in Rother show some similarity with the other authorities. **Figure 4.3** indicate that detached and terraced appear to outperform neighbouring areas, whereas flats appear slightly lower. Several authorities show a similarity in average values between semi-detached, terraced and, to a lesser degree, flats. For instance, the average price for a semi-detached and terraced properties in Rother is almost identical, with the price of flats not too far behind.

Figure 4.3 Average residential unit sale values in Rother & neighbouring areas, Jan'15 - Jul'18

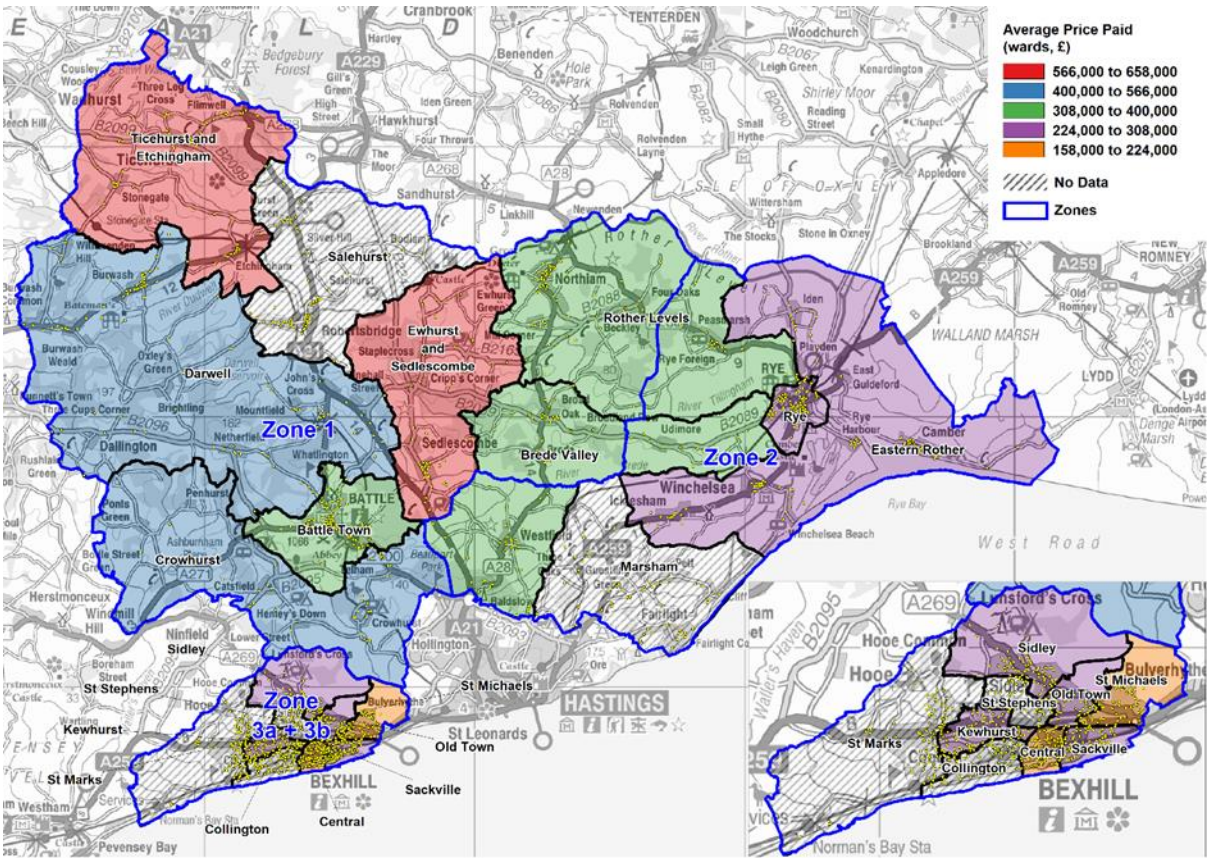


Source: Land Registry

Sales Values within Rother District

4.9 Land Registry data of transactions of all unit types, both existing and new, averaged to postcode sector within the district and sold between January 2013 and July 2018 are shown in the form of 'heatmaps' in **Figures 4.5**.

Figure 4.5 Spread of average prices for new and existing residential properties



Source: Land Registry

4.5 This exercise is important for Plan testing as clearly defined locations where there are significantly different sales values could necessitate a requirement for different policies. Also, based on where development is likely to take place and the value area analysis in this section, it is possible to match broad value areas with the Council's CIL charging zones, which tend to differ based on different values being achieved across the district. These value zones will provide part of the basis for constructing site 'typologies' by different values areas in the next chapter.

4.6 The value areas used for high level testing are categorised as:

- Zone 1: Rural West
- Zone 2: Rural East
- Zone 3a: Bexhill Urban
- Zone 3b: Bexhill Fringe

Sales values per square metre (sqm)

4.7 Land Registry data is useful in providing the average sales value of a property but does not consider the size of the property. For instance, it would be reasonable to assume that, all things being equal, larger properties attract higher values than smaller ones. It is also reasonable to assume that property sizes are likely to be larger, in general, in rural areas compared to their urban counterparts. Therefore, to provide a better comparison, it is important to gain an understanding of likely sales values per square metre values.

4.8 By using Land Registry data of new properties and obtaining the corresponding floorspace for each property from their Energy Performance Certificate (EPC), it is possible to derive an achieved per square metre sales value. In doing so, 346 new build transactions sold between January 2012 to June 2018 in Rother district have been assessed. These are listed in **Appendix D**. In some instances, the sample size for new houses is relatively low and therefore 4,251 existing residential unit transactions have been added to the sample to help derive robust per sqm values within local areas.

4.9 Since the data goes back to January 2012, the sale price for each transaction has been indexed from the date they were sold to June 2018 (at the time of the report, this was the latest available) using the Land Registry House Prince Index (HPI) for Rother. Below, they have been categorised into the broad value areas identified in the previous section.

Table 4.1 Average per sqm values for residential units at June 2018 prices

	No. of transactions				Average values			
Values areas	**New houses**	**Existing houses**	**New flats**	**Existing flats**	**New houses**	**Existing houses**	**New flats**	**Existing flats**
Zone 1: Rural West	71	1027	0	60	£3,840	£3,659	No data	£2,426
Zone 2: Rural East	117	732	15	81	£3,531	£3,353	£3,515	£2,785
Zone 3a: Bexhill Urban	103	926	28	585	£3,086	£2,686	£3,761	£2,125
Zone 3b: Bexhill Fringe	10	639	2	201	Limited data	£3,188	Limited data	£2,563

Source: Land Registry

5 Viability Assumptions

Introduction

5.1 It is not always possible to get a perfect fit between a site, the site profile and cost/revenue categories, however in the spirit of Harman, a best fit approach is used. For this, the viability testing requires a series of assumptions about site typologies, the site coverage and floorspace mix to generate an overall sales turnover and value of land, which along with values and costs assumptions are discussed here for residential testing.

Residential Site Typologies

5.2 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period:

'No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'[24]

5.3 Indeed, the Report also acknowledges that a:

'…plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks.[25]

5.4 The list of sites shown in **Table 5.1** have been provided by the Council. They are informed by their view of what is likely to be delivered within Rother over the plan period. Although determined by the characteristics of known developments sites, the typologies are hypothetical, which allows the assessment to deal efficiently with the very high level of detail that would otherwise be generated by an attempt to viability test each site.

Table 5.1 Tested residential typologies

Ref	Typology	Gross area (ha)	Net area (ha)	Density (dph)
1	500 unit Bexhill Strategic Site – Urban	27.40	16.67	30
2	150 unit Bexhill Fringe – Brownfield	7.47	5.00	30
3	150 unit Bexhill Fringe – Greenfield	7.47	5.00	30
4	40 unit Bexhill Urban – Greenfield	1.79	1.33	30
5	30 unit Bexhill Urban – Greenfield	1.31	1.00	30
6	15 unit Bexhill Urban – Brownfield	0.41	0.33	45

[24] Local Housing Delivery Group (2012), op cit (para 15)
[25] Ibid (para 18)

Ref	Typology	Gross area (ha)	Net area (ha)	Density (dph)
7	15 unit Rural East – Brownfield	0.41	0.33	45
8	15 unit Rural East – Greenfield	0.62	0.50	30
9	40 unit Rural East – Brownfield	1.19	0.89	45
10	40 unit Rural East – Greenfield	1.79	1.33	30
11	6 unit Rural East – Brownfield	0.13	0.13	45
12	6 unit Rural East – Greenfield	0.20	0.20	30
13	40 unit Rural West – Greenfield	1.79	1.33	30
14	15 unit Rural West – Brownfield	0.41	0.33	45
15	15 unit Rural West – Greenfield	0.62	0.50	30
16	6 unit Rural West – Brownfield	0.13	0.13	45
17	6 unit Rural West – Greenfield	0.20	0.20	30
18	4 unit Bexhill Fringe – Brownfield	0.09	0.09	45
19	4 unit Bexhill Fringe – Greenfield	0.13	0.13	30
20	1 unit Bexhill Fringe – Garden land	0.03	0.03	30
21	4 unit Bexhill Urban – Brownfield	0.09	0.09	45
22	4 unit Bexhill Urban – Greenfield	0.13	0.13	30
23	1 unit Bexhill Urban – Garden land	0.02	0.02	40
24	4 unit Rural East – Brownfield	0.09	0.09	45
25	4 unit Rural East – Greenfield	0.13	0.13	30
26	1 unit Rural East – Garden land	0.03	0.03	30
27	4 unit Rural West – Brownfield	0.09	0.09	45
28	4 unit Rural West – Greenfield	0.13	0.13	30
29	1 unit Rural West – Garden land	0.03	0.03	30

Site coverage and area

5.5 For establishing site land values, assumptions about the likely number of units and saleable floorspace of the dwellings are required, with total sales turnover increased by greater coverage. But housing needs to be serviced by roads for instance, and for larger developments, land is required for public open space, strategic landscaping, community buildings, employment and possibly schools.

5.6 The gross area of the site allows for the provision of non-residential land uses normally associated with larger sites, which generally support no direct revenue to the development. Also, residential land values are normally traded and reported on a per net hectare basis, since it is only this area that delivers a saleable return and is therefore valued. For the residential typologies, the gross area to net (developable) area used in each typology is shown in **Table 5.1**. This is calculated based a formula which increases the amount of gross to net site area with each additional unit on sites above 0.4 hectare.

5.7 The site densities of units per net developable hectare (ha) for each typology in **Table 5.1** range from 30 to 45 dwellings per ha. These have been informed by the Council based on their knowledge of previous developments within Rother and expectation for future developments.

Site mix

5.8 The required average housing mix of future sites is set out in the adopted Core Strategy 'Policy LHN1 Achieving Mixed and Balanced Communities'. For market rented homes there is a requirement for units to reflect current and projected local need. The supporting policy text notes that, according to the Strategic Housing Market Area (SHMA) Report providing a recommendation on future mix, this is likely to be broadly reflect equal proportions of dwelling types. For affordable units, the policy gives a clearer breakdown of the proportions of units required, as discussed in **Chapter 3**. The tested site mix based on the SHMA is shown in **Table 5.2**.

Table 5.2 Tested residential unit type mix

	1-2 bed flat	2 bed house	3 bed house	4+ bed house
Open market units – 40-45 dph	10%	40%	25%	25%
Affordable units – 40-45 dph	20%	40%	40%	0%
Open market units – 30 dph		33.3%	33.3%	33.3%
Affordable units – 30 dph		43.8%	43.8	12.5%

Source: Derived from Council consultation and Policy LHN1 of the adopted Core Strategy Policy

Size of units

5.9 An audit of new properties sold within the district, as discussed in **Chapter 4** and listed in **Appendix D**, identifies the following average unit sizes of new houses in Rother:

- Detached: 138 sqm (from a sample of 103 transactions)
- Semi-detached: 89 sqm (from a sample of 94 transactions)
- Terraced: 102 sqm (from a sample of 104 transactions)
- Flats: 68 sqm (from a sample of 45 transactions)

5.10 The analysis of EPC records indicates that the average size of properties sold within Rother have tended to be large. This is supported by feedback from developers (in **Appendix B**).

5.11 The DaSA has a policy DHG3 for future development to comply with the minimum National Space Standards (NSS) for residential developments. Since these space standards cover a range of sizes according to differing numbers of bedrooms, numbers of storeys and numbers of residing persons, an average of the minimum sizes for homes based on bedroom numbers has been calculated in **Table 5.3**. This has been derived through interpretation of the Technical housing standards – nationally described space standard, in **Appendix C** of this report.

5.12 A comparison of the recent new build sizes based on EPC records, as summarised above, with the minimum NSS in **Table 5.3**, implies that typical new builds in Rother are already meeting above this standard. If anything, the sizes in Rother tend to be closer to the minimum standards for the higher Building Regulations standard for accessible homes defined at M4 (Category 2) homes, which is also shown in **Table 5.3**, and has been derived through interpretation of the Technical housing standards

in **Appendix C** of this report. For this reason, the tested unit sizes reflect the sizes shown for M4 (Cat 2) units.

Table 5.3 Tested floorspace assumptions for NSS, M4(Cat 2) & M4(Cat 3) units in sqm

	1-2 bed flats (NIA)	*1-2 bed flats (GIA)*	2 bed house (GIA)	3 bed house (GIA)	4+ bed house (GIA)
NSS	*55*	*63*	75	93	117
M4(Cat 2)	*58*	*67*	83	105	126

Source: Derived from NSS Technical Standards (see **Appendix C** in this report)

5.13 Note that two floor areas are used for flatted schemes: the Net Internal Area (NIA) for calculating the sales revenue and the Gross Internal Area (GIA) that applies a further 15% for shared /circulation space for estimating overall build costs of a flatted development.

Development scheme phasing

5.14 The scale of build out is assumed based on a modelled formula which proportionally speeds the delivery of units based on the size of the scheme. Such model parameters are reflected in **Table 5.4**.

Table 5.4 Tested build out rates

No. of units in a scheme	Build out rate		No. of units per month	No. of units per year
	Months	Years		
1	13	1	0.08	1
10	16	1	0.61	7
100	32	3	3.13	38
500	69	6	7.27	87

5.15 The testing model also assumes that there is a six-month lag period between the build and sale throughout the cashflow. It is important to note that these rates are used for the cashflow modelling mechanics to allow for cashflow calculation over the full development lifetime.

Residential Values and Costs Assumptions

Sales values

5.16 Current residential revenues and other viability variables are obtained from a range of sources, as discussed in **Chapter 4**. These include:

- Land Registry, which provides a wealth of transactional data for a local area for new and re-sale properties;
- Property websites, such as Rightmove, provide a snapshot of values of properties currently on the market, including new build properties and their respective floorspace sizes which is used to derive a sales value per square metre; and
- Direct research with developers and agents operating in the area.

5.17 Based on these sources of information and the analysis in **Chapter 4**, the likely average sales values per square metre by different value areas across Rother, which

are used for testing open market sales in the viability assessment, are shown in **Table 5.5**.

5.18 For flatted development, a single rate of £3,600 per sqm has been adopted across all value areas.

5.19 The Bexhill strategic site lies on the border of Zone 3a Bexhill Urban and Zone 3b Bexhill Fringe and, for this reason, a midpoint between the two value zones has been used to derive a sales value for this typology.

Table 5.5 Tested average Open Market residential sales value, per sqm

Value area	Houses	*Flats*
Zone 1: Rural West	£3,850	
Zone 2: Rural East	£3,550	
Zone 3a: Bexhill Urban	£3,050	£3,600
Zone 3b: Bexhill Fringe	£3,350	
Bexhill Strategic site	£3,125	

Build costs

5.20 Residential build costs are taken from tender prices for new builds in the market place over a 15-year period from the Build Cost Information Service (BCIS), which is published by the Royal Institution of Chartered Surveyors (RICS). The data is based on the third quarter 2018 prices and rebased to local (Rother district) average values using BCIS tender price adjustments. The tested build costs are shown in **Table 5.6**.

Table 5.6 Tested build costs for Rother at Q3 2018 tender prices

Build cost type	Cost per sqm	BCIS category
Flats / apartments	£1,558	Flats (apartments) Generally (median values)
Houses with 1 to 3 units (small builder/selfbuild)	£1,636	One-off housing (median value)
Houses (medium house builder 4 to 50 units)	£1,338	Estate housing – Generally (median value)
Houses (large house builder 51+ units and above)	£1,177	Estate housing – Generally (lower quartile value)

Source: BCIS

5.21 Since many smaller and medium sized developers of houses are usually unable to attain the same economies as larger builders, their construction costs may be higher as shown in **Table 5.6**, and a median figure is used. For mid-sized developments, with 14 to 50 units, which tend to better reflect the BCIS tender sample, the median average build cost for estate housing is used.[26] Whereas, volume and regional house builders are able to operate within the median cost figures comfortably, especially

[26] BCIS cost data is largely informed by tendered prices for schemes with fewer than 10 units, and is heavily weighted towards 1 to 5 units schemes. As such this median cost may not show the benefits of economies of scale when building larger schemes, and therefore is likely to be higher than the true average build cost. But for the purposes of this study, we err on the side of caution.

given that they are likely to achieve significant economies of scale in the purchase of materials and the use of labour.[27]

5.22 It should also be noted that these build costs are exclusive of external works, fees, contingencies, VAT and finance charges, plus other revenue costs. These additional costs are discussed below.

Other development costs

External works

5.23 This input incorporates all additional costs associated with the site curtilage of the built area. These include garages and garden spaces; incidental landscaping costs including trees and hedges, soft and hard landscaping; estate roads and connections to the strategic infrastructure such as sewers and utilities.

5.24 The external works variable has been set at a rate of 15% of build cost.

Professional fees

5.25 This input incorporates all professional fees associated with the build, including fees for planning, designs, surveying, project managing, etc. Professional fees will typically range between depending on the complexity of sites and scheme costs. An allowance of 8% of build cost plus externals is therefore included in the viability testing.

Contingency

5.26 The above assumed costs may be lower or higher when they are realised, however it is normal to build in contingency based on the risk associated with higher costs. The contingency is applied at 4% of build cost plus externals.

Opening-up site costs

5.27 On greenfield sites there is usually a requirement for opening costs such as site service installations and strategic infrastructure like spine roads, drainage and public open space, etc. While such costs within smaller schemes are minor costs and likely to be absorbed within the 15% Externals addition, this is less likely to be the case on bigger scheme. Hence, **Table 5.7** provides different assumptions by size of scheme, to identify any specific site infrastructure costs.[28]

Table 5.7 Tested opening costs on Greenfield sites

No. of units per scheme	Cost per unit
Sites between 50 and 199 units	£5,000
Sites between 200 and 499	£10,000
Sites over 500 units	£15,000

[27] Again, evidence from the BCIS sample suggests that schemes with more than 10 or more units will be built at the average for the lower quartile of building cost tender prices recorded by BCIS, with costs decreasing with the larger the number of units being built.

[28] Note that some strategic infrastructure like highway improvements, may already be paid for separately through CIL and/or S106/278 charges.

5.28 Developing brownfield sites represent different risk in opening costs, such as site demolition of existing buildings and remediation, which can vary significantly in associated costs depending on the site's specific characteristics. Based on high-level ready reckoners from the HCA (former Homes England)[29] for demolition and land remediation costs, an allowance of £150,000 per net ha is added to the costs associated with residential developments on brownfield sites.

5.29 It is not necessary to include abnormal/exceptional costs in strategic viability studies because all sites are different and such costs can have a wide variation of impact but also would normally only affect a minority of sites. For this reason, it is difficult to account for abnormal costs across all sites in a strategic study. Instead, where there are such site-specific abnormal costs then this would should be reflected in the contingency applied to the scheme, as noted above, or by reducing the land price.

5.30 However, where abnormal/exceptional costs regularly apply, such as the need for enhanced foundation costs in areas with unstable ground, then these costs should be reflected in the costs of building homes and therefore normalised within the assumed build costs taken from BCIS.

Land purchase costs

5.31 The land value (discussed later) needs to reflect surveying and legal costs to a developer in the acquisition of land and the development process. From discussions with developers and agents, in addition to the information about them in the Harman Report (2012), these costs are tested at the rates shown in **Table 5.8** as industry standard rates.

5.32 Also, a Stamp Duty Land Tax is payable by a developer when acquiring development land, which is applied to the residual valuation at a percentage cost based on the HM Customs & Revenue variable rates against the site (residual) land value.

Table 5.8 Tested land purchase costs

Land purchase costs	Rate	Unit
Surveyor's fees	1.00%	land value
Legal fees	0.75%	land value
Stamp Duty Land Tax	HMRC rate	land value

Sales fees

5.33 The Gross Development Value (GDV) on open market housing units needs to reflect additional sales cost relating to the disposing of the completed residential units. This will include legal, agents and marketing fees generally at the rate of 3% of the open market unit GDV, which is based on industry accepted scales established from discussions with developers and agents.

5.34 For affordable units, a legal fee cost of £600 per unit has been adopted for transfer units to Registered Providers.

[29] HCA Guidance on dereliction, demolition and remediation costs (2015).

Finance

5.35 The viability appraisals calculate the interaction of costs and values for each site, subject to a monthly cashflow (see additional detail below about delivery scheme phases) based on the current cost of borrowing and the risk associated with the current economic climate and the near-term outlook and associated implications for the housing market. A typical rate of finance cost at 5.5% per annum is applied to residential schemes.

Developer profit

5.36 The developer's profit is the expected and reasonable level of return that a private developer would expect to achieve from a specific development scheme. Some developers indicated that this should be up to 22% (in **Appendix B**). However, from experience elsewhere, including appraisals that the Council have reviewed locally, a standard profit of 17.5% of open market residential sales value, which also allows for internal central overheads is tested. This is at the middle of the range set out in national guidance[30] and reflects the strength of the development market in Rother. However, to consider the impact of different risks in relation to bringing sites forward, a sensitivity test of the cumulative policies in the draft DaSA at 15% and 20% profit on market units is shown in **Appendix E**.

5.37 For the affordable housing element, because they will have some, albeit lower, risks to the developer, the testing assumes a lower 6% profit margin of affordable housing transfer value for the private house builders. This is in the mid-range of the profit mark-up identified through the consultations. This is on a nil grant basis.

Proposed Policy Costs

5.38 For testing the impact of policies in the draft DaSA that are considered to impact on the viability of future housing delivery, cost assumptions have been assessed for cumulative burden of S106 mitigation costs for generic policies such as open space, sustainable development, access standards and affordable housing. Each is considered in this section.

Community Infrastructure Levy

5.39 The Council adopted a CIL Charging Schedule, which was formally implemented on the 4th April 2016. The charging schedule set out a charge for the five value zones tested (Zone 1: Rural West, Zone 2: Rural East, Zone 3a: Bexhill Urban, Zone 3b: Bexhill Rural and Zone 3c: Bexhill – Strategic Urban Extension (SUE)).

5.40 CIL regulations require the adopted CIL rates to be indexed with current build cost prices using the BCIS all in tender price index. The current CIL rates are understood to be:

- Zone 1 Rural West: £219.64 per CIL liable sqm
- Zone 2 Rural East: £148.25 per CIL liable sqm
- Zone 3a Bexhill Urban: £54.91 per CIL liable sqm

[30] PPG Paragraph: 018 Reference ID: 10-018-20180724

- Zone 3a Bexhill Fringe: £186.69 per CIL liable sqm;
- Zone 3c Bexhill SUE: £82.36 per CIL liable sqm.

5.41 CIL is applied to the chargeable floorspace within the viability appraisals of the site typologies, except for the single unit typologies where CIL would only apply to floorspace over 100 sqm.

S106 site mitigation costs

5.42 Where applicable, there is an expectation for a s106 contribution of £1,700 per unit to cover the potential financial contributions for on-site and off-site mitigation costs through a lawful tariff. This figure has been taken from a sample of 13 past agreements between April 2015 and March 2018, many of which are predating the adoption of a CIL charge and relate specifically to specific highways work and tariff contributions for things like open space and education. The maximum figure (excluding any S106 off-site affordable housing contributions) was less than £4,500 per unit.

5.43 This average is only for sites with an s106 agreement, which has been on major schemes with more than 10 units. According to the Council, with the introduction of CIL, it is likely that they will secure a s106 only from major sites. Therefore the £1,700 per unit is only tested on typologies above 10 units.

Policy DRM1: Water efficiency

5.44 As noted in **Chapter 3**, through the draft DaSA policies DRM1 to DRM3, the Council is seeking higher sustainable development principles. As a minimum, residential development will need to comply with the energy performance standards set in the Building Regulations. The Council has also opted for the higher standard for water efficiency. For information, based on a recent report by the Carbon Trust for the City of York Council, who are also seeking a similar standard policy for reduced water use, the Carbon Trust identified in **Table 5.9** that this would incur minor additional costs on a development. Evidence in the DCLG Housing Standards Review Cost Impacts (Sept 2014) also closely align with these estimates. Based on this evidence, then since the water cost is likely to cost less than £50 per unit, it is treated as de-minimis and therefore is not tested.

Table 5.9 Water efficiency costs

Policy	Per unit 'process' cost to developer			Per unit build costs			
	Small scheme (5 homes)	Medium scheme (50 homes)	Large scheme (100 homes)	Flats	2-bed	3-bed	4-bed
Water policy: 110 litres per person per day	£37	£6	£6	£6	£6	£9	£9

Source: Carbon Trust estimates based on Climate Change section of the City of York PDRC 2018

Policy DHG4: Accessible and adaptable dwellings

5.45 The draft DaSA requires all units to be built in accordance with Building Regulations Part M4 (Cat 2) for adaptable and accessible homes, with the exception that for apartments this applies only to the ground floor flat. The policy also includes a

requirement that on sites subject to deliver affordable housing, a further 5% of the all units would be required meet M4(Cat 3), subject to identified need on the Housing Register.

5.46 The DCLG Housing Standards Review Cost Impacts (Sept 2014) report for M4 (Cat 2) and M4 (Cat 3) identifies the average costs for upgrading a home, which are summarised in **Table 5.10**. These extra-over costs and have informed the testing of DHG4 accessible homes policy in **Chapter 6**. Note that since M4(Cat2) standard applies only to ground floor flats, it is assumed that flats are typically built at around three to four storey apartment blocks and therefore the M4 (Cat 2) £924 per flat adaption cost is cost spread across all units per floor at £300 per flat, and the M4 (Cat 3) £7,906 per flat adaption cost is cost spread across all units per floor at £2,500 per flat.

Table 5.10 Tested extra-over adaption costs in meeting Building Regulation Access Standards

Unit type	Category type	Cost
House	Cat 2	£521
Flat	Cat 2	£924 – reduced to £300*
House	Cat 3	£22,694
Flat	Cat 3	£7,906

*The reduction reflects the policy that only a ground floor flat is required to meet this standard.
Source: Derived from the DCLG Housing Standards Review Cost Impacts (Sept 2014)

5.47 In meeting this policy, there might also be an increase in floorspace above the minimum national space standards to accommodate such specialised categories of homes. The extra sizes would be likely to generate an increase in the build costs without additional value.

5.48 In **paragraphs 5.9** and **5.10**, it was noted that new build housing in Rother district have, on average, been exceeding the minimum sizes for the prescribed NSS and more closely resemble the floorspace sizes requirements for building to Building Regulation M4 (Cat2) homes designed for wheelchair access and lifetime living, as summarised earlier in **Table 5.3**. Therefore, no additional build cost is assumed for meeting the M4(Cat 2) standard. But in accordance with the DHG4 policy, at every 20th unit on a scheme one unit is assessed as meeting M4(Cat 3) standard, and therefore will incur costs for additional floorspace required to meet the standards. The additional build cost is applied to the different in build sizes between the minimum M4(Cat 3) and the minimum M4(Cat 2). These differences are shown in **Table 5.11**. Also, the extra-over adaption costs per unit listed in **Table 5.10** will apply.

Table 5.11 Tested additional floorspace for M4(Cat 3) units, in sqm

	1-2 bed flats (NIA)	***1-2 bed flats (GIA)***	**2 bed house (GIA)**	**3 bed house (GIA)**	**4+ bed house (GIA)**
M4 (Cat 3)	*0*	*13.5*	21	22	28

Source: Derived from NSS Technical Standards (see **Appendix C** in this report)

5.49 This impact of this policy forms one of the policy layers tested in **Chapter 6**.

DHG1: Affordable housing

5.50 Policy DHG1 of the draft DaSA states a requirement for the following affordable housing:

- Bexhill & Hastings Fringes: 30% on-site AH on sites of 15 or more
- Battle: 35% on-site AH on sites of 10 or more
- Rye: 30% on-site AH on sites of 10 or more
- Rural Areas in High Weald AONB: 40% on-site AH on sites of 6 or more
- Rural Areas: 40% on-site AH on sites of 10 or more

5.51 All typologies with affordable housing are tested with the following affordable housing tenure mix as set out in the adopted Core Strategy Policy LHN1 Achieving Mixed and Balanced Communities:

- 65% affordable rented; and
- 35% intermediate/shared ownership.

5.52 The testing assumes that affordable housing sales will command a transfer value to a Registered Provider at lower than market rates. The indicative values used for testing, which are shown in **Table 5.12**, have been informed by the feedback from developers (in **Appendix B**) and wider discussions with Registered Providers about typical transfers prices.[31]

Table 5.12 Tested transfer values of different affordable housing tenures

Affordable housing tenure	Rate	Unit
Affordable rent	50%	Of market value
Intermediate/shared ownership	70%	Of market value

Benchmark Land Value Assumptions

5.53 It is standard practice for area-wide viability studies to compare the residual value of schemes tested against a benchmark land value (BLV). This approach is also advocated within the revised PPG guidance published in 2018, as discussed within the policy section in **Chapter 2**. Where the residual value exceeds the benchmark, a scheme is said to be viable and where it falls below the benchmark, it is not viable. BLVs therefore play a central role in viability studies but with limited guidance on how they should be determined.

5.54 PPG paragraph: 013 Reference ID: 10-013-20180724 sets out the principles that area wide viability studies should follow when taking land values into account:

'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

[31] It should be noted that the broadening of the affordable housing definitions in the revised NPPF (2018) is likely to have a positive increase on current transfer values and these changes have not been reflected here.

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+).'

5.55 Benchmark land value should:

- be based upon existing use value
- allow for a premium to landowners (including equity resulting from those building their own homes)
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and
- be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. 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 BLVs using non-policy compliant developments are not used to inflate values over time.

5.56 PPG goes on to define a 'premium' for a landowner as being:

'…reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements'

5.57 The benchmark land values should therefore both reflect existing and anticipated policy requirements and planning obligations, and be informed by comparable market evidence, which may or may not have anticipated policy requirements.

5.58 Advice for Planning Practitioners is like that contained within the PPG and states:

'We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values...).'

5.59 Advice for Planning Practitioners also notes that reference to market values can still provide a useful 'sense check' on the benchmark values that are being used for testing, but it is not necessarily recommended that these are used as the basis for the input to a model. Therefore, land value benchmarks used to test plan policies can be less than the value at which land is being traded in the market. This point was highlighted in the London Mayoral CIL examiner's report (also from 2012) which, sets out important principles in the treatment of benchmark land values

'Finally the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for

contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges'.

5.60 Recent RICS research also highlights the drawback in using market evidence to set land value benchmarks:

'If market value is based on comparable evidence without proper adjustment to reflect policy compliant planning obligations, this introduces a circularity, which encourages developers to overpay for sites and try to recover some or all of this overpayment via reductions in planning obligations'.

5.61 More recent guidance in London is also consistent with these views, stating that:

'The Mayor considers that the 'Existing Use Value plus' (EUV+) approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used.' Para 3.47

Setting benchmark land values

5.62 The above review of guidance indicates the preference for benchmark land values in plan making should be that based on the existing value of a site plus an uplift to provide an incentive to the landowner.

5.63 The appropriate scale of the uplift is not set out in any of the current guidance. There is a wide range of site-specific variables which will affect the level of uplift required (e.g. does the landowner require a quick sale?). However, for a strategic study, where the land values on future individual sites are unknown, a pragmatic approach is required.

5.64 Some guidance on the appropriate scale of the uplift on existing use value is found in two earlier reports.

5.65 The Homes and Communities Agency (former Homes England) guidance for its Area Wide Viability Model[32] states that in relation to the required premium above existing use value (EUV):

'Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value'. (page 9)

5.66 Another report in 2011, undertaken for the Department for Communities and Local Government[33], suggested that a premium of 25% over existing use value was required to bring forward industrial land for redevelopment. Therefore, the use of a premium above existing use values would seem justified.

5.67 As experienced for this study and similar studies elsewhere, data on land transactions is not substantial. However, a review of land that has sold on the market in Rother and wider sub region of Sussex and west Kent and previously

[32] HCA (2010), Area Wide Viability Model, Annex 1 Transparent Viability Assumptions
[33] DCLG (2011), Cumulative impacts of regulations on house builders and landowners Research paper, prepared by Turner Morum.

accepted values within the previously examined CIL evidence and appraisals submitted as part of a planning application has been undertaken.

5.68 The Rother CIL economic viability assessment used residential typology (net) benchmark land values as follows:

- Bexhill - £700,000 to £850,000 per net ha
- Rural/towns (outwith Bexhill) – circa £1,000,000 per net ha

5.69 Whilst these net hectare (ha) values are not directly comparable as, for example, they do not specifically vary according to land type, i.e. greenfield and brownfield, they do provide a useful sense check.

5.70 The council has also reviewed viability appraisals that have been submitted to inform discussions on s106. The information received from the council suggests that the value for commercial land in areas outside of Bexhill range from £365,000 - £432,000 per ha.

5.71 Market transactions regarding prices paid for greenfield/agricultural land, tends to be about £20,000 to £25,000 per gross hectare (ha). This is in line with the MHCLG (former DCLG) Land value estimates for policy appraisal (2017) figure of £22,500 per ha for agricultural land in the South East of England. With this starting base, the required uplift to incentivise putting the site forward for residential use would typically be up to 10 to 20 times the EUV, as informed by the HCA. Since the premium is influenced by likely outcome of value, different premiums, ranging between 15 and 20 times EUV are assumed between the different areas within Rother, as shown in **Table 5.12**. Note **Table 5.11** is the BLV by gross hectares. Net values, as shown in the results, will be higher where net area is less than gross area – for example the net benchmark land value at Bexhill urban extension would be around £700,000 per net hectare.

5.72 Market transactions regarding existing use prices paid for brownfield commercial land range from very low-quality land at £61,000 per hectare up to just over £1m per hectare in prime areas. The higher values are normally achieved within urban areas due to the better access to workers, customers and infrastructure.

5.73 The HCA study[34] notes that benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. Since the premium is influenced by likely outcome of value, different premiums, ranging between 1.10 and 1.30 times EUV are assumed between the different areas within Rother, to bring forward such sites for alternative uses, including residential, as shown in **Table 5.13**.

5.74 The tested benchmark land values for greenfield and brownfield non-residential land are shown in **Table 5.13**.

[34] Ibid.

Table 5.13 BLV for greenfield and brownfield non-residential land

Location	Existing land use	EUV	Premium	BLV (i.e. EUV+) Gross
Bexhill Urban	Agricultural/greenfield	£25,000	15	£375,000
	Brownfield non-residential	£660,000	1.25	£925,000
Bexhill Fringe/ Urban extn	Agricultural/greenfield	£25,000	17	£425,000
	Brownfield non-residential	£660,000	1.30	£962,000
Rural East	Agricultural/greenfield	£25,000	20	£500,000
	Brownfield non-residential	£450,000	1.25	£781,250
Rural West	Agricultural/greenfield	£25,000	20	£500,000
	Brownfield non-residential	£450,000	1.30	£812,500

5.75 Garden land sites are normally extensions of existing residential sites, and therefore for such site typologies a different formula is applied based on the industry rule of thumb, where a development site provides one-third of the cost of a new home for the land, one third is the building and one third is the developer's profit. However, in more recent time, and in line with the planning system approach to seeking land uplift capture where sites have no planning permission for housing, the landowner's willingness to develop is a fraction of the achievable gross development value. With this appraisal, the BLV is assumed at 10% of the gross development value of the price of a 4 bed house (using the values and sizes in this report) within the local area, as shown in **Table 5.14.**

5.76 The tested land values for Garden land sites are shown in Table **5.14**.

Table 5.14 BLV for Garden land sites

Value area	Price of a 4 bed unit	% for land	BLV per plot	BLV per net ha (rounded)
Bexhill Urban	£384,300	10%	£41,535	£1,150,000
Bexhill Fringe/Urban extn	£422,100	10%	£50,523	£1,270,000
Rural East	£447,300	10%	£53,818	£1,340,000
Rural West	£485,100	10%	£59,895	£1,460,000

6 Development Appraisal: Results

Introduction

6.1 This chapter reviews the viability assessment findings of the cumulative burden of the Rother Local Plan Core Strategy and the draft DaSA policies to identify and assess the risk of delivery on future housing development within Rother district.

6.2 Each typology site has been subjected to a viability appraisal in terms of the achievability of complying with the Core Strategy and DaSA policies based on identifying whether sites are likely to be viable or not. Policy costs are considered through adding policy 'layers' to the viability assessments for judging the cumulative impact of these policies on the site viability results. The tested policy layers include:

- Policy layer 1 – the baseline includes standard development assumptions with no policy requirements other than the adopted CIL rates;
- Policy layer 2 – includes policy layer 1 plus an S106 contribution at £1,700 per unit within sites with 11 or more units;
- Policy layer 3 – includes policy layer 2 plus the impact of all units within all sites complying with access standards M4(Cat 2) and 5% of all units for all sites with 20+ units complying with M4(Cat 3) access standards.
- Policy layer 4 – includes policy layer 3 plus applicable affordable housing requirements as proposed in the DaSA.

Viability Testing Results

6.3 Example full appraisal sheets for calculating the residual land value per net hectare at the 500 unit Bexhill Strategic Urban extn and the 6 unit Rural East - Brownfield typologies at full policy position is shown in **Appendix A**. This presents the appraisal approach to estimating the residual land value per net hectare that has been applied to all the typology appraisals using the assumptions in **Chapter 5** and policy layering testing in **Chapter 6**, but excluding the cashflow breakdown.

6.4 The viability results for each tested site typology at the different cumulative policy layers are summarised in **Table 6.1** and **Table 6.2**. This uses a 'traffic light' system, as follows:

- Green colour means that the development is viable with financial headroom that could be used for further planning gain;
- Amber is marginal in that they fall within a 20% range (i.e., 10% above or below) around the benchmark land value;
- Red colour means that a viable position may not be reached if required to be policy compliant and all other assumptions such as land value remain unchanged; and
- A grey colour indicates the policy test to not be applicable to a typology.

6.5 The viability results of the cumulative policy layers 1 to 3 testing are shown in **Table 6.1**. To test different affordable housing requirements proposed in the DaSA on sites where there would be a requirement for affordable housing, the viability results for Policy layer 4 is summarised in **Table 6.2**.

Table 6.1 Viability of typology sites under cumulative policy layers

	Typology/Sites	Policy layer 1: With CIL	Policy layer 2: Policy Layer 1 + s106	Policy layer 3: Policy layer 2 + access standards
1	500 unit Bexhill Strategic Urban extn			
2	150 unit Bexhill Fringe - Brownfield			
3	150 unit Bexhill Fringe - Greenfield			
4	40 unit Bexhill Urban - Greenfield			
5	30 unit Bexhill Urban - Greenfield			
6	15 unit Bexhill Urban - Brownfield			
7	15 unit Rural East - Brownfield			
8	15 unit Rural East - Greenfield			
9	40 unit Rural East - Brownfield			
10	40 unit Rural East - Greenfield			
11	6 unit Rural East - Brownfield			
12	6 unit Rural East - Greenfield			
13	40 unit Rural West - Greenfield			
14	15 unit Rural West - Brownfield			
15	15 unit Rural West - Greenfield			
16	6 unit Rural West - Brownfield			
17	6 unit Rural West - Greenfield			
18	4 unit Bexhill Fringe - Brownfield			
19	4 unit Bexhill Fringe - Greenfield			
20	1 unit Bexhill Fringe - Garden land			
21	4 unit Bexhill Urban - Brownfield			
22	4 unit Bexhill Urban - Greenfield			
23	1 unit Bexhill Urban - Garden land			
24	4 unit Rural East - Brownfield			
25	4 unit Rural East - Greenfield			
26	1 unit Rural East - Garden land			
27	4 unit Rural West - Brownfield			
28	4 unit Rural West - Greenfield			
29	1 unit Rural West - Garden land			

Table 6.2 Viability of typology sites under cumulative policy layers (**Policy layer 4**)

	Typology/Sites	Bexhill & Hastings Fringes:	Battle:	Rye:	Rural Areas in High Weald AONB:	Rural Areas:
		30% AH on sites of 15+ units	35% AH on sites of 10+ units	30% AH on sites of 10+ units	40% AH on sites of 6+ units	40% AH on sites of 10+units
1	500 unit Bexhill Strategic Urban extn					
2	150 unit Bexhill Fringe - Brownfield					
3	150 unit Bexhill Fringe - Greenfield					
4	40 unit Bexhill Urban - Greenfield					
5	30 unit Bexhill Urban - Greenfield					
6	15 unit Bexhill Urban - Brownfield					
7	15 unit Rural East - Brownfield					
8	15 unit Rural East - Greenfield					
9	40 unit Rural East - Brownfield					
10	40 unit Rural East - Greenfield					
11	6 unit Rural East - Brownfield					
12	6 unit Rural East - Greenfield					
13	40 unit Rural West - Greenfield					
14	15 unit Rural West - Brownfield					
15	15 unit Rural West - Greenfield					
16	6 unit Rural West - Brownfield					
17	6 unit Rural West - Greenfield					

6.6 The viability results from testing cumulative policy layers 1 to 4 in **Table 6.1** and **Table 6.2** show that, based on current market conditions and the development assumptions set out in **Chapter 5**, nearly all the tested site typologies would be able to meet the cumulative policy requirements set out in the draft DaSA. No sites were identified as being unviable at full policy, but two typologies are on the cusp of being either viable or unviable.

6.7 The marginal site includes the 1 unit Bexhill Urban - Garden land sites, which fails to be deliverable based on the tested assumptions noted in Chapter 5, and as such the policy requirements within the draft DaSA do not change that outcome. Also, under

the full cumulative policy layer 4, the 15 unit Bexhill Urban - Brownfield site is only marginally viable, albeit with a positive uplift beyond the benchmark land value, although at less than 10%.

6.8 For the two marginal typologies, there may well be particular circumstances of acquisition / ownership which would mean that their expected return (profit) or benchmark value is different, and such sites may be developable over the Plan period subject to changes in market conditions or some flexibility in planning policies. For example, the results from sensitivity testing different profit levels in **Appendix E** showed that both sites turn green, i.e. if the developer profit was reduced to 15% on the open market units they would be fully viable at full policy (i.e., policy layer 3 or 4 if affordable housing applies). Similarly, if the developers are only investing if profits are at 20% on the open market units, then both sites would be deemed unviable, and two further site typologies (the 1 unit Bexhill Fringe - Garden land and the 150 unit Bexhill Fringe – Brownfield) become marginally viable. But in context, the larger sites often require lower marginal profit to drive investment, and therefore little weight should be afforded to the 150 unit Bexhill Fringe – Brownfield scheme being only marginal at 20% profit.

6.9 Overall, the results are very positive in that the bulk of sites likely to come forward within the Plan period are assumed to be able to meet the full policy requirements of the DaSA.

7 Conclusions

7.1 The final stage of this viability assessment is to draw broad conclusions on whether the DaSA is deliverable in terms of viability. But before doing so, it is important to note that this document is a theoretical exercise and is for informing and not for setting policy or land allocation. Other evidence needs to be carefully considered before policy is set and land allocations are made.

7.2 With that in mind, and solely based on the exercise of viability testing, then based on the broad spectrum of likely sites to come forward to support the aims of the DaSA, the evidence would suggest that the DaSA policy requirements are deliverable. As such, their requirements on the delivery of future housing sites in Rother district is not expected to put at risk the delivery of the DaSA.

7.3 However, the findings do show that some typologies are more viable under full policy requirements than others, as would be expected. Also, the tested sites are typologies, reflecting the broad spectrum of likely sites, so there may be circumstances where costs are higher or values are not achieved. It is therefore recommended that plan policy remains flexible in applying standards to ensure a fully deliverable plan. This may include, for example, policy wording in the Plan to enable a consistent approach to be applied to the consideration of viability issues associated with development proposals for introducing flexibility in affordable housing developer contributions or meeting access standards, etc.

Appendix A
Example Site Appraisals

NOTE: The following appraisal has been prepared in line with the RICS valuation guidance. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

500 unit Bexhill Strategic Urban extn typology at full policy position – Policy Layer 4

500 unit Bexhill St	Bexhill Strategic Si	500	Units

ITEM									TIMING	
				Residual Value			Technical Checks:			
Net area (ha)	16.67	Greenfield	Bexhill Fringe/Urban extn - Agricu	£1,203,743	per net ha		Sqm/ha	3,080		
Stamp Duty	Commercial land						Dwgs/ha	30		
							Units/pa	88		
	Private	Affordable	Starter Homes	Social rent	Affordable ren	Intermediate	GDV=Total costs	-		
Nr of units	350.00	150.00	0.00	0.00	97.50	52.50			Start	Finish

1.0	**Development Value**									
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.1.1		Flats (NIA)	0.00	58	0	£3,600	£0	**Jul-19**	**Mar-25**	
1.1.2		2 bed house	116.67	83	9,683	£3,125	£30,260,417	Jul-19	Mar-25	
1.1.3		3 bed house	116.67	105	12,250	£3,125	£38,281,250	Jul-19	Mar-25	
1.1.4		4+ bed house	116.67	126	14,700	£3,125	£45,937,500	Jul-19	Mar-25	
			350.0		36,633					
1.5	**Starter Homes**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.5.1		Flats (NIA)	0.00	58	0	£2,880	£0	Jul-19	Mar-25	
1.5.2		2 bed house	0.00	83	0	£2,500	£0	Jul-19	Mar-25	
1.5.3		3 bed house	0.00	105	0	£2,500	£0	Jul-19	Mar-25	
1.5.4		4+ bed house	0.00	126	0	£2,500	£0	Jul-19	Mar-25	
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.2.1		Flats (NIA)	0.00	58	0	£1,440	£0	Jul-19	Mar-25	
1.2.2		2 bed house	0.00	83	0	£1,250	£0	Jul-19	Mar-25	
1.2.3		3 bed house	0.00	105	0	£1,250	£0	Jul-19	Mar-25	
1.2.4		4+ bed house	0.00	126	0	£1,250	£0	Jul-19	Mar-25	
			-		-					
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.3.1		Flats (NIA)	0.00	58	0	£1,800	£0	Jul-19	Mar-25	
1.3.2		2 bed house	42.66	83	3,540	£1,563	£5,531,982	Jul-19	Mar-25	
1.3.3		3 bed house	42.66	105	4,479	£1,563	£6,998,291	Jul-19	Mar-25	
1.3.4		4+ bed house	12.19	126	1,536	£1,563	£2,399,414	Jul-19	Mar-25	
			97.5		9,555					
1.4	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.4.1		Flats (NIA)	0.00	58	0	£2,520	£0	Jul-19	Mar-25	
1.4.2		2 bed house	22.97	83	1,906	£2,188	£4,170,264	Jul-19	Mar-25	
1.4.3		3 bed house	22.97	105	2,412	£2,188	£5,275,635	Jul-19	Mar-25	
1.4.4		4+ bed house	6.56	126	827	£2,188	£1,808,789	Jul-19	Mar-25	
			52.5		5,145					
			-		-					
	Gross Development value						**£140,663,542**			
2.0	**Developer's Profit**									
2.1	Private units			17.5%	on OM GDV		£20,033,854	Mar-25	Apr-25	
2.1	Starter Home			10.0%	on Starter Home value		£0	Mar-25	Apr-25	
2.2	Affordable units			6%	on AH transfer values		£1,571,062.50	Mar-25	Apr-25	
	Total Developer's Profit						**£21,604,917**			
3.0	**Development Costs**									
3.1	**Sale cost**									
3.1.1	Private units only			3.00%	on OM GDV		£3,434,375	Jul-19	Mar-25	
3.1.2	Affordable units only			£600.00	per AH Unit		£90,000	Jul-19	Mar-25	
							£3,434,375			
3.2	**Build Costs**									
3.2.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**			
3.2.1.1		Flats (GIA)	0.00	67	0	£1,558	£0	Jan-19	**Sep-24**	
3.2.1.2		2 bed house	116.67	83	9,683	£1,177	£11,397,283	Jan-19	Sep-24	
3.2.1.3		3 bed house	116.67	105	12,250	£1,177	£14,418,250	Jan-19	Sep-24	
3.2.1.4		4+ bed house	116.67	126	14,700	£1,177	£17,301,900	Jan-19	Sep-24	
			350		36,633					
3.2.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**			
3.2.2.1		Flats (GIA)	0.00	67	0	£1,558	£0	Jan-19	Sep-24	
3.2.2.2		2 bed house	65.63	83	5,447	£1,177	£6,410,972	Jan-19	Sep-24	
3.2.2.3		3 bed house	65.63	105	6,891	£1,177	£8,110,266	Jan-19	Sep-24	
3.2.2.4		4+ bed house	18.75	126	2,363	£1,177	£2,780,663	Jan-19	Sep-24	
			150		14,700					
	CAT2 & CAT3 Costs			**Policy Req.**	**Additional floorspace**	**Cost per additional florspace**				
3.2.3	CAT2 Additional floorspace (Open market)			95%	0	£1,177	£0	Jan-19	Sep-24	
3.2.3	CAT2 Additional floorspace (Affordable)			95%	0	£1,177	£0	Jan-19	Sep-24	
3.2.3	CAT3 Additional floorspace (Open market)			5%	414	£1,177	£487,474	Jan-19	Sep-24	
3.2.3	CAT3 Additional floorspace (Affordable)			5%	167	£1,177	£196,964	Jan-19	Sep-24	
				Policy Req.	**Number of units**	**Cost per unit**				
3.2.3	CAT2 cost per house (Open Market)			95%	332.5	£521	£173,233	Jan-19	Sep-24	
3.2.3	CAT2 cost per house (Affordable)			95%	142.5	£521	£74,243	Jan-19	Sep-24	
3.2.3	CAT2 cost per flat (Open Market)			95%	0	£300	£0	Jan-19	Sep-24	
3.2.3	CAT2 cost per flat (Affordable)			95%	0	£300	£0	Jan-19	Sep-24	
3.2.3	CAT3 cost per house (Open Market)			5%	17.5	£22,694	£397,145	Jan-19	Sep-24	
3.2.3	CAT3 cost per house (Affordable)			5%	7.5	£22,694	£170,205	Jan-19	Sep-24	
3.2.3	CAT3 cost per flat (Open Market)			5%	0	£2,500	£0	Jan-19	Sep-24	
3.2.3	CAT3 cost per flat (Affordable)			5%	0	£2,500	£0	Jan-19	Sep-24	
	Total build costs			**500**			**£61,918,596**			

Cont'd

3.3	**Extra over construction costs**						
3.3.1	Externals	15%	extra-over on build cost		£9,287,789	Jan-19	Sep-24
3.3.2	Site abnormals (remediation/demolition)	£0	per net ha		£0	Jan-19	Nov-21
3.3.3	Site opening up costs	£15,000	per unit		£7,500,000	Jan-19	Nov-21
	Total extra over construction costs				**£16,787,789**		
3.4	**Professional Fees**						
3.4.1	on build costs (incl: externals)	8%			£5,696,511	Jan-19	Sep-24
	Total professional fees				**£5,696,511**		
3.5	**Contingency**						
3.5.1	on build costs (incl: externals)	4%			£2,848,255	Jan-19	Sep-24
	Total contingency				**£2,848,255**		
3.6	**Developer contributions**						
3.6.1	Environmental policies				£0	Jan-19	Sep-24
3.6.2	Sustainable Design	0.0%	build cost		£0	Jan-19	Sep-24
3.6.3	CIL	£82.36	per sqm		£3,051,232	Jan-19	Nov-21
3.6.4	S106/S278/AH contribution	£1,700	per unit		£850,000	Jan-19	Nov-21
3.6.5	-	£0	-			Jan-19	Sep-24
	Total developer contributions				**£3,901,232**		
	TOTAL DEVELOPMENT COSTS				**£94,586,759**		
4.0	**Site Acquisition**						
4.1	Net site value (residual land value)				£20,061,650	**Jan-19**	Nov-21
4.2	Stamp Duty				£0 992,582.50	Jan-19 Jan-19	Nov-21 Nov-21
4.3	Purchaser costs	1.75%	on land costs		£351,079	Jan-19	Nov-21
	Total site costs				**£21,405,311**		
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]				**£137,596,987**		
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				£3,066,555		
5.0	**Finance Costs**						
		APR		PCM			
5.1	Finance	5.50%	on net costs	0.447%	-£3,066,555		
	TOTAL PROJECT COSTS [INCLUDING INTEREST]				**£140,663,542**		

The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

End

6 unit Rural East - Brownfield typology at full policy position – Policy Layer 4

6 unit Rural East	Rural East	6 Units								
ITEM									TIMING	
			Residual Value			Technical Checks:				
Net area (ha)	0.13	Brownfield	Rural East - Brownfield non	£3,455,398	per net ha	Sqm/ha	4,500			
Stamp Duty	Commercial land					Dwgs/ha	45			
						Units/pa	5			
	Private	Affordable	Starter Homes	Social rent	Affordable rent	Intermediate	GDV=Total costs	-		
Nr of units	6.00	0.00	0.00	0.00	0.00	0.00			Start	Finish

1.0	**Development Value**								
1.1	**Private units**	**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**			
1.1.1	Flats (NIA)	0.60	58	35	£3,600	£125,280	**Jul-19**	**Oct-20**
1.1.2	2 bed house	1.80	83	149	£3,550	£530,370	Jul-19	Oct-20
1.1.3	3 bed house	1.80	105	189	£3,550	£670,950	Jul-19	Oct-20
1.1.4	4+ bed house	1.80	126	227	£3,550	£805,140	Jul-19	Oct-20
		6.0		600				
1.5	**Starter Homes**	**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**		
1.5.1	Flats (NIA)	0.00	58	0	£2,880	£0	Jul-19	Oct-20
1.5.2	2 bed house	0.00	83	0	£2,840	£0	Jul-19	Oct-20
1.5.3	3 bed house	0.00	105	0	£2,840	£0	Jul-19	Oct-20
1.5.4	4+ bed house	0.00	126	0	£2,840	£0	Jul-19	Oct-20
1.2	**Social rent**	**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**		
1.2.1	Flats (NIA)	0.00	58	0	£1,440	£0	Jul-19	Oct-20
1.2.2	2 bed house	0.00	83	0	£1,420	£0	Jul-19	Oct-20
1.2.3	3 bed house	0.00	105	0	£1,420	£0	Jul-19	Oct-20
1.2.4	4+ bed house	0.00	126	0	£1,420	£0	Jul-19	Oct-20
		-		-				
1.3	**Affordable rent**	**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**		
1.3.1	Flats (NIA)	0.00	58	0	£1,800	£0	Jul-19	Oct-20
1.3.2	2 bed house	0.00	83	0	£1,775	£0	Jul-19	Oct-20
1.3.3	3 bed house	0.00	105	0	£1,775	£0	Jul-19	Oct-20
1.3.4	4+ bed house	0.00	126	0	£1,775	£0	Jul-19	Oct-20
		-		-				
1.4	**Intermediate**	**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**		
1.4.1	Flats (NIA)	0.00	58	0	£2,520	£0	Jul-19	Oct-20
1.4.2	2 bed house	0.00	83	0	£2,485	£0	Jul-19	Oct-20
1.4.3	3 bed house	0.00	105	0	£2,485	£0	Jul-19	Oct-20
1.4.4	4+ bed house	0.00	126	0	£2,485	£0	Jul-19	Oct-20
		-		-				
		-		-				
	Gross Development value					**£2,131,740**		

2.0	**Developer's Profit**					
2.1	Private units	17.5%	on OM GDV	£373,055	Oct-20	Nov-20
2.1	Starter Home	10.0%	on Starter Home value	£0	Oct-20	Nov-20
2.2	Affordable units	6%	on AH transfer values	£0	Oct-20	Nov-20
	Total Developer's Profit			**£373,055**		
3.0	**Development Costs**					
3.1	**Sale cost**					
3.1.1	Private units only	3.00%	on OM GDV	£63,952	Jul-19	Oct-20
3.1.2	Affordable units only	£600.00	per AH Unit	£0	Jul-19	Oct-20
				£63,952		

3.2	**Build Costs**								
3.2.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**		
3.2.1.1		Flats (GIA)	0.60	67	40	£1,558	£62,351	Jan-19	**Apr-20**
3.2.1.2		2 bed house	1.80	83	149	£1,338	£199,897.20	Jan-19	Apr-20
3.2.1.3		3 bed house	1.80	105	189	£1,338	£252,882.00	Jan-19	Apr-20
3.2.1.4		4+ bed house	1.80	126	227	£1,338	£303,458.40	Jan-19	Apr-20
			6		605				
3.2.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**		
3.2.2.1		Flats (GIA)	0.00	67	0	£1,558	£0.00	Jan-19	Apr-20
3.2.2.2		2 bed house	0.00	83	0	£1,338	£0.00	Jan-19	Apr-20
3.2.2.3		3 bed house	0.00	105	0	£1,338	£0.00	Jan-19	Apr-20
3.2.2.4		4+ bed house	0.00	126	0	£1,338	£0.00	Jan-19	Apr-20
			-		-				
	CAT2 & CAT3 Costs			**Policy Req.**	**Additional floorspace**	Cost per additional florspace			
3.2.3	CAT2 Additional floorspace (Open market)			100%	0	£1,360	£0	Jan-19	Apr-20
3.2.3	CAT2 Additional floorspace (Affordable)			100%	0	£0	£0	Jan-19	Apr-20
3.2.3	CAT3 Additional floorspace (Open market)			0%	0	£1,360	£0	Jan-19	Apr-20
3.2.3	CAT3 Additional floorspace (Affordable)			0%	0	£0	£0	Jan-19	Apr-20
				Policy Req.	Number of units	**Cost per unit**			
3.2.3	CAT2 cost per house (Open Market)			100%	5.4	£521	£2,813	Jan-19	Apr-20
3.2.3	CAT2 cost per house (Affordable)			100%	0	£521	£0	Jan-19	Apr-20
3.2.3	CAT2 cost per flat (Open Market)			100%	0.6	£300	£180	Jan-19	Apr-20
3.2.3	CAT2 cost per flat (Affordable)			100%	0	£300	£0	Jan-19	Apr-20
3.2.3	CAT3 cost per house (Open Market)			0%	0	£22,694	£0	Jan-19	Apr-20
3.2.3	CAT3 cost per house (Affordable)			0%	0	£22,694	£0	Jan-19	Apr-20
3.2.3	CAT3 cost per flat (Open Market)			0%	0	£2,500	£0	Jan-19	Apr-20
3.2.3	CAT3 cost per flat (Affordable)			0%	0	£2,500	£0	Jan-19	Apr-20
	Total build costs		6				**£821,582**		

Cont'd

3.3	**Extra over construction costs**						
3.3.1	Externals	15%	extra-over on build cost		£123,237.32	Jan-19	Apr-20
3.3.2	Site abnormals (remediation/demolition)	£150,000	per net ha		£20,000	Jan-19	Aug-19
3.3.3	Site opening up costs	£0	per unit		£0	Jan-19	Aug-19
	Total extra over construction costs				**£143,237**		
3.4	**Professional Fees**						
3.4.1	on build costs (incl: externals)	8%			£75,586	Jan-19	Apr-20
	Total professional fees				**£75,586**		
3.5	**Contingency**						
3.5.1	on build costs (incl: externals)	4%			£37,793	Jan-19	Apr-20
	Total contingency				**£37,793**		
3.6	**Developer contributions**						
3.6.1	Environmental policies				£0	Jan-19	Apr-20
3.6.2	Sustainable Design	0.0%	build cost		£0	Jan-19	Apr-20
3.6.3	CIL	£148.25	per sqm		£89,724	Jan-19	Aug-19
3.6.4	S106/S278/AH contribution	£0	per unit		£0	Jan-19	Aug-19
3.6.5	-	£0	-			Jan-19	Apr-20
	Total developer contributions				**£89,724**		
	TOTAL DEVELOPMENT COSTS				**£1,231,874**		
4.0	**Site Acquisition**						
4.1	Net site value (residual land value)				£460,720	**Jan-19**	Aug-19
4.2	Stamp Duty				£0 £12,536	Jan-19 Jan-19	Aug-19 Aug-19
4.3	Purchaser costs	1.75%	on land costs		£8,063	Jan-19	Aug-19
	Total site costs				**£481,318**		
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]				**£2,086,247**		
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				£45,493		
5.0	**Finance Costs**						
		APR		PCM			
5.1	Finance	5.50%	on net costs	0.447%	-£45,493		
	TOTAL PROJECT COSTS [INCLUDING INTEREST]				**£2,131,740**		

The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

End

Appendix B

Developer Stakeholder Responses and Questionnaire

Stakeholder Consultation Feedback

In our experience, developers are always happy to explain where the market is at, what is going on and why. Therefore, a questionnaire (as shown below) was sent to 15 national, regional and local developers and three local Registered Providers who are known to have either developed, have developed or may soon be developing, residential units in Rother district. This included the following companies:

- National developers: Barratt David Wilson, Bovis Homes, The Park Lane Group, Matthew Homes, Persimmon, Churchill Retirement Living and Taylor Wimpey;
- Regional developers: Millwood Designer Homes, Asprey Homes, Michael Hartnett Executive Homes and Quantum Homes Limited;
- Local developers: AMI Structural Ltd, Gem Select and Elphick Developments; and
- Registered Providers: Orbit, Optivo and Hastoe

Responses were received from five stakeholders. These consultations have helped shape the viability assumptions in the next chapter. They have also helped identify where potential concerns regarding housing delivery may arise so that the Council can be better prepared to address concerns.

The following summary points were made:

i. The preferred housing mix for developments were typically 75% houses to 25% flats in Bexhill and just houses in rural locations

ii. The average size of houses that they build range from 100 sqm to 133 sqm

iii. The average size of flats that they build were around 55 sqm

iv. From experience typical build costs in Rother district were quoted at £1,100 sqm to about £1,700, although the latter allowed also included sites costs, fees and developer profits.

v. No variations to the following viability assumptions were noted:

   a. External works at 15% of build cost;

   b. Contingency at 4% of build cost & external works

   c. Professional fees at 8% of build cost & external works

   d. Sales and marketing costs at 3% of development value

   e. Land purchase costs (surveyor fees, legal fees) 1.75% of land value

   f. Finance costs at 5.5% of development cost

vi. The key planning requirements that impact on basic build costs were identified as the following:

a. Design enhancements

b. Energy requirements such as solar panels

c. CIL

d. Affordable Housing

vii. From experience typical open market sales values in Rother district were quoted at £2,950 sqm in Bexhill.

viii. From experience, the average achieved transfer values of affordable units as a proportion of open market unit values in Rother district was 60%. While transfer values for shared ownership can be high, typically around the 70% mark, the afforded rented products are more difficult to make viable and therefore average transfer values were quoted at around 45% to 55% despite being able to charge at up to 80% of market rent. The reason why such transfer values are more constrained is because specific Registered Providers (RPs) cap their rents to the LHA Local Housing Allowance (LHA), and it was noted that the LHA in Rother was relatively low from being hampered by the plethora of cheap rented properties in and on the fringe of Hastings. On top of this they need to pay building service charges and estate charges (typically £6.50 to £8 per unit that is requested by developers) at about £25 per flat and slightly less per house. RPs find it easier to fund and secure more shared ownership products than the afforded rented products for this reason.

ix. Most S106 sites are procured through a Golden Brick arrangement. The developers pay a conveyance charge for the transfer, and they generally receive the transfer on a phased or per each golden brick. The developers incur their own legal costs in transferring units, and this might be around £400 to £700 depending on the arrangement that developers have with their law firms.

x. Acceptable developer profit of open market units was stated to be between 20% and 22% of development value (GDV). For affordable units, it ranged from 5% to 7% of GDV.

xi. From experience typical residential land values in Rother district were quoted at £1.2m to £1.85m per net ha in Bexhill but would be as low as £8,500 per plot on rural exception sites. Land values would generally increase in higher value areas in line with houses prices.

xii. To help improve delivery of housing in Rother, developers felt there should be quicker detailed planning consents and fewer pre-commencement planning conditions

xiii. Affordable housing sites were generally being secured through S106 agreements. It was commented that affordable housing units secured through s106 agreements do not received Homes England grant funding. But if they are secured by planning condition and not s106, then it may be possible to receive grant funding and therefore improve the purchase value received by developers.

Rother District Council | Three Dragons | PorterPE

Economic Viability Assessment of the Rother Council's Submission Development and Site Allocations (DaSA) Local Plan 2018

Stakeholder Survey

Note:

The information in this survey is confidential and for the purpose of research only. Responses will not be published individually.

For clarity, any reference to Rother district in East Sussex includes the towns of Bexhill, Rye and Battle and surrounding rural areas.

Name (Person and Company/Entity): _____

1. Please tick the relevant categories to describe your involvement with potential development in Rother district? (*you my tick more than one box*)
    - Landowner/Developer
    - Construction Stakeholder
    - Other (Please state)

Questions on Residential Development

a). Housing Market

2. Please provide a summary of your experience in the housing construction sector?

3. From your experience, how are you finding the current housing market in Rother district?

4. In your opinion, how would you describe the relationship between asking prices and achieved sales values in the general area of Rother district? *Tick as appropriate:*

   I. Don't know

   II. Sales Value generally exceeding Asking Price

   III. Sales Value generally matching Asking Price

   IV. Sales Value generally lower than Asking Price

5. If you are a developer in Rother district, please provide an estimation of your existing sales rates per annum within Rother district?

b). Land Values

6. From your experience, please provide an estimate of land values in the Rother district? (*If available, please take the opportunity to provide additional documentation/ maps to support answer*)

Bexhill Rye Battle Surrounding rural areas

7. If a landowner, have you purchased/sold any land in Rother district or the surrounding area? If so when? *(If available, please provide commentary and context)*

8. What are average residential land values after allowance is made for policy requirements?

Bexhill

Rye

Battle

Surrounding rural areas

c). Construction Outputs & Costs

9. If you are a developer, what is the average size of houses you generally construct?

10. If you are a developer, what is the average size of apartments you generally construct?

12. What are the basic build costs (excl externals, fees and contingency) per sqft/sqm to current Building Regulations?

13. In your opinion, what are the key planning policy requirements that impact on the basic build costs?

14. From your experience, in terms of costs and cash flow, what is the preferred percentage mix of houses and apartments in a development in Rother district?

Bexhill

Rye

Battle

Surrounding rural areas

16. If you are a developer, please provide an estimation of your existing build rates per annum?

17. From your experience, what are average achieved sales values on a per sqft/sqm basis in Rother district?

Bexhill

Rye

Battle

Surrounding rural areas

18. From your experience, what are average achieved transfer values of affordable units as a proportion of open market unit values in Rother district?

Social rented

Affordable rented

Intermediate rented

20. Other Assumptions - if you disagree with any please comment below

External works at 15% of build cost
Contingency at 4% of build cost & external works
Professional fees at 8% of build cost & external works
Sales and marketing costs at 3% of development value
Land purchase costs (surveyor fees, legal fees) 1.75% of land value
Finance costs at 5.5% of development cost
Developer profit of open market units at 20% of development value (GDV)
Developer profit of Affordable units at 6% of development value (GDV)

21. Please provide any additional data you feel is relevant to assisting the economic viability assessment of residential development within Rother district, with particular reference to build costs, land value, housing market and infrastructure requirements?

THANK YOU FOR YOUR TIME.
Please send to russ.porter@porterpe.com

Appendix C

National Space Standards & Accessible Units Standards

NSS Minimum Size Standards

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
	1	39		
1b	2	50	58	
	3	61	70	
2b	4	70	79	
	4	74	84	90
	5	86	93	99
3b	6	95	102	108
	5	90	97	103
	6	99	106	112
	7	108	115	121
4b	8	117	124	130
	6	103	110	116
	7	112	119	125
5b	8	121	128	134
	7	116	123	129
6b	8	125	132	138

M4(2) Size Assumptions

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
	1	41		
1b	2	52.6		
	3	64	78	
2b	4	73	87	
	4	77.5	93	99
	5	90.5	102	108
3b	6	99.5	111	117
	5	95	106	113
	6	104	115	122
	7	113	124	131
4b	8	122	133	140
	6	108.5	120	126
	7	117.5	123	135
5b	8	126.5	138	144
	7		133	140
6b	8		142	149

M4(3) Size Assumptions

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
	1	50.3		
1b	2	63.2		
	3	76.2	99	
2b	4	90.3	109	
	4	95.8	116	117
	5	108	127	128
3b	6	117.9	136	138
	5	113.5	132	133
	6	123.4	142	144
	7	133.4	152	154
4b	8	143.4	162	164
	6	128.9	147	149
	7	138.9	151	159
5b	8	148.9	167	169
	7		163	164
6b	8		173	174

Appendix D

Open Market New Build Values

Open Market Residential Transactions

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
High Street	Mar'16	Terraced	£380,000	119	£3,193	112.81	124.98	£420,995	£3,538
High Street	Mar'16	Terraced	£380,000	119	£3,193	112.81	124.98	£420,995	£3,538
The Old Orchard	Dec'13	Terraced	£415,000	167	£2,485	94.21	124.98	£550,543	£3,297
The Old Orchard	Jan'13	Terraced	£480,000	164	£2,927	88.55	124.98	£677,475	£4,131
Parsonage Croft	Jun'15	Terraced	£325,000	116	£2,802	100.58	124.98	£403,843	£3,481
Parsonage Croft	Sep'15	Terraced	£325,000	108	£3,009	106.68	124.98	£380,751	£3,525
Parsonage Croft	May'15	Terraced	£325,000	107	£3,037	100.21	124.98	£405,334	£3,788
Parsonage Croft	Jun'15	Detached	£895,000	232	£3,858	100.39	126.35	£1,126,439	£4,855
Parsonage Croft	May'15	Detached	£479,950	149	£3,221	100.53	126.35	£603,220	£4,048
Parsonage Croft	May'15	Detached	£479,950	149	£3,221	100.53	126.35	£603,220	£4,048
Parsonage Croft	Jun'15	Detached	£825,000	232	£3,556	100.39	126.35	£1,038,338	£4,476
Parsonage Croft	Jun'15	Detached	£880,000	237	£3,713	100.39	126.35	£1,107,561	£4,673
Parsonage Croft	Mar'16	Detached	£899,950	238	£3,781	113.95	126.35	£997,882	£4,193
Parsonage Croft	Aug'15	Detached	£600,000	171	£3,509	105.12	126.35	£721,176	£4,217
Parsonage Croft	Jun'15	Detached	£550,000	156	£3,526	100.39	126.35	£692,225	£4,437
Parsonage Croft	Jun'15	Detached	£555,000	155	£3,581	100.39	126.35	£698,518	£4,507
Parsonage Croft	Sep'15	Detached	£815,000	219	£3,721	107.04	126.35	£962,026	£4,393
Parsonage Croft	May'16	Detached	£749,950	201	£3,731	111.13	126.35	£852,661	£4,242
Parsonage Croft	Oct'15	Detached	£625,000	173	£3,613	107.75	126.35	£732,889	£4,236
Parsonage Croft	Dec'15	Detached	£560,000	173	£3,237	110.77	126.35	£638,765	£3,692
Royal Oak Close	Jun'14	Terraced	£250,000	106	£2,358	97.46	124.98	£320,593	£3,024
Royal Oak Close	Jul'14	Terraced	£249,950	107	£2,336	98.34	124.98	£317,661	£2,969
Royal Oak Close	Jul'14	Terraced	£246,500	105	£2,348	98.34	124.98	£313,276	£2,984
Royal Oak Close	Sep'14	Detached	£320,000	147	£2,177	101.66	126.35	£397,718	£2,706
Royal Oak Close	Jul'14	Terraced	£250,000	100	£2,500	98.34	124.98	£317,724	£3,177
Main Street	Aug'13	Terraced	£206,000	72	£2,861	94.12	124.98	£273,543	£3,799
Main Street	May'14	Detached	£357,500	140	£2,554	96.67	126.35	£467,261	£3,338
Cinque Ports Street	Jul'15	Semi	£327,500	105	£3,119	103.06	126.82	£403,004	£3,838
Wellington Avenue	Jun'17	Detached	£525,000	145	£3,621	117.17	126.35	£566,133	£3,904
Winchelsea Road	Jul'15	Terraced	£265,000	111	£2,387	102.88	124.98	£321,926	£2,900
Peacocke Way	Nov'16	Detached	£525,000	145	£3,621	118.65	126.35	£559,071	£3,856
Benson Way	Dec'12	Semi	£250,000	121	£2,066	88.29	126.82	£359,101	£2,968
Benson Way	Mar'13	Semi	£250,000	121	£2,066	89.42	126.82	£354,563	£2,930
Benson Way	Nov'13	Semi	£250,000	89	£2,809	92.78	126.82	£341,722	£3,840
Benson Way	Nov'13	Semi	£250,000	89	£2,809	92.78	126.82	£341,722	£3,840
Benson Way	Dec'13	Terraced	£203,750	71	£2,870	94.21	124.98	£270,297	£3,807
Benson Way	Dec'13	Terraced	£199,950	71	£2,816	94.21	124.98	£265,256	£3,736
Benson Way	Dec'13	Terraced	£208,000	71	£2,930	94.21	124.98	£275,935	£3,886
Benson Way	Oct'14	Flat	£280,000	97	£2,887	102.49	122.97	£335,951	£3,463

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Springfield Drive	Mar'12	Semi	£205,000	71	£2,899	90.33	126.82	£287,812	£4,070
Springfield Drive	Sep'12	Semi	£199,950	71	£2,827	90.11	126.82	£281,408	£3,979
Springfield Drive	May'12	Semi	£205,000	71	£2,899	89.86	126.82	£289,318	£4,091
Springfield Drive	May'13	Semi	£313,500	107	£2,930	89.32	126.82	£445,119	£4,160
Springfield Drive	Apr'14	Semi	£312,000	107	£2,916	94.82	126.82	£417,294	£3,900
Springfield Drive	Jan'15	Detached	£445,000	143	£3,112	100.00	126.35	£562,258	£3,932
Springfield Drive	Aug'13	Detached	£270,000	89	£3,034	92.72	126.35	£367,930	£4,134
Springfield Drive	Sep'13	Detached	£270,000	89	£3,034	93.27	126.35	£365,761	£4,110
Springfield Drive	Nov'13	Detached	£176,500	63	£2,802	93.00	126.35	£239,793	£3,806
Vidler Square	Feb'15	Semi	£325,000	116	£2,802	100.06	126.82	£411,918	£3,551
Vidler Square	Jul'15	Semi	£320,000	122	£2,623	103.06	126.82	£393,775	£3,228
Vidler Square	Aug'16	Semi	£325,000	116	£2,802	115.49	126.82	£356,884	£3,077
Vidler Square	Feb'15	Detached	£295,000	97	£3,041	100.27	126.35	£371,729	£3,832
Vidler Square	Dec'14	Detached	£215,000	71	£3,028	100.92	126.35	£269,176	£3,791
Vidler Square	Mar'15	Semi	£216,000	80	£2,700	99.94	126.82	£274,096	£3,426
Vidler Square	Jun'15	Semi	£270,000	96	£2,813	100.66	126.82	£340,169	£3,543
Vidler Square	Feb'15	Semi	£220,000	80	£2,750	100.06	126.82	£278,837	£3,485
Vidler Square	May'15	Semi	£275,000	96	£2,865	100.47	126.82	£347,124	£3,616
Vidler Square	Mar'15	Flat	£153,000	50	£3,060	99.99	122.97	£188,163	£3,763
Vidler Square	May'15	Flat	£160,000	56	£2,857	100.27	122.97	£196,222	£3,504
Vidler Square	Dec'15	Flat	£163,000	56	£2,911	108.43	122.97	£184,858	£3,301
Vidler Square	Mar'15	Flat	£160,000	50	£3,200	99.99	122.97	£196,772	£3,935
Vidler Square	Mar'15	Flat	£160,000	50	£3,200	99.99	122.97	£196,772	£3,935
Vidler Square	Feb'16	Flat	£160,000	50	£3,200	109.74	122.97	£179,289	£3,586
Vidler Square	Mar'16	Flat	£160,000	50	£3,200	111.85	122.97	£175,907	£3,518
Vidler Square	Aug'15	Flat	£170,000	57	£2,982	103.83	122.97	£201,338	£3,532
Vidler Square	Jun'15	Flat	£168,500	57	£2,956	99.79	122.97	£207,640	£3,643
Vidler Square	Mar'15	Flat	£150,000	50	£3,000	99.99	122.97	£184,473	£3,689
Vidler Square	May'15	Detached	£280,000	93	£3,011	100.53	126.35	£351,915	£3,784
Vidler Square	Apr'15	Detached	£277,750	93	£2,987	100.19	126.35	£350,272	£3,766
Vidler Square	Mar'15	Semi	£220,000	71	£3,099	99.94	126.82	£279,172	£3,932
Vidler Square	Apr'15	Detached	£280,000	93	£3,011	100.19	126.35	£353,109	£3,797
Vidler Square	Apr'15	Semi	£238,000	76	£3,132	99.83	126.82	£302,346	£3,978
Vidler Square	Jul'15	Semi	£285,000	96	£2,969	103.06	126.82	£350,705	£3,653
Vidler Square	Aug'15	Semi	£288,000	96	£3,000	105.36	126.82	£346,661	£3,611
Vidler Square	Jul'15	Semi	£310,000	97	£3,196	103.06	126.82	£381,469	£3,933
Vidler Square	Jul'15	Semi	£280,000	96	£2,917	103.06	126.82	£344,553	£3,589
Vidler Square	Sep'15	Semi	£290,000	96	£3,021	106.78	126.82	£344,426	£3,588
Vidler Square	Aug'15	Semi	£238,000	76	£3,132	105.36	126.82	£286,476	£3,769
Vidler Square	Sep'15	Semi	£285,000	96	£2,969	106.78	126.82	£338,488	£3,526
Vidler Square	Dec'15	Semi	£290,000	96	£3,021	110.49	126.82	£332,861	£3,467

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Vidler Square	Sep'15	Semi	£330,000	116	£2,845	106.78	126.82	£391,933	£3,379
Vidler Square	Sep'15	Semi	£333,000	116	£2,871	106.78	126.82	£395,496	£3,409
Vidler Square	Sep'15	Detached	£325,000	116	£2,802	107.04	126.35	£383,630	£3,307
Vidler Square	Oct'15	Semi	£290,000	96	£3,021	107.50	126.82	£342,119	£3,564
Vidler Square	Oct'15	Semi	£238,000	76	£3,132	107.50	126.82	£280,774	£3,694
Vidler Square	Nov'15	Detached	£345,000	116	£2,974	110.09	126.35	£395,956	£3,413
Vidler Square	Jan'16	Semi	£345,000	116	£2,974	112.04	126.82	£390,511	£3,366
Vidler Square	Mar'16	Semi	£345,000	116	£2,974	113.80	126.82	£384,472	£3,314
Baker Way	Jun'14	Flat	£162,000	61	£2,656	97.06	122.97	£205,246	£3,365
Baker Way	Mar'14	Flat	£164,995	66	£2,500	93.26	122.97	£217,558	£3,296
Baker Way	Mar'12	Semi	£195,000	58	£3,362	90.33	126.82	£273,773	£4,720
Sea Holly Walk	Sep'13	Semi	£259,995	80	£3,250	93.27	126.82	£353,517	£4,419
Sea Holly Walk	May'14	Terraced	£249,995	77	£3,247	97.79	124.98	£319,505	£4,149
Sea Holly Walk	Mar'14	Terraced	£192,000	58	£3,310	93.03	124.98	£257,940	£4,447
Sea Holly Walk	Jun'13	Terraced	£257,995	80	£3,225	91.62	124.98	£351,934	£4,399
Sea Holly Walk	Jun'13	Semi	£260,000	80	£3,250	90.76	126.82	£363,301	£4,541
Sea Holly Walk	Mar'14	Semi	£249,995	77	£3,247	92.75	126.82	£341,826	£4,439
Sea Holly Walk	Sep'12	Semi	£190,000	58	£3,276	90.11	126.82	£267,404	£4,610
Sea Holly Walk	Sep'12	Semi	£199,995	58	£3,448	90.11	126.82	£281,471	£4,853
Shearers Way	Apr'12	Detached	£279,995	80	£3,500	91.36	126.35	£387,230	£4,840
Shearers Way	May'14	Terraced	£264,995	110	£2,409	97.79	124.98	£338,675	£3,079
Shearers Way	Mar'14	Terraced	£250,000	115	£2,174	93.03	124.98	£335,859	£2,921
Shearers Way	Jul'14	Terraced	£259,995	115	£2,261	98.34	124.98	£330,427	£2,873
Shearers Way	Apr'14	Terraced	£250,000	110	£2,273	95.26	124.98	£327,997	£2,982
Shearers Way	Sep'12	Detached	£279,995	80	£3,500	90.22	126.35	£392,123	£4,902
Shearers Way	Jun'12	Detached	£269,000	77	£3,494	89.00	126.35	£381,889	£4,960
Shearers Way	Jun'12	Semi	£279,995	80	£3,500	89.13	126.82	£398,395	£4,980
Marsh Way	Nov'13	Terraced	£249,995	115	£2,174	93.29	124.98	£334,917	£2,912
Marsh Way	Nov'13	Terraced	£249,950	115	£2,173	93.29	124.98	£334,856	£2,912
Marsh Way	Oct'12	Terraced	£275,000	110	£2,500	91.73	124.98	£374,681	£3,406
Marsh Way	Nov'13	Terraced	£250,000	110	£2,273	93.29	124.98	£334,923	£3,045
Marsh Way	Feb'14	Terraced	£249,995	115	£2,174	93.27	124.98	£334,988	£2,913
Marsh Way	Jan'14	Terraced	£247,950	115	£2,156	94.43	124.98	£328,167	£2,854
Marsh Way	Jul'14	Terraced	£264,995	110	£2,409	98.34	124.98	£336,781	£3,062
Hop Gardens	Jun'14	Semi	£82,950	79	£1,050	96.74	126.82	£108,742	£1,376
Hop Gardens	Jun'14	Semi	£82,500	79	£1,044	96.74	126.82	£108,152	£1,369
London Road	Mar'13	Semi	£240,000	97	£2,474	89.42	126.82	£340,380	£3,509
Oaklands Park	Jan'13	Detached	£900,000	349	£2,579	87.81	126.35	£1,295,012	£3,711
Oaklands Park	Jun'13	Detached	£975,000	347	£2,810	90.33	126.35	£1,363,791	£3,930
Oaklands Park	Aug'13	Detached	£900,000	350	£2,571	92.72	126.35	£1,226,434	£3,504
Oaklands Park	Feb'14	Detached	£958,099	322	£2,975	92.73	126.35	£1,305,465	£4,054

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Oaklands Park	Aug'13	Detached	£922,500	323	£2,856	92.72	126.35	£1,257,095	£3,892
The Old Tanyard	Feb'16	Detached	£542,000	184	£2,946	112.35	126.35	£609,539	£3,313
The Old Tanyard	Nov'15	Detached	£470,000	150	£3,133	110.09	126.35	£539,418	£3,596
Hancox Farm Cottages	Feb'16	Terraced	£360,000	145	£2,483	111.32	124.98	£404,175	£2,787
Brede Lane	Feb'15	Detached	£745,000	250	£2,980	100.27	126.35	£938,773	£3,755
Hastings Road	Jun'15	Detached	£400,500	112	£3,576	100.39	126.35	£504,066	£4,501
Goulds Drive	Jun'12	Terraced	£197,950	89	£2,223	89.88	124.98	£275,254	£3,091
Goulds Drive	Jan'12	Terraced	£167,500	89	£1,881	87.51	124.98	£239,220	£2,687
Goulds Drive	Jan'12	Semi	£215,000	109	£1,974	87.66	126.82	£311,046	£2,856
Goulds Drive	Feb'12	Terraced	£212,500	109	£1,951	89.80	124.98	£295,749	£2,716
Goulds Drive	Jun'12	Terraced	£198,500	89	£2,229	89.88	124.98	£276,018	£3,100
Goulds Drive	May'12	Terraced	£235,000	109	£2,158	90.36	124.98	£325,037	£2,985
Tanyard Lane	Apr'15	Detached	£400,000	111	£3,604	100.19	126.35	£504,442	£4,545
Tanyard Lane	Apr'15	Detached	£420,000	120	£3,500	100.19	126.35	£529,664	£4,414
Egerton Road	Aug'13	Flat	£300,000	134	£2,239	94.60	122.97	£389,968	£2,910
Windsor Road	Jul'12	Terraced	£170,000	91	£1,862	88.65	124.98	£239,668	£2,625
Piltdown Close	Nov'13	Semi	£167,500	93	£1,801	92.78	126.82	£228,954	£2,462
Piltdown Close	Aug'14	Semi	£200,000	92	£2,174	99.61	126.82	£254,633	£2,768
Buxton Drive	Jun'17	Flat	£139,500	74	£1,885	118.11	122.97	£145,240	£1,963
Foxley Drive	Dec'15	Detached	£492,600	163	£3,022	110.77	126.35	£561,885	£3,447
Little Common Road	Apr'16	Flat	£224,950	54	£4,166	109.48	122.97	£252,668	£4,679
Little Common Road	May'16	Flat	£321,950	76	£4,236	110.12	122.97	£359,519	£4,731
Little Common Road	Aug'16	Flat	£235,478	76	£3,098	114.21	122.97	£253,539	£3,336
Little Common Road	Aug'16	Flat	£235,478	56	£4,205	114.21	122.97	£253,539	£4,527
Little Common Road	Aug'16	Flat	£235,478	76	£3,098	114.21	122.97	£253,539	£3,336
Little Common Road	Apr'16	Flat	£307,950	76	£4,052	109.48	122.97	£345,895	£4,551
Little Common Road	Aug'16	Flat	£202,999	56	£3,625	114.21	122.97	£218,569	£3,903
Little Common Road	Apr'16	Flat	£307,950	56	£5,499	109.48	122.97	£345,895	£6,177
Little Common Road	Aug'16	Flat	£235,478	56	£4,205	114.21	122.97	£253,539	£4,527
Little Common Road	Aug'16	Flat	£235,478	76	£3,098	114.21	122.97	£253,539	£3,336
Little Common Road	May'16	Flat	£222,950	56	£3,981	110.12	122.97	£248,966	£4,446
Little Common Road	Apr'16	Flat	£217,950	76	£2,868	109.48	122.97	£244,806	£3,221
Little Common Road	May'16	Flat	£217,950	75	£2,906	110.12	122.97	£243,383	£3,245
Little Common Road	Aug'16	Flat	£202,999	54	£3,759	114.21	122.97	£218,569	£4,048

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Little Common Road	May'16	Flat	£307,950	76	£4,052	110.12	122.97	£343,885	£4,525
Little Common Road	Aug'16	Flat	£235,478	76	£3,098	114.21	122.97	£253,539	£3,336
Little Common Road	Apr'16	Flat	£199,950	76	£2,631	109.48	122.97	£224,588	£2,955
Little Common Road	May'16	Flat	£397,950	122	£3,262	110.12	122.97	£444,387	£3,643
Little Common Road	Apr'16	Flat	£390,000	118	£3,305	109.48	122.97	£438,055	£3,712
Little Common Road	Aug'16	Flat	£235,478	76	£3,098	114.21	122.97	£253,539	£3,336
Little Common Road	Aug'16	Flat	£235,478	56	£4,205	114.21	122.97	£253,539	£4,527
Little Common Road	Jul'16	Flat	£321,950	56	£5,749	113.92	122.97	£347,526	£6,206
Little Common Road	Apr'16	Flat	£229,950	56	£4,106	109.48	122.97	£258,284	£4,612
Little Common Road	May'16	Flat	£226,950	92	£2,467	110.12	122.97	£253,433	£2,755
Brick Kiln Close	Jan'17	Terraced	£242,500	127	£1,909	114.82	124.98	£263,958	£2,078
Brick Kiln Close	Nov'16	Terraced	£240,000	125	£1,920	116.69	124.98	£257,050	£2,056
Brick Kiln Close	Mar'17	Terraced	£245,000	120	£2,042	116.50	124.98	£262,833	£2,190
Brick Kiln Close	Oct'17	Terraced	£233,000	117	£1,991	121.87	124.98	£238,946	£2,042
Brick Kiln Close	Mar'18	Terraced	£225,000	117	£1,923	120.47	124.98	£233,423	£1,995
Brick Kiln Close	Jun'17	Terraced	£245,000	117	£2,094	115.54	124.98	£265,017	£2,265
Foxley Drive	Oct'15	Detached	£503,301	160	£3,146	107.75	126.35	£590,182	£3,689
Foxley Drive	Oct'15	Detached	£500,000	163	£3,067	107.75	126.35	£586,311	£3,597
Eversley Road	Nov'14	Flat	£85,000	49	£1,735	101.05	122.97	£103,438	£2,111
Eversley Road	Jul'14	Flat	£154,000	64	£2,406	97.84	122.97	£193,555	£3,024
Buckhurst Road	Oct'13	Flat	£83,000	54	£1,537	93.99	122.97	£108,591	£2,011
Northcliffe	Jun'14	Terraced	£249,995	108	£2,315	97.46	124.98	£320,587	£2,968
Northcliffe	Jan'14	Detached	£266,995	112	£2,384	93.73	126.35	£359,915	£3,214
Northcliffe	Apr'14	Terraced	£246,995	108	£2,287	95.26	124.98	£324,055	£3,001
Northcliffe	Apr'14	Detached	£289,995	131	£2,214	94.59	126.35	£387,365	£2,957
Northcliffe	Feb'14	Detached	£284,995	131	£2,176	92.73	126.35	£388,322	£2,964
Northcliffe	Mar'14	Detached	£284,995	131	£2,176	92.74	126.35	£388,280	£2,964
Northcliffe	Apr'14	Detached	£284,995	131	£2,176	94.59	126.35	£380,686	£2,906
Northcliffe	Mar'14	Detached	£289,995	131	£2,214	92.74	126.35	£395,092	£3,016
Northcliffe	Jun'13	Terraced	£254,995	130	£1,962	91.62	124.98	£347,842	£2,676
Northcliffe	Jan'14	Terraced	£249,995	130	£1,923	94.43	124.98	£330,873	£2,545
Northcliffe	Jan'14	Terraced	£256,995	130	£1,977	94.43	124.98	£340,138	£2,616
Northcliffe	Aug'13	Terraced	£259,995	130	£2,000	94.12	124.98	£345,242	£2,656
Northcliffe	Jul'13	Terraced	£244,995	108	£2,268	92.07	124.98	£332,567	£3,079
Northcliffe	Oct'13	Detached	£266,995	112	£2,384	93.32	126.35	£361,496	£3,228
Northcliffe	Aug'13	Terraced	£249,995	130	£1,923	94.12	124.98	£331,963	£2,554

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Northcliffe	Jun'13	Terraced	£249,995	130	£1,923	91.62	124.98	£341,021	£2,623
Northcliffe	Jun'13	Terraced	£249,995	130	£1,923	91.62	124.98	£341,021	£2,623
Northcliffe	Sep'13	Terraced	£256,995	130	£1,977	94.25	124.98	£340,788	£2,621
Northcliffe	Apr'14	Terraced	£256,995	130	£1,977	95.26	124.98	£337,174	£2,594
Northcliffe	Apr'14	Terraced	£249,995	120	£2,083	95.26	124.98	£327,991	£2,733
Northcliffe	May'14	Terraced	£246,995	108	£2,287	97.79	124.98	£315,671	£2,923
The Siding	Apr'14	Semi	£268,995	130	£2,069	94.82	126.82	£359,776	£2,768
The Siding	Mar'14	Semi	£266,995	130	£2,054	92.75	126.82	£365,071	£2,808
The Siding	May'14	Detached	£265,000	112	£2,366	96.67	126.35	£346,361	£3,093
The Siding	Dec'13	Detached	£269,995	112	£2,411	93.60	126.35	£364,464	£3,254
The Siding	Apr'14	Detached	£279,995	95	£2,947	94.59	126.35	£374,007	£3,937
The Siding	Jun'14	Detached	£279,995	96	£2,917	96.21	126.35	£367,710	£3,830
Galley Hill View	Dec'13	Semi	£216,995	77	£2,818	93.95	126.82	£292,914	£3,804
Galley Hill View	Nov'13	Semi	£216,995	77	£2,818	92.78	126.82	£296,608	£3,852
Galley Hill View	Apr'14	Semi	£246,995	102	£2,422	94.82	126.82	£330,351	£3,239
Galley Hill View	Nov'13	Terraced	£249,995	130	£1,923	93.29	124.98	£334,917	£2,576
Galley Hill View	Dec'13	Terraced	£249,995	130	£1,923	94.21	124.98	£331,646	£2,551
Galley Hill View	Dec'13	Terraced	£249,995	130	£1,923	94.21	124.98	£331,646	£2,551
Galley Hill View	Feb'14	Terraced	£246,995	108	£2,287	93.27	124.98	£330,969	£3,065
Galley Hill View	Jun'13	Terraced	£249,995	130	£1,923	91.62	124.98	£341,021	£2,623
Galley Hill View	Aug'13	Terraced	£249,995	130	£1,923	94.12	124.98	£331,963	£2,554
Galley Hill View	Aug'14	Terraced	£264,995	130	£2,038	100.17	124.98	£330,629	£2,543
Furnells Way	Aug'16	Semi	£249,995	77	£3,247	115.49	126.82	£274,520	£3,565
Furnells Way	Aug'16	Semi	£244,995	77	£3,182	115.49	126.82	£269,030	£3,494
Furnells Way	Jul'16	Semi	£249,995	77	£3,247	114.92	126.82	£275,882	£3,583
Furnells Way	Jul'16	Semi	£249,995	77	£3,247	114.92	126.82	£275,882	£3,583
Furnells Way	Aug'16	Terraced	£294,995	128	£2,305	115.31	124.98	£319,734	£2,498
Furnells Way	Aug'16	Detached	£259,995	77	£3,377	115.71	126.35	£283,903	£3,687
Furnells Way	Jul'16	Terraced	£289,995	128	£2,266	114.83	124.98	£315,628	£2,466
Furnells Way	Aug'16	Terraced	£299,995	128	£2,344	115.31	124.98	£325,153	£2,540
Furnells Way	Aug'16	Semi	£249,995	77	£3,247	115.49	126.82	£274,520	£3,565
Furnells Way	Sep'16	Semi	£255,995	77	£3,325	117.56	126.82	£276,159	£3,586
Furnells Way	Sep'16	Semi	£269,995	90	£3,000	117.56	126.82	£291,262	£3,236
Furnells Way	Sep'16	Semi	£254,995	77	£3,312	117.56	126.82	£275,081	£3,572
Furnells Way	Oct'16	Semi	£254,995	77	£3,312	116.78	126.82	£276,918	£3,596
Furnells Way	Sep'16	Semi	£269,995	90	£3,000	117.56	126.82	£291,262	£3,236
Clarence Gardens	Jul'14	Terraced	£172,000	56	£3,071	98.34	124.98	£218,594	£3,903
Clarence Gardens	Sep'14	Terraced	£171,500	56	£3,063	102.39	124.98	£209,338	£3,738
Clarence Gardens	Sep'14	Terraced	£172,000	56	£3,071	102.39	124.98	£209,948	£3,749
Clarence Gardens	Jul'14	Terraced	£175,000	56	£3,125	98.34	124.98	£222,407	£3,972
Brinklehurst Drive	Jul'16	Detached	£264,995	90	£2,944	114.99	126.35	£291,174	£3,235

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Brinklehurst Drive	Jul'16	Detached	£264,995	90	£2,944	114.99	126.35	£291,174	£3,235
Elmstead Road	Dec'12	Flat	£110,000	81	£1,358	90.24	122.97	£149,897	£1,851
Three Leg Cross	Jun'14	Detached	£450,000	89	£5,056	96.21	126.35	£590,973	£6,640
Donsmead Drive	May'18	Semi	£338,950	91	£3,725	125.45	126.82	£342,652	£3,765
Donsmead Drive	Nov'17	Detached	£340,000	88	£3,864	123.78	126.35	£347,059	£3,944
Donsmead Drive	Jun'18	Semi	£286,950	88	£3,261	126.82	126.82	£286,950	£3,261
Donsmead Drive	Sep'17	Detached	£308,000	112	£2,750	122.95	126.35	£316,517	£2,826
Donsmead Drive	Jun'17	Detached	£349,950	88	£3,977	117.17	126.35	£377,368	£4,288
Donsmead Drive	May'18	Detached	£360,000	112	£3,214	125.54	126.35	£362,323	£3,235
Donsmead Drive	Dec'17	Detached	£399,950	112	£3,571	123.09	126.35	£410,543	£3,666
Donsmead Drive	Nov'17	Detached	£409,950	112	£3,660	123.78	126.35	£418,462	£3,736
Donsmead Drive	Jan'18	Detached	£390,000	112	£3,482	121.54	126.35	£405,434	£3,620
Donsmead Drive	Apr'18	Detached	£434,950	129	£3,372	123.66	126.35	£444,412	£3,445
Donsmead Drive	Aug'17	Detached	£524,950	147	£3,571	121.69	126.35	£545,052	£3,708
Donsmead Drive	Sep'17	Detached	£434,950	129	£3,372	122.95	126.35	£446,978	£3,465
Cricketers Field	May'18	Detached	£319,950	88	£3,636	125.54	126.35	£322,014	£3,659
Cricketers Field	Mar'17	Semi	£299,950	70	£4,285	117.78	126.82	£322,972	£4,614
Cricketers Field	May'17	Semi	£301,950	70	£4,314	117.15	126.82	£326,874	£4,670
Cricketers Field	Apr'18	Detached	£314,950	88	£3,579	123.66	126.35	£321,801	£3,657
Cricketers Field	Apr'18	Semi	£309,950	88	£3,522	123.48	126.82	£318,334	£3,617
Cricketers Field	Oct'17	Semi	£294,950	70	£4,214	123.13	126.82	£303,789	£4,340
Cricketers Field	May'17	Semi	£299,950	70	£4,285	117.15	126.82	£324,709	£4,639
Cricketers Field	May'17	Semi	£268,000	59	£4,542	117.15	126.82	£290,122	£4,917
Cricketers Field	Sep'17	Semi	£247,500	59	£4,195	122.53	126.82	£256,165	£4,342
Seven Acre View	Sep'17	Semi	£339,950	91	£3,736	122.53	126.82	£351,852	£3,867
Seven Acre View	Oct'17	Detached	£350,950	91	£3,857	123.59	126.35	£358,787	£3,943
Seven Acre View	Oct'17	Detached	£339,950	88	£3,863	123.59	126.35	£347,542	£3,949
Cinque Ports Street	Oct'17	Flat	£300,000	70	£4,286	122.67	122.97	£300,734	£4,296
Peacocke Way	May'17	Detached	£385,000	94	£4,096	117.77	126.35	£413,049	£4,394
Peacocke Way	Apr'17	Detached	£382,000	102	£3,745	118.51	126.35	£407,271	£3,993
Peacocke Way	Jul'17	Detached	£385,000	101	£3,812	120.51	126.35	£403,657	£3,997
Peacocke Way	Feb'17	Detached	£399,000	128	£3,117	117.13	126.35	£430,408	£3,363
Peacocke Way	Feb'17	Detached	£395,000	128	£3,086	117.13	126.35	£426,093	£3,329
Peacocke Way	Feb'17	Detached	£395,000	128	£3,086	117.13	126.35	£426,093	£3,329
Peacocke Way	Apr'17	Detached	£410,000	128	£3,203	118.51	126.35	£437,123	£3,415
Peacocke Way	Feb'17	Detached	£402,000	128	£3,141	117.13	126.35	£433,644	£3,388
Peacocke Way	Sep'17	Detached	£380,000	94	£4,043	122.95	126.35	£390,508	£4,154
Peacocke Way	Feb'18	Detached	£380,000	94	£4,043	120.68	126.35	£397,854	£4,232
Peacocke Way	Feb'17	Detached	£520,000	145	£3,586	117.13	126.35	£560,932	£3,868
Parkridge Mews	Apr'17	Terraced	£370,000	109	£3,394	116.32	124.98	£397,546	£3,647

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Parkridge Mews	Apr'17	Terraced	£360,000	109	£3,303	116.32	124.98	£386,802	£3,549
Parkridge Mews	Apr'17	Terraced	£370,000	109	£3,394	116.32	124.98	£397,546	£3,647
Parkridge Mews	Apr'17	Terraced	£370,000	109	£3,394	116.32	124.98	£397,546	£3,647
Woodlands Way	Oct'17	Semi	£270,000	76	£3,553	123.13	126.82	£278,091	£3,659
Woodlands Way	Nov'17	Semi	£270,000	76	£3,553	123.44	126.82	£277,393	£3,650
Woodlands Way	May'17	Detached	£390,000	127	£3,071	117.77	126.35	£418,413	£3,295
Woodlands Way	Jun'17	Semi	£255,000	75	£3,400	116.69	126.82	£277,137	£3,695
Woodlands Way	Jun'17	Semi	£250,000	75	£3,333	116.69	126.82	£271,703	£3,623
Woodlands Way	Jun'17	Terraced	£290,000	96	£3,021	115.54	124.98	£313,694	£3,268
Woodlands Way	Jun'17	Terraced	£285,000	96	£2,969	115.54	124.98	£308,285	£3,211
Woodlands Way	Jun'17	Terraced	£285,000	96	£2,969	115.54	124.98	£308,285	£3,211
Woodlands Way	Dec'17	Terraced	£240,000	72	£3,333	121.17	124.98	£247,546	£3,438
Woodlands Way	Jun'17	Terraced	£240,000	72	£3,333	115.54	124.98	£259,609	£3,606
Woodlands Way	Jun'17	Flat	£195,000	83	£2,349	118.11	122.97	£203,024	£2,446
Woodlands Way	Jun'17	Terraced	£265,500	86	£3,087	115.54	124.98	£287,192	£3,339
Woodlands Way	Jun'17	Terraced	£257,500	86	£2,994	115.54	124.98	£278,539	£3,239
Woodlands Way	Jun'17	Terraced	£257,500	85	£3,029	115.54	124.98	£278,539	£3,277
Woodlands Way	Jun'17	Terraced	£257,500	85	£3,029	115.54	124.98	£278,539	£3,277
Woodlands Way	Jun'17	Terraced	£235,000	72	£3,264	115.54	124.98	£254,200	£3,531
Woodlands Way	Aug'17	Detached	£550,000	212	£2,594	121.69	126.35	£571,062	£2,694
Woodlands Way	Dec'17	Detached	£520,000	201	£2,587	123.09	126.35	£533,772	£2,656
Woodlands Way	Jan'18	Detached	£450,000	161	£2,795	121.54	126.35	£467,809	£2,906
Woodlands Way	Jan'17	Detached	£465,000	159	£2,925	117.08	126.35	£501,817	£3,156
Woodlands Way	Jun'17	Detached	£465,000	159	£2,925	117.17	126.35	£501,432	£3,154
Woodlands Way	Mar'17	Detached	£400,000	127	£3,150	118.67	126.35	£425,887	£3,353
Woodlands Way	Mar'17	Detached	£460,000	163	£2,822	118.67	126.35	£489,770	£3,005
Woodlands Way	Jan'18	Detached	£465,000	163	£2,853	121.54	126.35	£483,403	£2,966
Furnells Way	Mar'17	Semi	£259,995	77	£3,377	117.78	126.82	£279,950	£3,636
Furnells Way	Apr'17	Semi	£264,995	77	£3,441	117.47	126.82	£286,087	£3,715
Furnells Way	Apr'17	Terraced	£264,995	77	£3,441	116.32	124.98	£284,724	£3,698
Furnells Way	Apr'17	Semi	£264,995	77	£3,441	117.47	126.82	£286,087	£3,715
Furnells Way	Apr'17	Detached	£289,995	101	£2,871	118.51	126.35	£309,180	£3,061
Furnells Way	May'17	Semi	£264,995	77	£3,441	117.15	126.82	£286,869	£3,726
Furnells Way	Jan'17	Semi	£259,995	77	£3,377	116.15	126.82	£283,879	£3,687
Furnells Way	Feb'17	Semi	£259,995	77	£3,377	116.27	126.82	£283,586	£3,683
Furnells Way	Feb'17	Semi	£259,995	77	£3,377	116.27	126.82	£283,586	£3,683
Furnells Way	Jun'17	Semi	£241,995	68	£3,559	116.69	126.82	£263,003	£3,868
Furnells Way	Jun'17	Semi	£239,995	68	£3,529	116.69	126.82	£260,829	£3,836
Furnells Way	Jun'17	Terraced	£234,995	68	£3,456	115.54	124.98	£254,195	£3,738
Furnells Way	Jun'17	Terraced	£229,995	68	£3,382	115.54	124.98	£248,786	£3,659
Brinklehurst Drive	Nov'17	Detached	£299,995	89	£3,371	123.78	126.35	£306,224	£3,441

Street	Date	Type	Sale Price	Floor-space	Price per Sqm	Index at trans date	Index at June 2018	Indexed Transaction price	Indexed SP per sqm
Brinklehurst Drive	Oct'17	Semi	£324,995	128	£2,539	123.13	126.82	£334,735	£2,615
Brinklehurst Drive	Sep'17	Semi	£324,995	128	£2,539	122.53	126.82	£336,374	£2,628
Brinklehurst Drive	Dec'17	Terraced	£269,995	77	£3,506	121.17	124.98	£278,485	£3,617
Brinklehurst Drive	Jan'18	Terraced	£264,995	77	£3,441	119.64	124.98	£276,823	£3,595
Brinklehurst Drive	Dec'17	Terraced	£269,995	77	£3,506	121.17	124.98	£278,485	£3,617
Brinklehurst Drive	Dec'17	Terraced	£269,995	77	£3,506	121.17	124.98	£278,485	£3,617
Brinklehurst Drive	Dec'17	Terraced	£264,995	77	£3,441	121.17	124.98	£273,327	£3,550
Brinklehurst Drive	Jan'18	Terraced	£272,995	77	£3,545	119.64	124.98	£285,180	£3,704
Brinklehurst Drive	Feb'18	Semi	£274,995	77	£3,571	120.35	126.82	£289,779	£3,763
Brinklehurst Drive	Feb'18	Semi	£274,995	77	£3,571	120.35	126.82	£289,779	£3,763
Brinklehurst Drive	Mar'18	Detached	£304,995	89	£3,427	122.64	126.35	£314,221	£3,531
Brinklehurst Drive	Jun'18	Terraced	£239,995	68	£3,529	124.98	124.98	£239,995	£3,529
Brinklehurst Drive	Jun'18	Terraced	£239,995	68	£3,529	124.98	124.98	£239,995	£3,529
Brinklehurst Drive	Jun'18	Detached	£309,995	89	£3,483	126.35	126.35	£309,995	£3,483
Brinklehurst Drive	Nov'17	Detached	£299,995	101	£2,970	123.78	126.35	£306,224	£3,032
Brinklehurst Drive	Dec'17	Semi	£324,995	128	£2,539	122.88	126.82	£335,416	£2,620
Brinklehurst Drive	Mar'18	Semi	£324,995	128	£2,539	122.31	126.82	£336,979	£2,633
Well Wish Drive	Mar'17	Terraced	£289,995	128	£2,266	116.50	124.98	£311,104	£2,430
Well Wish Drive	Mar'17	Terraced	£289,995	128	£2,266	116.50	124.98	£311,104	£2,430
Well Wish Drive	Jan'17	Terraced	£304,995	128	£2,383	114.82	124.98	£331,983	£2,594
Well Wish Drive	Jun'17	Semi	£304,995	124	£2,460	116.69	126.82	£331,472	£2,673
Well Wish Drive	Jun'18	Semi	£329,995	128	£2,578	126.82	126.82	£329,995	£2,578
Well Wish Drive	Jun'17	Semi	£304,995	128	£2,383	116.69	126.82	£331,472	£2,590
Well Wish Drive	Jun'18	Detached	£304,995	89	£3,427	126.35	126.35	£304,995	£3,427
Well Wish Drive	May'17	Terraced	£224,995	68	£3,309	115.74	124.98	£242,957	£3,573
Well Wish Drive	Apr'17	Terraced	£219,995	68	£3,235	116.32	124.98	£236,374	£3,476
Well Wish Drive	Apr'17	Terraced	£219,995	68	£3,235	116.32	124.98	£236,374	£3,476
Well Wish Drive	Apr'17	Terraced	£229,995	68	£3,382	116.32	124.98	£247,118	£3,634
Well Wish Drive	Sep'17	Detached	£304,995	101	£3,020	122.95	126.35	£313,429	£3,103
Well Wish Drive	May'17	Semi	£269,995	90	£3,000	117.15	126.82	£292,281	£3,248
Hurst Wood Close	Apr'18	Terraced	£350,000	74	£4,730	121.69	124.98	£359,463	£4,858
Hurst Wood Close	Dec'17	Detached	£500,000	131	£3,817	123.09	126.35	£513,242	£3,918
Hurst Wood Close	Jan'18	Detached	£515,000	131	£3,931	121.54	126.35	£535,381	£4,087

Source: Land Registry and EPC records

Appendix E

Sensitivity Test at Different Profit Levels

Sensitivity test Results at Full Policy Level with 15% Developer Profit

	Typology/Sites	Policy layer 3	Policy layer 4			
			Bexhill & Hastings Fringes:	Battle:	Rye:	Rural Ar High W AON
			30% AH on sites of 15+ units	35% AH on sites of 10+ units	30% AH on sites of 10+ units	40% AH sites o unit
1	500 unit Bexhill Strategic Urban extn					
2	150 unit Bexhill Fringe - Brownfield					
3	150 unit Bexhill Fringe - Greenfield					
4	40 unit Bexhill Urban - Greenfield					
5	30 unit Bexhill Urban - Greenfield					
6	15 unit Bexhill Urban - Brownfield					
7	15 unit Rural East - Brownfield					
8	15 unit Rural East - Greenfield					
9	40 unit Rural East - Brownfield					
10	40 unit Rural East - Greenfield					
11	6 unit Rural East - Brownfield					
12	6 unit Rural East - Greenfield					
13	40 unit Rural West - Greenfield					
14	15 unit Rural West - Brownfield					
15	15 unit Rural West - Greenfield					
16	6 unit Rural West - Brownfield					
17	6 unit Rural West - Greenfield					
18	4 unit Bexhill Fringe - Brownfield					
19	4 unit Bexhill Fringe - Greenfield					
20	1 unit Bexhill Fringe - Garden land					
21	4 unit Bexhill Urban - Brownfield					
22	4 unit Bexhill Urban - Greenfield					
23	1 unit Bexhill Urban - Garden land					
24	4 unit Rural East - Brownfield					
25	4 unit Rural East - Greenfield					
26	1 unit Rural East - Garden land					
27	4 unit Rural West - Brownfield					
28	4 unit Rural West - Greenfield					
29	1 unit Rural West - Garden land					

Sensitivity test Results at Full Policy Level with 20% Developer Profit

	Typology/Sites	Policy layer 3	Policy layer 4			
			Bexhill & Hastings Fringes:	Battle:	Rye:	Rural Ar in Hig Weal AONB
			30% AH on sites of 15+ units	35% AH on sites of 10+ units	30% AH on sites of 10+ units	40% AH sites of units
1	500 unit Bexhill Strategic Urban extn					
2	150 unit Bexhill Fringe - Brownfield					
3	150 unit Bexhill Fringe - Greenfield					
4	40 unit Bexhill Urban - Greenfield					
5	30 unit Bexhill Urban - Greenfield					
6	15 unit Bexhill Urban - Brownfield					
7	15 unit Rural East - Brownfield					
8	15 unit Rural East - Greenfield					
9	40 unit Rural East - Brownfield					
10	40 unit Rural East - Greenfield					
11	6 unit Rural East - Brownfield					
12	6 unit Rural East - Greenfield					
13	40 unit Rural West - Greenfield					
14	15 unit Rural West - Brownfield					
15	15 unit Rural West - Greenfield					
16	6 unit Rural West - Brownfield					
17	6 unit Rural West - Greenfield					
18	4 unit Bexhill Fringe - Brownfield					
19	4 unit Bexhill Fringe - Greenfield					
20	1 unit Bexhill Fringe - Garden land					
21	4 unit Bexhill Urban - Brownfield					
22	4 unit Bexhill Urban - Greenfield					
23	1 unit Bexhill Urban - Garden land					
24	4 unit Rural East - Brownfield					
25	4 unit Rural East - Greenfield					
26	1 unit Rural East - Garden land					
27	4 unit Rural West - Brownfield					
28	4 unit Rural West - Greenfield					
29	1 unit Rural West - Garden land					