

**ROSSENDALE LOCAL PLAN  
ECONOMIC VIABILITY ASSESSMENT**

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**PREPARED ON BEHALF OF  
ROSSENDALE BOROUGH COUNCIL**



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## 1.0 INTRODUCTION

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- 1.01 Rossendale Borough Council ('the Council') is preparing a new Local Plan. This plan seeks to promote sustainable housing and employment growth whilst at the same time protecting and enhancing the special valley and moorland setting of the Borough. The plan will provide the statutory planning framework for the Borough for the period 2019 to 2034 and will be used to guide decisions on planning applications and areas where investment should be prioritised. The Plan contains site allocations for new housing and employment together with the local policies containing requirements to guide the consideration of planning applications for new development. Once adopted the new Local Plan will replace the Adopted Core Strategy 2011.
- 1.02 A number of the Local Plan policies may impact on the viability of development and in accordance with the National Planning Policy Framework (NPPF) the Council needs to be satisfied that these policies do not undermine the delivery of the plan. Similarly the Council needs to be satisfied that the site allocations contained within the plan are deliverable and are not subject to such a scale of policy burdens that they are unable to be developed viably.
- 1.03 To inform the new Local Plan, Keppie Massie has been commissioned by the Council to provide an Economic Viability Assessment (EVA) relating to new development in Rossendale Borough which considers the viability of the site allocations and policies contained in the Plan. The EVA forms part of the evidence base to support the Local Plan and is intended to assist the Council in allocating sites within the Borough and to guide future policy. The aim is to ensure that the adopted Local Plan policies are realistic and can deliver sustainable development without putting the delivery of the Plan at risk.
- 1.04 The EVA has been prepared to satisfy the tests of viability and deliverability laid down in the NPPF and the National Planning Practice Guidance (PPG).

### **Format of Report**

- 1.05 For ease of reference the EVA Report is structured based in the following sections:

#### **Section 2 – Planning Policy Context**

- 1.06 This section provides an overview of the Strategic Policies and the development management policies which could impact on viability and delivery. In addition a summary of the key strategic locations and site allocations is provided.

**Section 3 – Methodology**

- 1.07 This section outlines the methodology that has been adopted for the study and the viability assessments, together with the rationale for the development scenarios tested.

**Section 4 – Overview of Rossendale**

- 1.08 This section provides general information about the social and economic characteristics of Rossendale Borough, together with an overview of the residential and non-residential property markets.

**Section 5 – Financial Appraisal Assumptions**

- 1.09 This section outlines the key assumptions that have been made in preparing the financial assessments including details of how specific Local Plan Policies have been addressed.

**Section 6 – Viability Results and Policy Impacts**

- 1.10 This section provides an overview of the results of the viability testing together with a commentary on the results and also the impact of the Local Plan policies on viability. The viability of the proposed allocations is also considered.

**Section 7 - Plan Viability and Delivery**

- 1.11 Within Section 7 conclusions are provided about the key policies that have implications for economic viability and the viability and deliverability of the Rossendale Local Plan.

**Keppie Massie**

- 1.12 Keppie Massie is an established firm of Chartered Surveyors and Property Consultants with offices in Liverpool, Manchester, Glasgow and London and is at the forefront of development economics, regeneration and strategic development. It is regulated by the Royal Institution of Chartered Surveyors (RICS). In September 2004 Keppie Massie opened a Residential division called Keppie Massie Residential.
- 1.13 The Practice deals with all major aspects of commercial and residential property consultancy including valuation, development, development economics, cost consultancy advice, investment, strategic land assembly, compulsory purchase, investment and development funding, S106 negotiations and affordable housing policy and provision, landlord and tenant advice, regeneration, building surveying, national and local taxation, insolvency advice, acquisition, disposal, agency and property management.

- 1.14 We have extensive experience in the preparation of Local Plan and CIL Viability Assessments, and have provided studies for many Local Planning Authorities including the following:
- **Knowsley** – Local Plan Viability Assessment
  - **Sefton** – Local Plan and Site Allocations Viability Assessment
  - **High Peak** – Local Plan Viability Study (including site allocations)
  - **Fylde** – Local Plan and CIL Viability Study
  - **Hyndburn** – Development Management DPD Viability Study
  - **Barrow** – Local Plan Viability Study (including site allocations)
  - **Wyre** – Local Plan Viability Study (including site allocations)
  - **Staffordshire Moorlands** – Local Plan and CIL Viability Study (including site allocations)
  - **Cheshire West and Chester** – CIL Viability Assessment and then subsequent Local Plan Part Two Viability Assessment
  - **Allerdale** – Site Allocations DPD and CIL Viability Study
  - **Liverpool City Council** – Local Plan Viability Study (including site allocations)
  - **St Helens** – Local Plan Viability Study (including site allocations)
  - **Mansfield** – Local Plan Viability Study Update (including site allocations)
  - **West Lancashire** – CIL Viability Assessment
  - **Cheshire East** – CIL Viability Assessment
- 1.15 Keppie Massie is also currently preparing Local Plan Viability Assessments for Hambleton, Wirral and West Lancashire Councils.
- 1.16 The Practice has extensive knowledge and experience in dealing with viability in relation to development management matters and provides advice to many Local Planning Authorities across the North and Midlands. We have also been appointed by Lancashire County Council to provide development viability advice to Lancashire Enterprise Partnership, Preston City Council, South Ribble Council and Lancashire City Deal.
- 1.17 Keppie Massie has been appointed by Rossendale Council as their Local Plan Economic Viability Consultants since the summer of 2014 and therefore has detailed knowledge of the local property market as well as practical experience of the costs associated with development in the Borough.

**Timeline**

- 1.18 During 2014 the firm was instructed to prepare a Viability Assessment to inform the then emerging 'Site Allocations and Development Management DPD'. This was intended to sit alongside the Adopted Core Strategy Local Plan and was known as the Local Plan Part 2. We prepared the evidence base for this assessment over the period from the autumn of 2014 to summer 2015. As part of the evidence base a consultation event was undertaken which was attended by Stakeholders including developers and registered providers who were active in the Borough. A draft report was issued to the Council in July 2015 and this contained the results of the viability testing. This Draft formed part of the evidence base for the consultation that took place in relation to the Part 2 Plan during the autumn of 2015. The final version of the report was published in February 2016 ('2016 EVA'). At that time the Council decided to withdraw the Local Plan Part 2 and instead progress with the adoption of a new Local Plan.
- 1.19 Building on this earlier work Keppie Massie prepared an Updated Economic Viability Study in relation to Affordable Housing in June 2017. This alongside the previous study was used by the Council to inform the new draft Local Plan which was subject to consultation during July to October 2017. The current EVA study has regard to the Policies and Site Allocations contained in the Rossendale Draft Local Plan Pre-Submission Publication Version (August 2018). The evidence base for the study was updated during the Summer of 2018.

## 2.0 PLANNING POLICY CONTEXT

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### **Background**

- 2.01 The Council adopted the Core Strategy in November 2011, which comprised a strategic level plan of how the Council anticipated the Borough would develop to 2026. However in February 2016, the Cabinet of Rossendale Borough Council agreed to prepare a new Local Plan to replace the Core Strategy.
- 2.02 Consultation was carried out in July to October 2017 on a draft Local Plan, with consultation relating to the Rossendale Draft Local Plan Pre-Submission Publication Version (August 2018) undertaken 12 months later from 25 August to 5 October 2018.
- 2.03 This Pre-Submission Publication Version of the Local Plan will be the version of the Plan that the Council wants to see adopted, subject to approval by an independent Planning Inspector. The Council hope to adopt the Local Plan in 2019 and it will cover the period to 2034.
- 2.04 This section identifies the key policies contained within the Rossendale Draft Local Plan Pre-Submission Publication Version (August 2018) ('the Local Plan') that could potentially impact on development within the Borough. These impacts may be in terms of location, physical form or the level of planning contributions.

### **Rossendale Draft Local Plan Pre-Submission Publication Version (August 2018)**

- 2.05 The Local Plan recognises that development in Rossendale is constrained by the topography of the area. This means that the supply of flat, available land is limited and there are also other physical constraints, notably flood risk and a road network that is operating close to capacity in some key locations. The plan also notes that Brownfield sites, where available, often have issues that require resolution before the site can come forward for development. As a result large, easy to develop sites are in short supply. Green Belt also covers over 20% of the Borough while there are also extensive areas of Moorland, some within the buffer zone of the South Pennines Special Protection Area and/or designated as Sites of Special Scientific Interest (SSSI).
- 2.06 The Spatial Strategy seeks to make the most of the existing physical infrastructure in the Borough when allocating sites:
- The main transport corridors, particularly the A56 and the A682 link into Rawtenstall;
  - Existing Town centre renewal initiatives;

- Proximity to services;
- Previously developed land.

2.07 The Local Plan identifies a development hierarchy. The town of **Rawtenstall** is the Borough's primary centre complemented by **Bacup, Haslingden** and **Whitworth** which act as Key Service Centres with a range of housing and employment opportunities, as well as retail, leisure and other services such as GP's that serve a wide area. Urban Local Service Centres include **Waterfoot, Crawshawbooth** and **Stacksteads** whilst Local Service Centres in rural locations are defined as **Rising Bridge, Helmshore** and **Water**.

2.08 The Local Plan also highlights a number of major sites of strategic importance to the future development of the Borough, these are:

***Edenfield (Policy HS2 and HS3)***

The site comprises Green Belt land within Edenfield identified for housing development.

***Futures Park (Policy EMP2 and EMP6)***

A 4.6 hectare site at Futures Park to accommodate mixed use employment and leisure development.

***New Hall Hey (Policy EMP2 and EMP6)***

A 6 hectare Green Belt site on the edge of Rawtenstall identified as a strategic location for new employment development, and expansion of the existing employment development at this location.

***Carrs Industrial Estate (Policy EMP2)***

The Carrs Mill industrial estate is the largest employment site within the Borough and is occupied by a range of different businesses. To expand the site 5 hectares of land has been identified to the north of the existing estate which would facilitate employment development.

2.09 Several key topics are identified in the Local Plan relating to housing, employment, retail, green infrastructure, built heritage and transport. Points of particular relevance to this study include:

**Housing**

2.10 The Plan allocates in full land to meet the Housing requirement of **3,180 houses** over the Plan period. The majority of new housing will be located in and around the main centres of **Rawtenstall** and **Bacup** with these centres accommodating in total around 50% of the housing requirement. The majority of the other development will be located in other identified settlements.



- 2.11 The Strategy seeks to maximise the use of brownfield land for housing by bringing former mill sites back into use. It is expected that **30%** of allocated housing land will be brownfield. A significantly higher percentage of windfall sites (ie. sites in use at the moment and that are not allocated for housing but may come forward unexpectedly in the future) will be brownfield.
- 2.12 **Higher densities** (40 dwellings per ha or higher) will be sought near town centres, in particular Rawtenstall, and where it is appropriate to the existing development pattern.
- 2.13 **Strategic Green Belt releases** for housing are proposed in Edenfield, with the development in Edenfield creating the opportunity to masterplan a substantial new addition to the village that would have a limited impact on the openness of the Green Belt.

### **Employment**

- 2.14 The Plan allocates up to **28 ha** (gross) of employment land of which **23 ha** is new provision. The new sites are primarily located close to the A56 and A682 as this is where market demand is highest. The development of Futures Park in Bacup will build on the existing leisure offer in the area, in particular the Mountain Bike facility at Lee Quarry, as well as a range of mixed uses. **Green Belt release** is required south of New Hall Hey for the proposed Major Site. This reflects the current tight nature of the urban boundary and the availability of suitable land.

### **Retail**

- 2.15 The existing retail hierarchy is retained with the addition of a **new local centre** in Crawshawbooth. The **Spinning Point** development which will establish a new retail/leisure core in Rawtenstall is recognised together with new convenience retail space in Bacup to reinforce the current town centre.
- 2.16 With reference to the proposed policies contained in the new Local Plan, we have provided a short summary of those most relevant to the study in the paragraphs below.

### **Strategic Policies**

#### ***Strategic Policy SS: Spatial Strategy***

- 2.17 The policy deals with a number of aspects and in particular states that the Council will focus growth and investment in Key Service Centres, on major sites and on well located brownfield sites whilst protecting the landscape and current built character and rural areas.
- 2.18 It is noted that Greenfield development will be required within and on the fringes of the urban boundary to meet housing and employment needs. The Council will require that the design of such development relates well in design and layout to existing buildings, green infrastructure and services.

**Strategic Policy SD2: Urban Boundary and Green Belt**

- 2.19 In particular this policy states that all new development in the Borough will take place within the Urban Boundaries, defined on the Policies map, except where development specifically needs to be located within a countryside location and the development enhances the rural character of the area.
- 2.20 In addition it identifies a number of locations where land has been removed from Green Belt on the basis that exceptional circumstances exist.

**Policy SD3: Planning Obligations**

- 2.21 This policy deals with developer contributions and in particular, where developments will create demands for additional services, facilities and infrastructure or exacerbate an existing deficiency the Council may seek a contribution or legal agreement to address this issue where it cannot be suitably addressed through the use of planning conditions or other mechanisms. Where sought such contributions will reflect the most up to date legislation and national guidance and may include, but not exclusively, the following issues:
- Affordable Housing
  - Public Open Space
  - Green infrastructure
  - Sustainable transport
  - Schools and Educational facilities
  - Health infrastructure
  - Sports and recreation facilities
- 2.22 The explanation to the policy also makes reference to the fact that in seeking contributions the Council will take into account the wider policies in the Plan, the comments of consultees and the viability of the development.

**Housing Policies****Strategic Policy HS1: Meeting Rossendale's Housing Requirement**

- 2.23 This policy states that the net housing requirement will be achieved through providing at least 3,180 additional dwellings over the plan period (212 dwellings per annum). 30% of new dwellings will be delivered on previously development land (PDL) across the Borough.

2.24 The explanation to the policy makes reference to the SHMA (2016) which highlights a need for larger, aspirational property types in Rossendale to rebalance the stock away from small terraced properties and reduce the high levels of out-migration to adjoining areas to satisfy the demand for suitable house types. The SHMA also evidences the need for more good quality, specialist accommodation designed specifically for the growing elderly population and also identifies a need for single level accommodation together with 1 and 2 bedroom dwellings.

***Policy HS2: Housing Site Allocations***

2.25 This policy at table 1 contains details of the proposed site allocations in the Borough. Only larger sites of 5 dwellings or more are included as allocations. Of the sites that are proposed to be allocated, the explanation to the policy states that 30% are brownfield and 10% are mixed sites. Approximately 50% of the sites allocated are small or medium in size with the largest allocation being for 400 dwellings.

***Policy HS3: Edenfield***

***Policy HS4: Loveclough***

***Policy HS5: Swinshaw Hall***

2.26 These are specific detailed policies providing a more detailed framework for the development of these larger housing allocations.

***Policy HS6: Affordable Housing***

2.27 This policy deals with requirements for affordable housing in new housing developments. The policy states that developments of 10 or more dwellings (0.35 hectares or part thereof) will be required to provide on-site affordable housing as follows:

- a) A requirement of 30% on-site affordable housing from market housing schemes subject to site and development considerations (such as financial viability). Of the overall housing contribution, at least 10% should be available for affordable home ownership unless the proposal provides solely for Build for Rent, provides specialist accommodation to meet specific needs (e.g. purpose built accommodation for the elderly), is a self-build proposal, or is exclusively for affordable housing, entry level exception sites or rural exception sites.
- b) On any rural exception sites there will be a requirement of 100% on-site affordable housing unless it can be demonstrated that a small element of market housing is required to make the scheme viable.

- 2.28 The policy also goes on to say that the affordable housing shall be provided in line with identified needs in terms of tenure, size and type as set out in the latest available information on housing needs.
- 2.29 In exceptional circumstances, off-site provision or financial contributions of a broadly equivalent value instead of on-site provision will be acceptable where the site or location is unsustainable for affordable housing.

***Policy HS7: Housing Density***

- 2.30 This policy deals with the density of new development which should be in keeping with local areas and have no detrimental impact on the amenity, character, appearance, distinctiveness and environmental quality of an area. High densities are to be provided within sustainable locations particularly on sites within defined town centres and locations within 300m of bus stops on key transport corridors.

***Policy HS8: Housing Standards***

- 2.31 This policy contains requirements in relation to the Optional Technical Standards and specifically access and internal space. It requires that at least 20% of any new housing provided on a site should be specifically tailored to meet the needs of elderly or disabled residents, or be easily adaptable in line with the Optional Standards. The Council will adopt a flexible approach where necessary, taking into consideration specific factors, such as size of the site; site topography and vulnerability to flooding, along with evidence on the economic viability of individual developments. The policy also requires new dwellings to comply with the nationally described space standards as a minimum.
- 2.32 As an alternative to the optional space standards developers will be expected to demonstrate that the requirements of "Building for Life 12" (or successor documents) have been met within the scheme.

***Policy HS10: Open Space Requirements in New Housing Developments***

- 2.33 This policy contains requirements for new housing developments of 10 or more dwellings (0.35 hectares or part thereof) to make provision for open space and recreation facilities, where there are identified local deficiencies. This should be on-site for housing schemes of 100 or more dwellings. For smaller schemes or where this is not appropriate, payment of a financial contribution towards off-site provision or improvements to existing open spaces and recreation facilities will be required.

***Policy HS11: Playing Pitch Requirements in New Housing Developments***

- 2.34 Housing developments of 10 or more new dwellings (0.35 hectares or part thereof) will also be required to pay a financial contribution towards improvements to existing playing pitches in the Borough where there is an identified local need.

**Employment Policies*****Strategic Policy EMP1: Provision for Employment***

- 2.35 The Council, together with developers and other partners, will seek to provide sufficient employment land to meet the Borough's requirement of 27 hectares for business, general industrial or storage and distribution (Use Classes B1, B2 and B8) for the period up to 2034.
- 2.36 The explanation to the policy notes that the Employment Land Review (ELR) 2017 identifies a lack of good quality small to medium sizes industrial premises for industrial and manufacturing which is suppressing demand. It also states that the need for industrial premises is greatest in the west of the Borough where there is ready access to the A56 and M66.
- 2.37 In terms of office uses there is a current oversupply but the ELR evidences a need for new office accommodation in the longer term and suggests that this should be located in Rawtenstall.

***Policy EMP2: Employment Site Allocations***

- 2.38 Table 2 within this policy contains details of proposed new and existing employment allocations and mixed use sites. In total 5 new employment allocations are identified providing a total gross area of 23.02 hectares and 19.95 hectares net developable. The sites are allocated and protected for business, general industrial or storage and distribution (Use Classes B1, B2 or B8 respectively) in the period 2019-2034.

***Policy EMP6: Futures Park***

- 2.39 This policy contains detailed requirements for the future mixed use development on this site. An area comprising 4.6 hectares is identified for uses including:
- Employment (B1, B2 and B8);
  - Hotel, restaurants, cafes and drinking establishments;
  - Leisure uses;
  - Retail and
  - Gypsy and Traveller Transit Site (M4).

**Policy EMP7: New Hall Hey**

- 2.40 This is a more detailed policy in relation to the 6 hectares employment allocation at New Hall Hey. Uses identified as suitable for the site include B1, B2 and B8.

**Environment**

- 2.41 A number of the development management policies contained in this section of the Local Plan have implications for viability and we have briefly commented on these below.

**Strategic Policy ENV1: High Quality Development in the Borough**

- 2.42 All proposals for new development in the Borough will be expected to take account of the character and appearance of the local area. Of the criteria identified, the aspects which are of relevance to the study include:

- l) Including public art in appropriate circumstances.
- n) That proposals do not increase the risk of flooding on the site or elsewhere, where possible reducing the risk of flooding overall, having regard to the surface water drainage hierarchy.
- o) A Development Brief or Design Code (as appropriate) will be required to support major new development and smaller proposals as appropriate (this document will be proportionate to the size of the scheme).
- s) Designs that will be adaptable to climate change, incorporate energy efficiency principles and adopt principles of sustainable construction including Sustainable Drainage Systems (SuDS);

**Policy ENV9: Surface Water Run-Off, Flood Risk, Sustainable Drainage and Water Quality**

- 2.43 Particular aspects of this policy of relevance to the study include requirements to manage surface water as part of the development and to seek to maximise the use of permeable surfaces/areas of soft landscaping, and the use of Green Infrastructure as potential sources of storage for surface water run-off. New development should not increase on-site or off-site surface water run-off rates and, where practicable, should seek to reduce surface water run-off to greenfield rates. Discharge of surface water into the public sewer network should only be considered where it can be demonstrated that no other option is feasible.

- 2.44 In addition, proposals for major development will be expected to incorporate Sustainable Drainage Systems (SuDS) which manage any surface water run-off arising from the development and minimise the risk of flooding on the development site and in the surrounding area. Proposals for minor development in areas at risk of flooding should also incorporate SuDS into the design of the scheme unless there is clear evidence that it would be inappropriate. Drainage proposals for minor schemes should at least demonstrate that SuDS solutions have been considered.

## **Transport**

### ***Policy TR4: Parking***

- 2.45 This policy requires that all proposals for new development should meet the parking standards set out within Appendix 1 of the Local Plan unless the applicant can provide an evidence based approach as to why a different level of provision would be appropriate, to the satisfaction of the Local Highway Authority. In addition the policy includes requirements for the incorporation of charging points for electric vehicles where the Council considers it appropriate to do so.
- 2.46 In formulating our development typologies for viability testing we have had regard to both the strategic and development management policies contained in the Local Plan and also the proposed allocations. These policies have informed the location, size, mix and form of development for testing, together with the planning contributions policies that need to be accounted for in our modelling. Section 3 explains how the relevant local plan policies have been addressed in our methodology.

## 3.0 METHODOLOGY

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### **Economic Viability Framework**

3.01 The National Planning Policy Framework July 2018 (NPPF) states that:

*"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as the need for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the delivery of the plan." (para 34).*

3.02 In addition to the above the NPPF requires 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." (para 31)*

3.03 In comparison to the previous version (2012), the current NPPF places a greater emphasis on establishing viability at plan making stage and at paragraph 57 confirms 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. 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."*

3.04 The National Planning Practice Guidance (PPG) has also been revised to support the new NPPF. It similarly reinforces the role of a Viability Assessment at plan making stage by stating that:

*"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."*



3.05 It goes on to say that:

*"Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage."*

3.06 The PPG confirms that:

*".....policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106."*

3.07 It places a responsibility on plan makers in collaboration with the Local Community, developers and other stakeholders to create realistic and deliverable policies, whilst advising that it is the responsibility of site promoters is to:

*".....engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan."*

3.08 This report provides a proportionate assessment of viability (satisfying the requirements of the NPPF and PPG) of the future development sites in Rossendale, taking into account all relevant policies contained in the Local Plan together with local and national standards.

3.09 The Local Housing Delivery Group has published advice for planning practitioners titled 'Viability Testing Local Plans'. This guidance recommends that (page 10):

*"The approach to assessing plan viability should recognise that it can only provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability. It cannot guarantee that every development in the plan period will be viable, only that the plan policies will be viable for the sufficient number of sites upon which the plan relies in order to fulfil its objectively assessed needs."*

3.10 The guidance states that:

*"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. If these conditions are not met, a scheme will not be delivered."*

3.11 The new PPG provides clarification on the role of viability by stating that:

*"In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission."*

### **Appraisal Methodology**

3.12 The PPG provides a useful definition of what viability assessment actually is, by stating that:

*"Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return."*

3.13 Having regard to this definition a residual approach to determine viability has been adopted in relation to both the generic development typologies and the site allocations that have been tested. This is where the value of the completed development is assessed and the cost of undertaking the development (including the cost of land, finance and planning obligations) is deducted, along with a target developer's profit return. The residual sum that is left represents the development surplus or "headroom". Consideration of this then allows an informed decision to be made about the viability of the development in general, and in particular, the ability to fund Local Plan policies involving additional costs for development such as developer contributions policies.

3.14 Table 3.1 provides a simple diagram illustrating this approach:

<b>Gross Development Value (value of the completed development scheme)</b>
Less
Cost of Development (inclusive of build costs, fees, finance, land cost)
Less
Other Costs (inclusive of planning obligations)
Less
Developers Target Profit
= Development Surplus or "Headroom"

Table 3.1: Approach to Viability Testing

3.15 This methodology is also recognised and supported by the Royal Institution of Chartered Surveyors (RICS) in relation to the valuation of development land. The RICS Guidance Note 'Financial Viability in Planning' defines viability for planning purposes as (paragraph 2.1.1):

*"an objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the land owner and a market risk adjusted return to the developer in delivering that project".*

### **Sites and Typologies**

3.16 In establishing the sites and typologies to test the PPG suggests that:

*"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies."*

3.17 In this context a typology approach can be used that groups together sites with shared characteristics. However, in terms of strategic sites the PPG is clear that:

*"It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan."*

- 3.18 The document 'Viability Testing Local Plans' suggests that viability testing of Local Plans does not require a detailed viability appraisal of every site anticipated to come forward over the plan period. As a consequence of the potentially widely different economic profiles of sites within the local area, it suggests:

*"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."*

- 3.19 In preparing our residual appraisals, it has been necessary to make certain assumptions, both in relation to the form of development and also the variables adopted in each of the appraisals based upon a significant quantity of data. Inevitably, given the diverse character of the property market in Rossendale, the data does not necessarily fit all eventualities and every development site will be unique. It has therefore been necessary to draw upon our development experience and use our professional knowledge to derive a data set that best fits the typical characteristics of the site allocations, likely future development sites and form of development in the Borough and can be considered reasonable.
- 3.20 It should be noted that when adopting a Residual Methodology, the end result is sensitive to even the smallest of changes in any of the assumptions that feed into the appraisal process. We are satisfied however that our approach and the assumptions that we have made are appropriate to the property market characteristics within Rossendale and represent the most reasonable approach given the appropriate available evidence at the time of preparing this study.

### **Residential Development Scenarios**

- 3.21 The Local Plan aims to focus the majority of new housing development in and around the main centres of Rawtenstall and Bacup with these centres accommodating in total around 50% of the housing requirement. The majority of the other development will be located in other identified settlements.
- 3.22 The Strategy also seeks to maximise the use of brownfield land for housing by bringing former mill sites back into use. It is expected that 30% of allocated housing land will be brownfield. A significantly higher percentage of windfall sites will be brownfield. Approximately 50% of the sites allocated are small or medium in size. The largest allocation is for 400 dwellings.
- 3.23 The Local Plan identifies 74 allocation sites and we have prepared table 3.2 which contains a summary of these sites with reference to site type and size.

Type	Site Size							Total
	5-9	10-14	15-24	25-49	50-74	75-100	>100	
Brownfield	9	3	5	1	1	0	2	<b>21</b>
Greenfield	14	6	4	10	7	1	1	<b>43</b>
Mixed	0	0	1	4	1	2	2	<b>10</b>
<b>Total</b>	<b>23</b>	<b>9</b>	<b>10</b>	<b>15</b>	<b>9</b>	<b>3</b>	<b>5</b>	<b>74</b>

Table 3.2: Summary of Housing Allocations

3.24 Table 3.2 shows that a total of 57 sites equivalent to 77% of the proposed allocation sites have a capacity of 49 dwellings or less. The plan also contains a significant number of greenfield sites together with a small number of mixed sites which are predominantly greenfield.

3.25 Having regard to the Local Plan and to general character of the Borough, it is likely that future residential development will take place on both greenfield and previously developed sites across all main settlements and hence market areas. That said, there are a greater number of greenfield sites and some that are a mix of previously developed land and greenfield. The majority of development sites contained in the Local Plan have a capacity of less than 50 dwellings although there are a number of potential sites (five) that have a capacity in excess of 100 dwellings including one site with an identified capacity of 400 dwellings.

3.26 The Planning Advisory Service in the note 'Successful Plan Making – Advice for Practitioners', suggests that:

*"under the NPPF, authorities need to test the whole plan and all its policies together to show its impact on viability; however, separate viability testing of strategic sites is also recommended if they are key to the delivery of the plan."*

3.27 The Harman Guidance suggests that:

*"Planning authorities may build up data based on the assessment of a number of specific local sites included within the land supply, or they may create a number of hypothetical sites, typologies or reasonable assumptions about the likely flow of development sites."*

*"What is important is that partners have confidence that the profile of sites included within an assessment is a good match with likely future supply over the plan period, and avoid making assumptions that could be contested."*

*"The appraisal should be able to provide a profile of viability across a geographical range and/or range of different types of site."*

*"Once this profile is established, 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."*

- 3.28 The new PPG suggests the use of site typologies to determine viability at the plan making stage and also recommends that in some circumstances a more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.
- 3.29 Having regard to the likely location, characteristics and size of future development sites and having regard to the density requirements contained in Policy HS7, we have prepared a framework of development typologies for the purpose of undertaking our viability testing for new residential development. Tables 3.3 and 3.4 provide details of the development typologies that have been adopted for the purpose of our testing based on new housing and standalone apartment developments.

Scheme	No Dwellings	Density (per hectare)
<b>1</b>	5	30, 35, 40
<b>2</b>	10	30, 35, 40
<b>3</b>	20	30, 35, 40
<b>4</b>	35	30, 35, 40
<b>5</b>	50	30, 35, 40

Table 3.3: Generic Residential Mix Testing Typologies – Brownfield and Greenfield Sites

Scheme	No Dwellings	Comments
<b>6</b>	15	Standard scheme 2 floors and no lift
<b>7</b>	50	Standard Scheme 3 floors and lift

Table 3.4: Apartment Testing Typologies

- 3.30 For each of the residential developments that we have tested, the net developable site area has been calculated based on the capacity at the respective density. We have then calculated the gross site area with reference to the formula contained in the 2018 SHLAA, which is reproduced in Table 3.5.

Total Site Area	Net Developable Area
<b>Less than 0.4 ha</b>	100% of gross area
<b>0.4 ha to 2 ha</b>	90% of gross area
<b>Sites over 2 ha</b>	75% of gross area

Table 3.5: SHLAA Gross/Net Site Area Calculation

- 3.31 Policy HS2: Housing Site Allocations contains details of the proposed allocation sites within Rossendale. In addition to the generic testing a specific viability assessment has been prepared in relation to a broad range of “case study” sites comprising the larger allocations. The allocations that have been tested are summarised in table 3.6. The sample of case study sites comprises greenfield, mixed and brownfield sites which range in capacity from 45 to 400 dwellings. The sample is sufficiently wide to provide a viability framework for all larger sites above 50 dwellings that are likely to come forward over the plan period.
- 3.32 The viability assessment in each case is based on the site capacity identified in the Local Plan. A number of sites have constraints which impact on the developable area. These have been further assessed by the Council and taken into account in the calculation of the net developable area for the purpose of our viability testing. The table contains details of the assumed net developable area and density for the purpose of our viability testing. In a number of cases the net developable area differs from that stated in the Local Plan.

Ref	Name	Net Area	Capacity	Density	Type
<b>Rawtenstall, Crawshawbooth, Goodshaw and Loveclough</b>					
H5	Swinshaw Hall, Loveclough	1.57	47	30	Greenfield
H11	The Hollins, Hollin Way	1.97	70	36	Greenfield
H13	Loveclough Working Mens Club and land at rear and extension	2.38	95	40	Mixed
<b>Bacup, Stacksteads, Britannia and Weir</b>					
H28	Sheephouse Reservoir, Britannia	2.01	63	31	Greenfield
H30	Tong Farm, Bacup	1.7	51	30	Greenfield
H37	Land off Gladstone Street, Bacup	1.7	63	38	Mixed
H40	Land off Todmorden Road, Bacup	1.77	53	30	Greenfield
H42	Land south of The Weir Public House	1.52	52	34	Greenfield
<b>Waterfoot, Lumb, Cowpe and Water</b>					
H59	Land Adjacent Dark Lane Football Ground	1.95	80	41	Mixed
H60	Johnny Barn Farm and land to the east, Cloughfold	2.67	80	30	Greenfield
<b>Edenfield, Helmshore, Irwell Vale and Ewood Bridge</b>					
H70	Irwell Vale Mill	1.22	45	37	Mixed
H72	Land west of Market Street, Edenfield	15.3	400	26	Mixed but largely greenfield
H73	Edenwood Mill, Edenfield	1.11	47	42	Mixed
H74	Grane Village, Helmshore	4.97	174	35	Mixed but largely greenfield

Table 3.6: Housing Allocations Tested

### Form of Development assumed for Testing (Mix and Dwelling Size)

3.33 Having established the size and capacity for each site (allocation and generic) we have then adopted a typical housing mix and house size reflecting the development density. In order to inform this both the Local Plan and also the evidence base documents that support this were considered, including the Strategic Housing Market Assessment (SHMA). Analysis of recent planning applications relating to residential development in Rossendale was also undertaken. This is contained at **Appendix 1**.

3.34 Table 3.7 contains details of the housing mix that was adopted in the 2016 EVA. This was informed by analysis of those residential developments that had been granted planning consent in the Borough at that time.

	1 bed	2 bed	3 bed	4 bed	5 bed
% of mix	0%	10%	45%	40%	5%

Table 3.7: Dwelling Mix adopted in 2016 EVA

3.35 Table 3.8 has been prepared based on the available information from 5 more recent residential planning consents in the Borough for developments in excess of 10 dwellings since the original analysis. These applications are for a total of 127 houses. The table contains details of the overall average mix from these applications.

	1 bed	2 bed	3 bed	4 bed	5 bed
% of mix	0%	0%	39%	46%	15%

Table 3.8: Average House Mix based on Analysis of Planning Consents since 2016 EVA

3.36 The previously adopted housing mix and the more recent planning application analysis are broadly in line with a majority (85%) comprising of 3 and 4 bed dwellings.

3.37 **HS1: Meeting Rossendale's Housing Requirement** makes reference to the SHMA 2016 and its conclusion that there is a need for larger, aspirational property types in Rossendale to rebalance the stock away from small terraced properties. The SHMA also evidences the need for more good quality, specialist accommodation designed specifically for the growing elderly population and also identifies a need for single level accommodation.

3.38 The SHMA suggests an overall housing mix of:

- 1 and 2 bed – 40%;
- 3 and 4 bed – 60%



3.39 In undertaking our viability assessments we have assumed a mix of house sizes that moves towards the conclusions of the SHMA but also recognises past delivery and the fact that the requirements of the SHMA are aspirational. The mix adopted is summarised in table 3.9.

	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5 bed</b>
Mix	5%	25%	45%	20%	5%

Table 3.9: Housing Mix Adopted for Viability Testing

3.40 Reflecting the requirements of the SHMA we have also assumed that 3% of the dwellings will be bungalows.

3.41 We have also prepared viability assessments for standalone schemes of apartments and Table 3.10 shows the mix adopted for this testing.

	<b>1 bed</b>	<b>2 bed</b>
% of mix	40%	60%

Table 3.10: Apartment Mix for Viability Testing

3.42 Table 3.11 contains details of the average dwelling sizes taken from our analysis of the residential planning applications since 2016. The analysis did not include any 1 and 2 bed houses or apartments. We have provided at Table 3.12 details of the dwelling sizes that were adopted in the 2016 EVA, that were informed by the analysis of planning applications at that time.

<b>No Beds</b>	<b>Size (sq.m)</b>	<b>Size (sq.ft)</b>
1	n/a	n/a
2	n/a	n/a
3	119	1,277
4	137	1,476
5	197	2,112
1 bed apartment	n/a	n/a
2 bed apartment	n/a	n/a

Table 3.11: Average Dwelling Sizes taken from Analysis of Planning Applications since 2016

No Beds	Size (sq.m)	Size (sq.ft)
1	Not tested	Not tested
2	59	640
3	88	950
4	116	1,250
5	146	1,575
1 bed apartment	56	600
2 bed apartment	70	750

Table 3.12: Dwelling Sizes Adopted for Viability Testing in 2016 EVA

- 3.43 The analysis of recent applications contains only a fairly limited sample of 5 schemes and these include a number of fairly large 4 and 5 bed houses. The 3 bed houses in these developments are also generally bigger than those that would typically be built by many of the volume housebuilders. In all cases the average dwelling size is larger than those adopted for the viability testing in the 2016 EVA.
- 3.44 **Policy HS8: Housing Standards** requires that all new housing developments will meet the Nationally Described Space Standards, with more generous provision provided where possible.
- 3.45 Figure 3.1 is a reproduction of Table 1 taken from the National Space Standards and contains details of the minimum gross internal floor area requirements.

No of Beds (b)	No of Bed Spaces (persons)	1 storey dwellings (sq.m)	2 storey dwellings (sq.m)	3 storey dwellings (sq.m)	Built in storage
<b>1b</b>	1p	39 (37) <sup>2</sup>			1.0
	2p	50	58		1.5
<b>2b</b>	3p	61	70		2.0
	4p	70	79		
<b>3b</b>	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
<b>4b</b>	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
<b>5b</b>	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
<b>6b</b>	7p	116	123	129	4.0

Figure 3.1: National Space Standards

- 3.46 The sizes of the 3, 4 and 5 bed houses adopted in the original 2016 EVA accord to the requirements of the minimum space standards. The 2 bed dwelling size at 59 sq.m was slightly below the space standards whilst we did not include any 1 bed houses in our testing.
- 3.47 For the purpose of the current assessment we have retained the sizes of the 4 and 5 bed houses from this earlier testing. We have increased slightly the size of the 3 bed house to 90 sq.m to reflect current trends in the Borough and also to ensure that it fits within the size thresholds for 3 storey houses. We have also increased the size of the 2 bed dwelling to 70 sq.m. The 1 bed dwelling has been included at 58 sq.m to reflect the requirement in the space standards for 2 storey dwellings. With these adjustments the dwelling sizes that have been adopted for the purpose of our testing are as summarised at table 3.13.

	1 bed	2 bed	3 bed	4 bed	5 bed
Size (sq.m)	58	70	90	116	146
Size (sq.ft)	624	753	969	1,249	1,572

Table 3.13: Dwelling Sizes Adopted for Viability Assessments

- 3.48 The viability testing of apartments is based on the sizes adopted in the 2016 EVA and for ease of reference table 3.14 contains details of the sizes that have been adopted.

	1 bed	2 bed
Size (sq.m)	56	70
Size (sq.ft)	600	753

Table 3.14: Apartments Sizes Adopted for Viability Assessments

- 3.49 In accordance with the requirements of **Policy HS6: Affordable Housing**, our viability testing for both the generic typologies and allocations assumes that for developments of 10 units or more 30% on site affordable provision will be required. We have assumed in line with the policy that one third of the requirement will be for affordable home ownership. The balance of affordable dwellings are then assumed to be for affordable rent.
- 3.50 The policy states that affordable housing shall be provided in line with identified needs of tenure, size and type as set out in the latest information on housing needs. In accordance with the SHMA (2016) we have therefore assumed that the affordable provision will be based on the following mix:

- 1 and 2 bed – 65%
- 3 and 4 bed – 35%.

## **Non-Residential Uses**

### **Generic Testing**

- 3.51 In preparing a schedule of non-residential development types to be tested, we have had regard to the typologies previously tested as part of the 2016 EVA, recent planning applications and also various Local Plan evidence base studies such as the Employment Land Review. We have also considered the strategic policies contained in the Local Plan in relation to employment and other commercial uses.
- 3.52 Having regard to the 2016 EVA, the Local Plan and its evidence base, we have considered development scenarios for the Borough based on retail (comparison and convenience), offices and industrial (B2/B8).
- 3.53 Table 3.15 contains a summary of the non-residential developments that have been tested as part of this viability assessment.

<b>Development Type</b>	<b>Built Area (sq.m)</b>	<b>Built Area (sq.ft)</b>
<b>Offices</b>	464	5,000
<b>Offices</b>	1,857	20,000
<b>Industrial B2/B8</b>	464	5,000
<b>Industrial B2/B8</b>	1,857	20,000
<b>Industrial B2/B8</b>	4,643	50,000
<b>Industrial B8</b>	9,287	100,000
<b>Industrial B8</b>	23,225	250,000
<b>Retail (Convenience)</b>	279	3,000
<b>Retail (Convenience)</b>	929	10,000
<b>Retail (Convenience)</b>	2,786	30,000
<b>Retail (Convenience)</b>	4,643	50,000
<b>Non-food Retail</b>	279	3,000
<b>Non-food Retail</b>	929	10,000
<b>Non-food Retail</b>	2,786	30,000

Table 3.15: Summary of Non-Residential Development Testing Typologies

### **Local Plan Policies**

- 3.54 For the generic and allocated sites that we have tested, Table 3.16 contains a summary of the key policies that impact on viability and how these have been dealt with in our testing.

Policy	Requirements	Viability Consideration	Approach to Viability Testing
<p><b>HS1: Meeting Rossendale's Housing Requirement</b></p> <p><b>HS2: Housing Site Allocations</b></p>	<p>Re-use of previously developed land</p> <p>50% of allocations are small and medium sized sites</p>	<p>An overall amount of 30% of all new dwellings are to be delivered on previously developed land (PDL) across the Borough.</p> <p>The plan also identifies significant number of small and medium sized sites for allocation (50%)</p>	<p>Viability testing undertaken for previously developed sites. Construction cost assessments therefore reflect costs associated with development of brownfield sites.</p> <p>Viability testing undertaken for a range of small and medium sized sites with the construction cost assessments and other appraisal inputs reflective of the circumstances associated with the development of the site size.</p> <p>We have also undertaken viability testing of greenfield sites.</p>
<p><b>HS7: Housing Density</b></p>	<p>Density</p>	<p>The density of the development should be in keeping with local areas and have no detrimental impact on the amenity, character, appearance, distinctiveness and environmental quality of an area.</p> <p>Densities in excess of 40 dwellings per hectare will be expected to be delivered in town centres within Rossendale and other sites within the urban boundary or well located in terms of bus routes.</p> <p>It is recognised that housing densities will be lower in other areas of the Borough because of physical constraints and on site issues, for example, topography, areas at risk of flooding and landscape.</p>	<p>Viability Testing of generic typologies undertaken at 30 dwellings per hectare together with higher density testing at 35 and 40 dwellings per hectare to reflect policy requirements in relation to sites within the urban boundary and with good access to services.</p> <p>The density and net developable areas assumed for the allocations testing accords to the capacity identified for the particular allocation in the Local Plan and reflects particular site constraints.</p>
<p><b>HS1: Meeting Rossendale's Housing Requirement</b></p>	<p>Housing Mix</p>	<p>The explanation to the policy makes reference to the SHMA and its conclusion that there is a need for larger, aspirational property types in Rossendale to rebalance the stock away from small terraced properties. The SHMA also identifies a need for single level accommodation and for 1 and 2 bed dwellings.</p> <p>The SHMA suggests an overall housing mix of: 1 and 2 bed – 40%; 3 and 4 bed – 60%</p>	<p>In undertaking our viability assessments we have assumed a mix of house sizes that moves towards the conclusions of the SHMA but also recognises past delivery and the fact that the requirements of the SHMA are aspirational.</p> <p>The mix adopted is 1 and 2 bed – 30% 3+ bed – 70%</p> <p>We have also included as part of our testing provision for 3% of the dwellings to be bungalows.</p>

Policy	Requirements	Viability Consideration	Approach to Viability Testing
<b>HS6: Affordable Housing</b>	Affordable Housing	<p>New housing developments of 10 or more dwellings (0.35 hectares or part thereof) will be required to provide on-site affordable housing on the basis of 30% provision subject to site and development considerations (such as financial viability).</p> <p>At least 10% of the overall housing contribution should be available for affordable home ownership.</p> <p>Affordable Housing shall be provided in line with identified needs of tenure, size and type as set out in the latest available information on housing needs.</p> <p>The requirement in terms of tenure will be based on the housing need at the time of submission of the planning application.</p>	<p>Testing has been undertaken based on 30% affordable housing provision. Lower thresholds have also been considered where viability is at issue.</p> <p>The tenure of the affordable dwellings tested includes 10% of the overall housing contribution for affordable home ownership in line with HS6. The balance of provision is assumed to be affordable rented. This is broadly in line with the SHMA (2016) which suggests a balance of 60% rented and 40% intermediate/starter homes. The overall affordable housing mix therefore is Affordable home ownership – 33% Affordable rented – 67%</p> <p>In accordance with the SHMA (2016) we have assumed that the affordable provision will be based on the following mix: 1 and 2 bed – 65% 3 and 4 bed – 35%.</p>
<b>HS8: Housing Standards</b>	Dwelling Sizes	For new housing developments the Council will expect in terms of internal space the nationally described space standards should be the minimum with more generous provision provided where possible.	The dwellings sizes that have been adopted accord to the nationally described space standards.
<b>HS8: Housing Standards</b>	Optional Technical Standards relating to Accessibility	At least 20% of any new housing provided on a site should be specifically tailored to meet the needs of elderly or disabled residents, or be easily adaptable in line with the Optional Standards. In this regard the Council will adopt a flexible approach where necessary, taking into consideration specific factors, such as size of the site; site topography and vulnerability to flooding, along with evidence on the economic viability of individual developments.	We have undertaken specific testing including an additional cost allowance of £1,100 per house and £750 per apartment for 20% of the dwellings to meet the requirements of M4 (2).

Policy	Requirements	Viability Consideration	Approach to Viability Testing
<b>HS10: Open Space Requirements in New Housing Developments</b>	Open Space Provision	<p>Housing developments of 10 or more new dwellings (0.35 hectares or part thereof) will be required to make provision for open space and recreation facilities, where there are identified local deficiencies in the quantity, accessibility or quality and/or value of open space and recreation facilities.</p> <p>This should be on-site for housing schemes of 100 or more dwellings. For smaller schemes or where this is not appropriate, payment of a financial contribution towards off-site provision or improvements to existing open spaces and recreation facilities will be required.</p>	<p>The development typologies include requirements for onsite public open space based on these parameters and therefore the construction cost assessments are reflective of this together with the costs of future maintenance of the open space.</p> <p>We have also undertaken viability testing for those typologies and allocations less than 100 dwellings inclusive of a financial contribution to offsite provision based on £1,366 per dwelling.</p>
<b>HS11: Playing Pitch Requirements in New Housing Developments</b>	Playing Pitch Contributions	Housing developments of 10 or more new dwellings (0.35 hectares or part thereof) will be required to pay a financial contribution towards improvements to existing playing pitches in the Borough where there is an identified local need.	Separate viability testing has been undertaken inclusive of playing pitch contributions based on a contribution of £566 per dwelling.
<b>TR4: Parking</b>	<p>Car Parking Standards</p> <p>Electric Vehicle Charging Points</p>	<p>Proposals for new development are required to meet the Councils Parking Standards as set out in Appendix 1 to the plan.</p> <p>The policy TR4 also deals with the requirements for electric vehicle charging points where considered appropriate to serve new development.</p>	<p>The form of development tested accords with the parking standards requirements</p> <p>In addition we have separately considered the costs associated with electric vehicle charging points.</p>

Policy	Requirements	Viability Consideration	Approach to Viability Testing
<p><b>ENV1: High Quality Development in the Borough</b></p> <p><b>ENV9: Surface Water Run-Off, Flood Risk, Sustainable Drainage and Water Quality</b></p>	Sustainable construction and Water Management	<p>ENV1 makes provision for new development designs to be adaptable to climate change, incorporate energy efficiency principles and adopt principles of sustainable construction including Sustainable Drainage Systems (SuDS);</p> <p>ENV9 states that Proposals for major development will be expected to incorporate Sustainable Drainage Systems (SuDS) which manage any surface water run-off arising from the development.</p>	<p>The construction cost assessments assume requirements for sustainable construction techniques.</p> <p>The form of development tested, in particular the inclusion of open spaces, addresses the requirement for Sustainable Urban Drainage Systems, and the costs assessed make provision for associated SUDs costs.</p>
<p><b>Policy SD3: Planning Obligations</b></p>	Developer Contributions	<p>Where developments will create demands for additional services, facilities and infrastructure or exacerbate an existing deficiency the Council may seek a contribution or legal agreement to address this issue where it cannot be suitably addressed through the use of planning conditions or other mechanisms. Where sought such contributions will reflect the most up to date national guidance and may include, but not exclusively, the following issues:</p> <ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Public Open Space</li> <li>• Green infrastructure</li> <li>• Sustainable transport</li> <li>• Schools and Educational facilities</li> <li>• Health infrastructure</li> <li>• Sports and recreation facilities</li> </ul>	<p>As part of our viability testing we have considered the impact of a contribution of £1,000 per dwelling arising from site specific S106 requirements.</p> <p>We have also undertaken viability testing inclusive of onsite affordable housing provision and public open space requirements.</p>

Table 3.16: Viability Considerations for Local Plan Policies



## 4.0 OVERVIEW OF ROSSENDALE

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- 4.01 Rossendale is one of the smallest Boroughs in Lancashire, and is located towards the south-east of the County. Rossendale forms part of a group of authorities known as 'Pennine Lancashire' which is named due to the topographical characteristics of the settlements towards the east of Lancashire and includes Burnley, Hyndburn, Pendle, Ribble Valley and Blackburn with Darwen. Rossendale borders Blackburn and Darwen (located to the west), Hyndburn (located to the north-west) and Burnley (located to the north).
- 4.02 Rossendale borders Greater Manchester to the south, with both Bury and Rochdale bordering the Borough to the south-west and south-east respectively. In addition to the above, Rossendale also borders the West Yorkshire Borough of Calderdale.
- 4.03 Rossendale is surrounded by a number of larger towns which form part of the M65 corridor, the Greater Manchester Conurbation and the West Yorkshire Conurbation. Manchester City Centre is located 18 miles to the south of the Borough and the towns of Accrington, Blackburn, Bolton, Burnley, Bury, Halifax and Rochdale are all located within 10 miles of the Borough.
- 4.04 A map showing the boundaries of Rossendale in relation to the wider Lancashire area is contained at figure 4.1.
- 4.05 The land area extends to approximately 53.3 square miles (138 square kilometres or 13,800 hectares), and is home to approximately 68,744 people according to the Office of National Statistics 2013 mid-year estimate.
- 4.06 Rossendale is irregularly shaped, and as the previous Core Strategy observes is "defined by a series of interlocking valleys dissecting open moorland". Development has therefore typically comprised ribbon development along the valley bottoms, making use of existing infrastructure and flat land.
- 4.07 The Core Strategy identifies a total of 15no individual settlements within the Borough, of which the largest are Rawtenstall (c.22,000), Haslingden (16,849) and Bacup (12,763). Others include Crawshawbooth, Edenfield, Goodshaw, Helmshore, Loveclough, Rising Bridge, Shawforth, Stacksteads, Water, Waterfoot, Weir and Whitworth.



Figure 4.1: Map Showing Location of Rossendale in relation to Lancashire Authorities

- 4.08 Rossendale is split in terms of income levels and affluence. The whole Borough rapidly developed during the Industrial Revolution, however the subsequent decline in manufacturing has left a legacy of derelict buildings and Brownfield contaminated land. Whilst unemployment (using the Claimant Count statistics) remains at 1.5% which is in line with the wider Lancashire average (Lancashire County Council – 2015), average incomes are significantly below that of the national average.
- 4.09 Some areas of the Borough have fared better than others in economic terms. This is illustrated by the fact that whilst parts of Haslingden and Rawtenstall are amongst the top 25% of the least deprived areas in England and Wales, there are however areas, particularly around Bacup to the east of the Borough, that are amongst the top 10% most deprived areas in England and Wales.

4.10 This is partly as a result of accessibility issues. The west of the Borough is accessible benefitting from a location along the A56/M66 corridor (providing access to Manchester and the M62/M60, and the M65) however the central and eastern portions of the Borough are relatively inaccessible. Both the A671 and A681 which link Bacup and the eastern settlements to the wider principal highway network are single lane routes with congestion issues during peak hours.

### **Property Market Overview (Summer/Autumn 2018)**

#### **Residential Market**

4.11 The initial research to prepare the property market evidence base for the purpose of the Original EVA 2016 was undertaken over the period from the autumn of 2014 to the summer of 2015, with a refresh of this evidence undertaken in the early part of 2017 for the purpose of the updated June 2017 study. For the purpose of the current EVA the property market evidence has been further updated to inform the viability testing for the Pre-Submission Publication Version of the Local Plan and has regard to the most up to date market information as at late summer/autumn 2018.

4.12 We have provided at table 4.1 details of average house prices taken from Land Registry for the Borough of Rossendale. For comparative purpose we have then included the relevant information in relation to Lancashire as a whole and the wider North West region.

<b>Authority</b>	<b>No Sales</b>	<b>Overall (£)</b>	<b>Detach (£)</b>	<b>Semi (£)</b>	<b>Terrace (£)</b>	<b>Flat (£)</b>
Rossendale	123	£136,394	£223,493	£141,639	£107,302	£96,743
Lancashire	1,873	£145,420	£250,008	£153,274	£105,298	£97,652
North West	10,485	£164,122	£281,596	£173,034	£125,285	£124,295

Table 4.1: Average House Prices August 2018

4.13 The data shows that based on sales in August 2018 the average house price in Rossendale was £136,394. By comparison that for Lancashire as a whole was £145,420 which is approximately 6.5% higher than in Rossendale. The average price in the North West Region was higher again at £164,122 which is just over 20% higher than in Rossendale.

4.14 For completeness we have also tracked average house prices in Rossendale over the period since the start of 2014. Figure 4.2 is based on data taken from Land Registry relating to average house prices over this period.

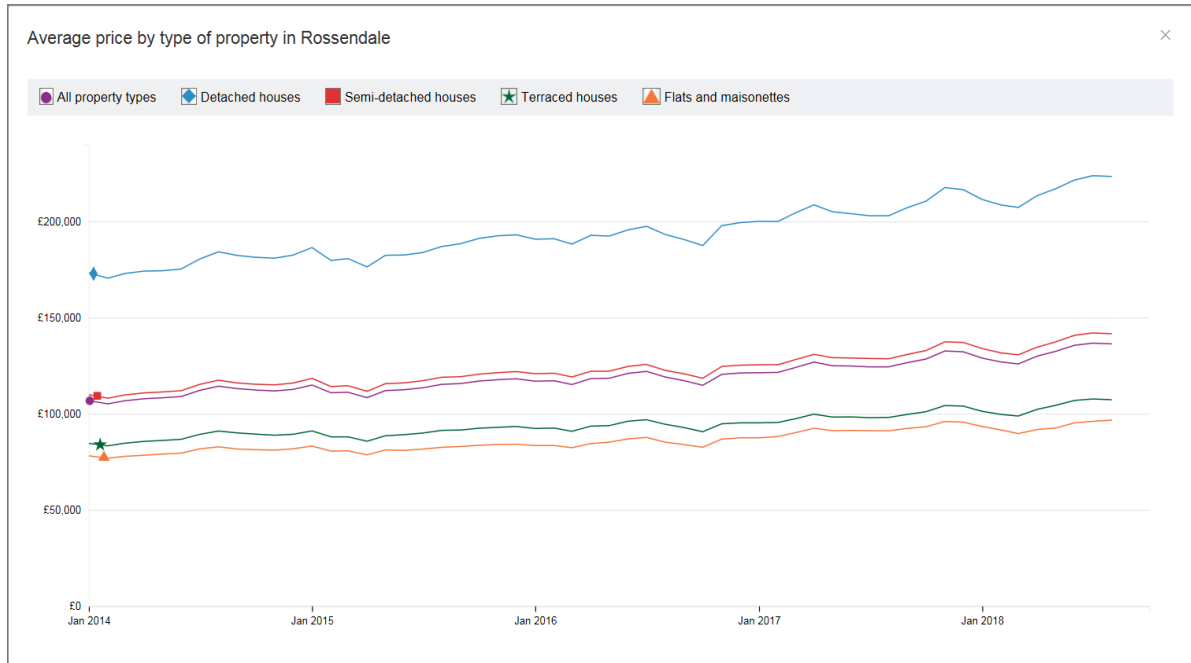


Figure 4.2: Average House Prices in Rosendale since January 2014

- 4.15 In January 2014 the average house price in Rosendale according to Land Registry data was £106,841. Prices then rose gradually over the period and in the summer of 2015 when the evidence base was finalised for the original EVA the average house price reached £113,514. In January 2017 average prices were at £121,378. The trajectory since has been one of gradual increases in house prices to £136,394 in August 2018. From July 2015 at the time of the original EVA to August 2018 average house prices in Rosendale have increased by just over 20%.
- 4.16 We have also included at table 4.2 data from Land Registry relating to the average price of new build sales in Rosendale in comparison with the average price paid for the re-sales of existing properties. For completeness the table also contains details of the percentage difference between the average monthly prices paid for new build in comparison with existing stock.

Month	New Build Sales Average (£)	Existing Sales Average (£)	Percentage Difference
July 15	£177,101	£112,083	58.01%
Jan 17	£197,998	£119,697	65.42%
Feb 17	£198,478	£119,865	65.58%
March 17	£203,394	£122,333	66.26%
April 17	£205,983	£125,229	64.49%
May 17	£202,319	£123,356	64.01%
June 17	£199,889	£123,288	62.13%
July 17	£199,080	£122,824	62.09%
August 17	£198,037	£122,917	61.11%
Sept 17	£202,749	£125,045	62.14%
Oct 17	£205,951	£126,852	62.36%
Nov 17	£212,938	£130,988	62.56%
Dec 17	£211,909	£130,582	62.28%
Jan 18	£208,203	£127,291	63.56%
Feb 18	£208,201	£125,185	66.31%
March 18	£207,305	£124,178	66.94%
April 18	£212,666	£128,286	65.77%
May 18	£213,285	£130,921	62.91%
June 18	£217,089	£134,130	61.85%
July 18	£219,028	£135,231	61.97%
August 18	£221,182	£134,706	64.20%
Percentage Increase since July 15	<b>25%</b>	<b>20%</b>	
Percentage Increase Since Jan 17	<b>12%</b>	<b>13%</b>	

Table 4.2: Comparison of Average Prices New Build v Existing Stock since July 2015 – Land Registry

- 4.17 The data shows that on average new dwellings sold for around 60-65% more than the existing housing stock. The average price of a new build house was £221,182 in August 2018 this compares with £177,101 at the time of the original EVA. This is an increase of 25% over the period since July 2015. The average price of a second hand house in August 2018 was £134,706, an increase of 20% over the same period.
- 4.18 We have also undertaken analysis of house sales in Rossendale over the 12 month period from January 2017. The data has been sourced from Land Registry and has been used to prepare Figures 4.2 which is a 'heat map' of average house prices in the Borough. The lower value areas are shaded blue and those with the highest values are red.

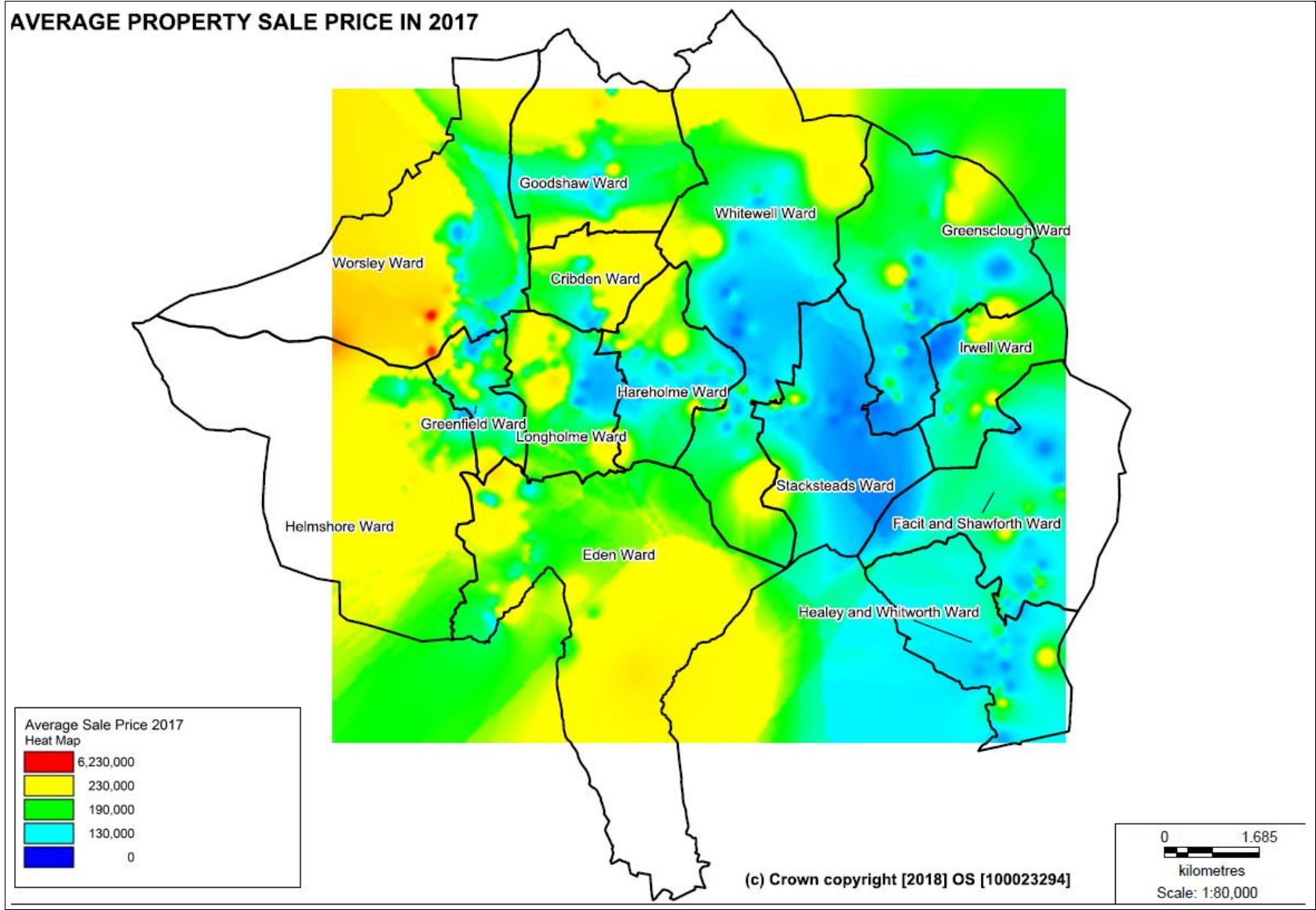


Figure 4.2: House Price 'Heat Map'

4.19 The data shows that prices are generally highest in those parts of Rossendale which are most well connected to the west of the Borough. To the east and south east around Bacup and Whitworth accessibility is poorer and house prices are generally lower. There are also relatively lower values through the central corridor along the A581 to the east of Rawtenstall. The lower value areas are characterised by older terraced stock, often of poorer quality, located within the central area of the Borough often along the valley bottom. Often in Rossendale values improve with height as you move away from the valley bottoms.

### **New Housing Developments**

4.20 The data contained in the preceding paragraphs is helpful to an understanding of relative house prices in Rossendale and also provides a useful insight into the characteristics of the types of houses in the Borough. It does however relate principally to the re-sale of second hand properties and hence will reflect the condition, size and characteristics of those properties. Table 4.2 illustrates the significant differential between the prices paid for new build housing in comparison with existing stock

4.21 To fully inform the study we therefore need to understand the prices that are likely to be achieved for the sale of new build dwellings. Therefore the best evidence of house prices for the purpose of the study comes from sales of new dwellings that have recently taken place in the Borough.

4.22 Over the last few years as some confidence has returned to the housing market a number of new housing developments have commenced in the Borough. Some of these developments are now complete and all houses have been sold, whilst others are part way through development and some have only just started.

4.23 Appendix 1 to the 2016 EVA contained details of sale prices for new build homes at that time. Based on this evidence table 4.3 contains a summary of the net sale prices that were used for the purpose of viability testing in the 2016 EVA.

<b>Value Zone</b>	<b>Wards</b>	<b>Sales price (per sq.m)</b>	<b>Sales price (per sq.ft)</b>
1	Bacup, Stacksteads, Inner Rawtenstall	£1,722	£160
2	Whitworth, Britannia, Newchurch, Waterfoot, Haslingden, Weir, Water, Lumb	£1,884	£175
3	Crawshawbooth (including Goodshaw and Loveclough), Outer Rawtenstall (including New Hall Hey) New Hall Hey	£2,045	£190
4	Helmshore, Edenfield	£2,260	£210

Table 4.3: Sales prices adopted in the 2016 EVA



- 4.24 The 2017 update report adopted the same sales prices however the values zones were adjusted slightly based on the evidence at that time. Further details are provided at table 4.4.

Value Zone	Areas	Sales price (per sq.m)	Sales price (per sq.ft)
1	Bacup, Stacksteads and Weir	£1,722	£160
2	Whitworth and less affluent portions of Rawtenstall	£1,884	£175
3	Crawshawbooth, Northern Rawtenstall, and portions of Helmshore and Haslingden	£2,045	£190
4	Affluent parts of Rawtenstall, Haslingden and Helmshore, and Edenfield	£2,260	£210

Table 4.4: Sales prices adopted in 2017 Update EVA

- 4.25 To inform the evidence base for the current study we have undertaken an analysis of sales prices since January 2017 for newly built housing developments in Rossendale. **Appendix 2** contains an overview of the research that we have undertaken over the period in relation to the sales prices for dwellings on these various developments. Table 4.5 contains a summary analysis of each of the new build developments we have considered in preparing our evidence base. The average price per sq.m and per sq.ft is presented without any adjustments for the incentives that might have been required to secure a sales. Typically we would expect incentives to be in the range of 0-2% of the purchase prices, and in very limited cases up to 5%.
- 4.26 For ease of reference the analysis is presented with reference to the value zones contained in table 4.4. For completeness we have also sorted this data with reference to the average selling/asking prices in ascending order. We have also included details of the average sales and asking prices for a number of apartment schemes that have been undertaken in the Borough. These schemes relate conversions of offices, a hotel and a church.



Zone	Development	Area	Developer	Sales Price		Asking Price		Comments
				£/sq.m	£/sq.ft	£/sq.m	£/sq.ft	
1	Greensnook Lane	Bacup	Revilo Homes			£1,691	£157	Located on south side of Greensnook Lane off the A681 to the west of Bacup. Small development of 7no 2.5 storey semi-detached and one detached dwelling.
	Greensnook	Bacup	Boys Homes			£1,844	£171	Development of 33no 3 and 4 bedroom homes. Elevated position on the opposite side of Greensnook Lane to the Revilo Homes development.
	Pennine View	Bacup	Wainhomes	£1,874	£174			Development of 100no 3 and 4 bed detached dwellings. Data relates to the last 18 new build sales on the development during 2017. The 2016 EVA identified average sales prices of £1,776 per sq.m (£165 per sq.ft).
	Woodland Grange	Bacup	McDermott Homes	£1,900	£176			Final Phase of larger development undertaken over a number of years. Sales relate to last 14 new build sales during 2017.
	Badger Gardens	Bacup				£2,106	£196	Development of 3no 2.5 storey terraced dwellings in an elevated position to the south west of Bacup.
2	Healy Walk	Whitworth	Persimmon Homes	£1,883	£175			Development of 97no 2, 3 and 4 bed semi-detached and detached dwellings. The development is now complete and the sales data relates to the final 9 sales during the first part of 2017. The 2016 EVA identified average sales prices at £1,938 per sq.m (£180 per sq.ft), and this slight reduction in pricing for the final houses is presumably a reflection of the house types that are left and the developers exit strategy for the site.
	Whinberry Place	Rawtenstall	Boys Homes	£1,990	£185	£2,267	£211	Development of 26no 3 and 4 bed semi-detached and terraced houses. Data relates to 14 sales during 2017. The development is located to the east of the town centre just off the main A681. Asking prices relate to phase 3 and are significantly higher than the selling prices for the earlier phases. This increase in pricing is presumably a reflection of price increases generally but also the level of demand for houses in the earlier phases.

Zone	Development	Area	Developer	Sales Price		Asking Price		Comments
				£/sq.m	£/sq.ft	£/sq.m	£/sq.ft	
3	Oaklands Rise	Rawtenstall	McDermott Homes	£2,262	£210	£2,215	£206	Development of 34no large 3, 4 and 5 bed detached houses. The development is located in an elevated position between the A681 and Haslingden Old Road to the west of Rawtenstall. Development just released with 6 sales to date. The asking average asking prices include a number of 2.5 storey dwellings.
	Kearns Village	Cowpe	Skipton Properties	£2,472	£230	£2,383	£221	Executive development of 22no large 3, 4 and 5 bed dwellings. Data relates to 11 sales during 2017 and 1 in 2018. Former mill site in a rural hillside location.
	The Hollins	Rawtenstall	MSM Homes			£2,751	£256	Development of 250no 4 and 5 bed dwellings on hillside above the A682 Burnley Road. Development has progressed slowly. Average sales prices in the 2016 EVA were at £2,045 per sq.m. (£200 per sq.ft). No sales over period since January 2017. Asking prices relate to new phase.
4	Dale Moor View	Rawtenstall	Taylor Wimpey	£2,430	£226			Redevelopment of former Rossendale Hospital site for 139 dwellings. Located in an elevated position to the west of Rawtenstall. Data relates to last 34 new build sales on the development primarily in 2017. Average prices in 2016 EVA were at £2,442 per sq.m (£225 per sq.ft).
	Chatterton Place	Stubbins	Eccleston Homes			£2,991	£278	New development of 11 large 4 and 5 bed detached houses. No sales yet recorded at Land registry however 6 plots are identified as being reserved.
Rochdale	Greenbooth Village	Norden, Rochdale	Russell Homes	£2,904	£270	£3,327	£309	New development of 42no 3, 4 and 5 bed houses on the north western edge of Rochdale close to Edenfield and the border with Rossendale.

Table 4.5: Summary of New Build Sales since January 2017

Zone	Development	Area	Sales Price		Asking Price		Comments
			£/sq.m	£/sq.ft	£/sq.m	£/sq.ft	
4	The Loom and the Power Mill	Helmshore	£1,984	£184	£2,071	£192	Conversion of a former office building to provide 48no apartments.
	Holden Vale Hotel	Helmshore	£2,208	£205			Conversion of a former hotel to provide 14no 1, 2 and 3 bed apartments.
	Peel Gardens	Edenfield			£2,724	£253	Conversion of a former church to provide 8no 1 and 2 bed apartments.

Table 4.6: Summary of New Apartment Sales since January 2017

- 4.27 The evidence of sales and asking prices for the new developments in the Borough shows that there is significant difference in values. The older urban areas of the Borough which are located along the main A681, particularly to the east around Bacup, generally have the lowest house prices (**Zone 1**). The evidence from new build sales in these locations is at around £1,883 per sq.m (£175 per sq.ft) although this principally relates to sales in 2017. Evidence of asking prices shows a range of £1,691 per sq.m to £2,106 per sq.m (£157 per sq.ft to £196 per sq.ft), albeit the lower priced scheme relates to 7no 2.5 storey dwellings. Typically we would expect 2.5 storey dwellings to sell at a discount to more traditional 2 storey houses, with the upper floor normally taken at half value. With this in mind an adjusted asking price reflecting a more typical 2 storey dwelling would be £2,024 per sq.m (£188 per sq.ft)
- 4.28 In these lower value areas the previous viability assessments adopted a net selling price of £1,722 per sq.m (£160 per sq.ft). Over the period since the 2016 viability assessment Land Registry data shows that house prices in Rossendale have risen by 20% and 25% for new build housing. Applying these uplifts to the 2016 EVA assumptions for these lowest value locations would give a net sales price in the range of £2,067 to £2,153 per sq.m (£192 to £200 per sq.ft). The evidence from new build schemes in these locations indicates that the adjusted house prices based on Land Registry price increases may not be sustainable in these locations. However the evidence clearly demonstrates that the original assumption of £1,722 per sq.m (£160 per sq.ft) is now too low. Based on the available evidence of new build sales in these locations we believe that a new build sales price of £1,884 per sq.m (£175 per sq.ft) would be appropriate for viability testing in these locations.
- 4.29 The sales evidence shows that as you move further west through the bottom of the valley towards Rawtenstall then values improve. Similarly moving south along the valley out of Bacup towards Rochdale values improve in Whitworth and Facit. Historic evidence from the Healy Walk scheme in Whitworth shows average selling prices of £1,883 per sq.m (£175 per sq.ft) during 2017. The evidence from Whinberry Place on the eastern edge of Rawtenstall shows 2017 sales prices at £1,990 per sq.m (£186 per sq.ft) and current asking prices higher at £2,267 per sq.m (£211 per sq.ft). These areas form **Zone 2**.
- 4.30 The previous EVAs adopted net sales prices in these locations of £1,884 per sq.m (£175 per sq.ft). As noted above over the period since the original viability assessment Land Registry data shows that house prices in Rossendale have risen by 20% and 25% for new build housing. Applying these uplifts to the previous EVA assumptions for these locations would give average net sales price in the range of £2,260 to £2,355 per sq.m (£210 to £219 per sq.ft). The evidence from new build schemes in these locations is slightly historic however suggests that the adjusted house prices based on Land Registry price increases may not be sustainable in these locations. That said current asking prices for the scheme at Whinberry Place on the edge of Rawtenstall are within this range at £2,267 per sq.m (£211 per sq.ft).

- 4.31 The current asking prices for Whinberry Place demonstrate a significant improvement in house prices in these zone 2 locations and even if a maximum allowance of 5% was made to the asking prices to reflect negotiated price reductions and incentives then this would still result in a net selling price of £2,157 per sq.m (£200 per sq.ft). Taking a conservative approach to pricing to reflect the prospect of slightly lower prices in some parts of Whitworth and Facit, we believe that an average new build sales price of £2,099 per sq.m (£195 per sq.ft) would be appropriate for viability testing in these zone 2 locations.
- 4.32 Within most of Rawtenstall and Haslingden, and also in the rural areas to the north and south of the borough in wards such as Whitewell, Hareholme, Goodshaw, Cribden and Longholme our previous viability testing adopted an average net sales price of £2,045 per sq.m (£190 per sq.ft). The new build developments in these **Zone 3** locations show average sales prices of £2,174 per sq.m (£210 per sq.ft) for the Oaklands Rise development in Rawtenstall to £2,472 per sq.m (£230 per sq.ft) for the Kearns Village development in Cowpe. The Hollins development in Rawtenstall has asking prices at £2,751 per sq.m (£256 per sq.ft).
- 4.33 Applying the Land Registry price increases over the period since the 2016 EVA to £2,045 per sq.m (£190 per sq.ft) would give average net sale prices of £2,454 to £2,556 per sq.m (£228 to £238 per sq.ft). The selling prices at Cowpe are within this range but those at Oaklands Rise are slightly less. That said the evidence of sales and asking price in these zone 3 locations generally relates to large 3, 4 and 5 bed houses with no evidence of sales prices for smaller dwellings. We would normally expect for these smaller units a slightly higher price per sq.m. Taking this into account then we believe that for a more typical development of family housing with the range of dwelling sizes reflected in our testing, an average new build sales price of £2,314 per sq.m (£215 per sq.ft) would be appropriate for viability testing in these zone 3 locations. Given the character of Rawtenstall and Haslingden there will inevitably be some pockets of lower values particularly the older terraced housing stock located around the respective town centres.

- 4.34 Zone 4 included the more affluent parts of Rawtenstall and Haslingden together with Helmshore and Edenfield. This Zone includes the highest value locations to the south and west of the Borough, generally including the wards of Worsley, Helmshore, Eden and parts of Greenfield. There is more limited sales evidence of new build schemes in these locations. The development by Taylor Wimpey at Dale Moor View is now complete and the evidence of sales primarily during 2017 showed an average sale price of £2,430 per sq.m (£226 per sq.ft). There is currently a small development of detached houses being marketed for sale in Stubbins with average asking prices of £2,991 per sq.m (£278 per sq.ft) with a number of the dwellings reserved. Slightly further afield to the east of Edenfield in Greenbooth Village, Norden (which is in the neighbouring authority of Rossendale) sales prices of £2,904 per sq.m (£270 per sq.ft) have been achieved and current asking prices are now at £3,327 per sq.m (£309 per sq.ft). This evidence of sales and asking prices in Norden and Stubbins suggests that in the best locations in Rossendale it might be possible to achieve average sales prices of £2,904 per sq.m (£270 per sq.ft) or more.
- 4.35 The previous EVAs adopted net sales prices in these locations of £2,260 per sq.m (£210 per sq.ft). Taking the Land Registry price increases over the period and applying these to the 2016 EVA net sales prices would give a range of £2,712 to £2,825 per sq.m (£252 to £263 per sq.ft). The evidence from Stubbins and Norden indicates that this level of value could certainly be supported in parts of Zone 4. However it is probable that there will be a range of values dependent on the specific location and outlook of these sites in Zone 4. We have therefore taken a conservative approach to the current assessment. We believe for the majority of locations within Zone 4 it would be possible to achieve an average net sales price of £2,583 per sq.m (£240 per sq.ft) although as the available evidence shows in some locations higher values will be achieved.
- 4.36 The information relating to new apartments in the Borough is more limited. There is only available evidence for conversion schemes in Zone 4 and for the two developments in Helmshore average sales prices are from £1,984 to £2,208 (£184 per sq.ft to £205 per sq.ft). The asking prices for Peel Gardens in Edenfield are higher than this at £2,724 per sq.m (£253 per sq.ft).
- 4.37 The evidence suggests that new apartments in a conversion may sell at a discount to new build houses in the higher value locations, but the extent of discount is difficult to establish. In assessing the value of new build apartments in Rossendale we consider that it is reasonable to apply a discount in comparison with the price of a new house. This discount is not easy to establish but we consider that a figure in the region of 10% is appropriate.

**Commercial Market**

- 4.38 According to the Office of National Statistics, the UK Economy grew by 0.5% in Q4 2017, an increase on the 0.4% growth shown in Q3 2017. Whilst such figures provide a positive outlook for the economy, there remains an imbalance between the various sectors. The largest contributors to growth were the services sector and production industries, which both grew by 0.6%. The construction sector decreased by 1%, following contraction in the previous two quarters.
- 4.39 Whilst the predicted outlook for the national economy is more positive, there remains some unease about the ability to sustain growth. A combination of international and national external factors affects the property market and is likely to continue to do so during 2019. In particular, the volatility within the stock markets, deceleration within China's economy, weak commodity prices and uncertainty over the UK's position within the EU has, and is likely to continue to bear upon, on investment activity.
- 4.40 Furthermore, a degree of caution exists amongst commentators concerning potentially reduced growth and output following the UK's decision to leave the European Union (following the Referendum on 23 June 2016). Until the terms of the UK's withdrawal from the EU are known, it is difficult to predict the impact on the UK economy (which is particularly dependent, at present, on the UK's continued access to the common market). The Monetary Policy Committee at the Bank of England has twice recently decided to increase interest rates from the longstanding historic low of 0.25%. Whilst early indications are that has had little effect upon the level of investment, the effect in the longer term remains to be seen.
- 4.41 In addition, inflation has increased following the loss of value to Sterling relative to other currencies in the wake of the decision to leave the EU. Whilst this may ultimately affect the UK economy, in large prime investment classes, funds have tended towards a cautionary approach before committing to longer term projects to assess the likely longer-term effect on the economy. Any degree of inertia could act to the detriment of growth in the immediate future. However, within the wider "general market", liquidity remains good with no tangible evidence of a drastic change.
- 4.42 The Q4 2017 RICS UK Commercial Property Market Survey indicated that there has been growth within the market, with industrial remaining the best performing sector. Offices are broadly unchanged with the retail sector declining for a third consecutive quarter. The report highlights that the rental levels are anticipated to rise within the industrial sector. With regards to the investment market, the outlook remains positive compared to previous quarters with investor demand reportedly increasing in both the office and industrial sectors while enquiries were unchanged within the retail sector.

- 4.43 We have provided a brief overview of the different property market sectors relevant to Rossendale including commentary in relation to transactions within the Borough.

### **Industrial and Warehousing**

- 4.44 GVA's Industrial Intelligence Report states that average industrial land values and headline rents have shown a steady increase over the past 4 years. 2018 is predicted to continue with this trend with low vacancy rates and relatively strong rental growth of between 4% and 5% for average industrial units which is similar to that of 2017. 2017 also saw the 'big shed' distribution market characterised by strong take-up in manufacturing, third party logistics and non-internet retail sectors.
- 4.45 Activity was strongest in the prime corridor of the South East, Midlands and North West. Take-up of new/modern warehouses over 9,290 sq.m (100,000 sq.ft) totalled 1.91million sq.m (20.6 million sq.ft) in 2017 which is just below the ten year average of 1.96 million sq.m (21.1 million sq.ft) and well below the 2016 record year of 2.55 million sq.m (27.5 million sq.ft). Nevertheless, the GVA report indicates that structural changes in the retail sector will maintain pressure on demand for big sheds and particularly urban logistics where space requirements are expected to increase in step with the 10% annual increase in online retail sales in 2018. This will mean further stress on industrial land availability which is competing with higher value uses, and will maintain pressure on land values in prime areas. As such, it is expected that there will be a continuation of low vacancy rates and relatively strong rental growth between 4% and 5% for average industrial in 2018.
- 4.46 GVA also highlights that industrial investment volumes reached £10.7 billion during 2017, well above the previous best of £6.9 billion in 2014. Overseas investors accounted for a record 43% of the total, boosted particularly by investment from the Far East. Yields have continued on a downward trend since the post EU referendum adjustment. According to MSCI average equivalent yields for industrial property fell from 6.4% to 5.8% over the year to December 2017. The current buoyancy of the industrial sector to investors, along with the weight of money and relative scarcity of supply will continue to be supportive of downward yield movement, particularly for quality stock. Industrial property will continue to provide an attractive income return in a low growth, low interest rate environment. Following very strong capital value growth of 15% for 2017 GVA expect a more modest 5% in 2018. With an income return of around 5%, this equates to a total return of 20% and 10% respectively.



- 4.47 In terms of rents Colliers Industrial Rent Map at Q1 2018 reports that the current rental levels being achieved for prime new industrial accommodation in the immediate market areas are £75 per sq.m (£7 sq.ft) in Manchester and Warrington, £65 per sq.m (£6 per sq.ft) in Liverpool and £62 per sq.m (£5.75 per sq.ft) in Lancashire. In terms of big sheds the respective figures are £65 per sq.m (£6 per sq.m) in Manchester and Warrington and £59 per sq.m (£5.50 per sq.ft) in both Liverpool and Lancashire. The data shows that there has been little change in these rents over the past 6 months.
- 4.48 Cushman & Wakefield report that demand was particularly robust in Q1, signalling the potential for a strong year for the UK Industrial Market. Nevertheless they report that suitable stock is in short supply putting upward pressure on rents. As yield compression slows, a positive rental growth outlook combined with e-commerce growth continue to attract investors to the sector.
- 4.49 We have provided a Submarket Report for Rossendale at **Appendix 3**, this prepared from the CoStar data base. According to CoStar the Lancashire South East area has around 37 million SF of industrial space. The area includes key towns such as Blackburn, Burnley, Hyndburn, Pendle and Rossendale. The area is historically associated with the manufacturing sector, although aircraft is also one of the dominant industrial drivers here. The vast majority of the area's big units are located along the M65 corridor. It is also a burgeoning logistics hub. Major occupiers include Crown Paints, Rolls Royce, Safran Aircelle and Silentnight Group, which all occupy more than 300,000 SF here.
- 4.50 CoStar state that industrial demand has been strong in recent years, albeit not to the extent of 2013-2016. Vacancies have been steadily compressing since nearing almost 11% in 2011, sitting around 2%. Most new supply has been fully let upon completion, while nothing above 200,000 SF is currently under construction. Rental growth is one of the highest in the market at around 6%, while the average asking rents are the lowest, standing at just above £4/SF. Prime industrial rents command around a 50% premium on average space.
- 4.51 CoStar data at Q2 2018 shows that the Rossendale Industrial submarket had a total asset value of £185 M based on a total stock of 3.8M sq.ft. There was a vacancy rate across the submarket of 1.5% with availability running at 3.3%. The latter has reduced significantly from a high of 15.6% in Q1 2013. Average rents are at £43.38 per sq.m (£4.03 per sq.ft). CoStar identify that there is no new industrial accommodation under construction at Q2 2018. The average selling price in the submarket is £452 per sq.m (£42 per sq.ft) which reflects the age and quality of the existing stock. Yields are identified as being around 7.5%.

4.52 We have provided at Table 4.7 details taken from CoStar of a number of the most recent lettings of more modern industrial accommodation that have taken place in Rossendale.

Date	Address	Location	Floor Area (sq.ft)	Rent (per sq.m)	Rent (per sq.ft)	Rent Free
Nov 18	Unit A, New Hall Hey Road	New Hall Hey	8,000	£77	£7.15	6 mths
Oct 18	New Hall Road	New Hall Hey	4,045	£59	£5.50	Not Stated
Mar 18	New Hall Hey Road	New Hall Hey	2,227	£59	£5.49	4 mths
Feb 18	Todd Hall Road	Haslingden	2,500	£54	£5.00	Not Stated
Feb 18	New Hall Hey Road	New Hall Hey	2,027	£59	£5.50	4 mths
Feb 18	New Hall Hey Road	New Hall Hey	2,033	£68	£6.30	2 mths
Oct 17	Under Bank Way	Haslingden	2,755	£51	£4.71	Not stated
Aug 17	Bacup Road	Cloughfold	5,223	£75	£7.00	Not Stated

Table 4.7: Industrial Lettings in Rossendale (Source: CoStar)

4.53 The lettings highlighted relate to new buildings which are both suitable for trade counter uses. Modern industrial accommodation has typically let at rents of between £54 and £71 per sq.m (£5.00 and £6.50 per sq.ft) in the main industrial locations in Rossendale. The evidence from recent new build units shows rents at around £75 per sq.m (£7 per sq.ft).

4.54 Yields for industrial accommodation are linked to the covenant strength of the tenant, the terms of the lease, condition of the building and the local market. A search of CoStar provides no evidence of recent sales or asking prices for new or modern industrial units. We anticipate however that prime yields in Rossendale for new build industrial units will be in the order of 7% to 8% dependent on the covenant strength of the tenant and the length of the lease. In terms of capital values for owner occupation then the evidence suggests that these are likely to be in region of £807 – £969 per sq.m (£75 - £90 per sq.ft).

## Offices

- 4.55 According to Jones Lang LaSalle, across the Big Six cities (Birmingham, Edinburgh, Glasgow, Leeds, Manchester and Cardiff) there is currently 102,200 sq.m (1.1 million sq.ft) of new or refurbished space under construction and due to be delivered in 2018, with a further 84,540 sq.m (910,000 sq.ft) expected in 2019. The majority of this space is in Manchester and Birmingham. Strong take-up in 2017 has increased the pressure on Big Six vacancy rates, which have declined year-on-year from 6.8% to 5.8%. Rising building costs and limited appetite for risk have encouraged refurbishment of existing space rather than speculative development. Major refurbishments accounted for 85% of new space delivered in 2017, compared to just 16% in 2007. Good quality space is in increasingly short supply, with Grade A vacancy across the Big Six standing at just 1.7%. Although the pressure is more pronounced in cities such as Edinburgh and Bristol where it is just 1.4% and 0.5% respectively.
- 4.56 GVA report that prime headline City Centre rents in regional cities range between £21.50 per sq.ft and £34.00 per sq.ft ('Big Nine Review of Regional Office Markets Q1 2018'), which includes an analysis of the Manchester, Glasgow, Birmingham, Bristol, Leeds, Edinburgh, Newcastle, Cardiff and Liverpool markets. According to Colliers for Q1 2018 prime rents for grade A offices in Manchester City Centre are at £377 per sq.m (£35 per sq.ft). In the North Manchester Market Grade A office rents are at £161 per sq.m (£15 per sq.ft) and those for Grade B space at £118 per sq.m (£11 per sq.ft).
- 4.57 According to CoStar data at Q2 2018 the Rossendale submarket had a total asset value of £47.4M based on a total stock of 358,000 sq.ft. There was a vacancy rate across the submarket of 4.6% with availability running at 11.9%. The latter has reduced significantly from a high of 31.9% in Q4 2012. Average rents are at £105 per sq.m (£9.76 per sq.ft). CoStar identify that there is no new office floorspace under construction at Q2 2018. The average selling price in the submarket is £1,431 per sq.m (£133 per sq.ft). Average yields are at 8.3%.

4.58 Table 4.8 contains details of recent office lettings/availability in Rossendale and Table 4.9 contains details of recent sales/asking prices.

Date	Address	Location	Floor Area (sq.ft)	Rent (per sq.m)	Rent (per sq.ft)	Rent Free
Asking	Units 6-9 Rising	Rising Bridge	3,464	£108	£10.00	
Asking	Imperial House	Haslingden	7,340	£124	£11.50	
Asking	Futures Park	Bacup	560	£108	£10.00	
Oct 18	Station House	New Hall Hey	660	£129	£12.00	
Aug 18	Havana House	Stubbins	1,239	£116	£10.49	
Jan 18	St Marys Chambers	Rawtenstall	1,672	£108	£10.04	
Jun 17	Rochdale Road	Edenfield	1,349	£144	£13.34	

Table 4.8: Office Lettings Rossendale (Source: CoStar)

4.59 The evidence suggests that rents for new office accommodation in the Borough are likely to be at around £124 to £145 per sq.m (£11.50 to £13.50 per sq.ft).

Date	Address	Price	Yield	Price (per sq.m)	Price (per sq.ft)
Asking	Imperial House, Haslingden	£700,000		£1,026	£95
July 17	Hurstdale House, Rawtenstall	£960,000		£682	£63
Asking	Station House, New Hall Hey	£1,200,000		£1,744	£162
April 2018	St Crispin House, Haslingden	£1,650,000		£1,324	£123

Table 4.9: Office Sales (Source: CoStar)

4.60 Capital values for office buildings in Rossendale indicate that new offices are likely to sell for prices in the region of £1,614 to £1,722 per sq.m (£150 to £160 per sq.ft). Yields for office accommodation are linked to the covenant strength of the tenant, the terms of the lease, condition of the building and the local market. A search of CoStar provides no recent yield evidence. We anticipate however that prime yields in Rossendale for new office units will be in the order of 8% to 8.5% dependent on the covenant strength of the tenant and the length of the lease.

**Retail**

- 4.61 We have provided at **Appendix 4** a summary report from CoStar relating to the Rossendale Retail Market. The report shows that over the period since 2011 the supply of retail accommodation has remained relatively stable, however stock is forecast to increase over the next few years with the completion of 4 new retail units as part of the Spinning Point development in the centre of Rawtenstall.
- 4.62 CoStar estimate overall retail rents in the Borough at just over £140 per sq.m (£13 per sq.ft) with rents projected to fall slightly over the next 5 years. Vacancy rates are just under 2% and yields are at 8.5%.
- 4.63 The main retail park in Rossendale is New Hall Hey Retail Park. Phase 1 of New Hall Hey stood vacant for a number of years following the relocation of previous tenants, however it has recently been refurbished and re-let to tenants including M&S Foodhall, TKMaxx and Pets at Home. One unit of 745.73 sq.m (8,027 sq.ft) is currently vacant. We have not been able to obtain details of the lease terms for these three lettings from either CoStar or Land Registry however CoStar estimate that rents at the retail park are in the region of £172 to £205 per sq.m (£16-£19 per sq.ft).
- 4.64 Phase 2 of New Hall Hey is let to retailers including Aldi, Home Bargains and Costa. The development which comprises 3,567 sq.m (38,400 sq.ft) was sold in the autumn of 2017 for £9,222,000. The investment generates a total income of £577,500 per annum which equates to £162 per sq.m (£15 per sq.ft). According to the selling agents the sale reflects a net return of 5.85%.

4.65 Convenience retail supermarket accommodation typically lets at rents of between £130 per sq.m (£12 per sq.ft) and £215 per sq.m (£20 per sq.ft), which is dependent on the type of operator, location, catchment and competition. Rental levels have reduced slightly in recent years from the upper end of the range identified above to around £162 per sq.m (£15 per sq.ft) as the larger supermarket operators have seen reduced footfall and profitability due to increased competition from budget retailers such as Aldi and Lidl and online retailing. This is evidenced within the lettings that are detailed at Table 4.10.

Unit	Tenant	Rent	Area	Term	Date
<b>1083 Stockport Road, Manchester</b>	Morrisons	£45,000 pa ( <b>£161 psm</b> or £15.03 psf)	278 sq.m (2,993 sq.ft)	Term Undisclosed. Existing Unit.	Nov 2017
<b>178-184 Aigburth Road, Liverpool</b>	Tesco	£100,000 pa ( <b>£50 psm</b> or £5.63 psf)	1,991 sq.m (21,441 sq.ft)	Unit in 1970's parade. 5 year lease.	June 2017
<b>Vulcan Park Way, Newton Le Willows</b>	Aldi	£282,994 pa ( <b>£164 psm</b> or £15.25 psf)	1,724 sq.m (18,557 sq.ft)	New build unit. 20 year lease.	April 2017
<b>Whitworth Road, Rochdale</b>	The Food Warehouse by Iceland	£176,998 pa ( <b>£169 psm</b> or £15.73 psf)	1,045 sq.m (11,250 sq.ft)	New 15 year lease. Existing Unit.	Dec 2016
<b>Crossley Street, Bolton</b>	Tesco	£413,000 ( <b>£151 psm</b> or £10.82 psf)	2,741 sq.m (29,500 sq.ft)	New build unit. 20 year lease.	Sept 2014
<b>Manchester Road, Stockport</b>	Asda	£640,000 ( <b>£152 psm</b> or £14 psf)	4,207 sq.m (45,285 sq.ft)	Unit built in 1980's. 20 year lease.	Aug 2014
<b>Heywood Way, Salford</b>	Aldi	£160,000 ( <b>£112 psm</b> or £10.46 psf)	1,421 sq.m (15,301 sq.ft)	New build unit. 20 year lease.	Mar 2014
<b>61 Crumpsalls Lane, Manchester</b>	Morrisons	£50,000 ( <b>£226 psm</b> or £21.00 psf)	221 sq.m (2,381 sq.ft)	New build unit. 15 year lease. 5 yearly RR linked to RPI.	Aug 2013
<b>Tarvin Bridge, Chester</b>	Aldi	£485,000 pa ( <b>£137 psm</b> or £12.70 psf)	3,547 sq.m (38,178 sq.ft)	New build Unit. 20 Year Lease. 5 yearly upward only RR at 2.5%.	Sept 2013
<b>London Road, Northwich</b>	Waitrose	£481,500 pa ( <b>£141 psm</b> or £13.12 psf)	3,410 sq.m (36,702 sq.ft)	New build Unit.	Jan 2013

Table 4.10: Supermarket Lettings in the North West from 2013 Onwards (Source: CoStar and Land Registry)

4.66 Partly as a result of their perceived covenant strength, supermarket premises are popular amongst investors despite their performance in recent years. This is evident within the yields that are outlined at Table 4.11, which shows that supermarket premises have sold at yields of between 4.7% and 6.5% in the North West over the last 3 years. The level of yield is informed by the covenant strength of the operator, alongside other factors including the age, condition and performance of the specific store.

Unit	Tenant	Area	Yield	Date
<b>Vulcan Park Way, Newton Le Willows</b>	Aldi	1,724 sq.m (18,557 sq.ft)	<b>4.7%</b>	May 2017
<b>Commercial Road, Stockport</b>	Marks and Spencer	794 sq.m (8,553 sq.ft)	<b>5.2%</b>	Jan 2017
<b>1,147 Oldham Road, Manchester</b>	Farmfoods	929 sq.m (10,003 sq.ft)	<b>6.5%</b>	Oct 2016
<b>Entwistle Road, Rochdale</b>	Aldi	1,300 sq.m (13,986 sq.ft)	<b>6.1%</b>	July 2016
<b>Queensbury Way, Widnes</b>	Morrisons Local	425 sq.m (4,580 sq.ft)	<b>6.2%</b>	Apr 2016
<b>School Lane, Standish, Wigan</b>	Aldi	1,765 sq.m (18,998 sq.ft)	<b>5.4%</b>	June 2015
<b>Crossley Street, Little Lever, Bolton</b>	Tesco	2,740 sq.m (29,500 sq.ft)	<b>5.1%</b>	Apr 2015
<b>Tarvin Bridge, Tarvin, Chester</b>	Aldi	3,546 sq.m (38,178 sq.ft)	<b>5.35%</b>	Dec 2013

Table 4.11: Supermarket Investment Yields in the North West (Source: CoStar and Land Registry)

### Land Sales

4.67 To inform an assessment of land value for the purpose of this study we have obtained details of recent land transactions and current asking prices for land from a number of sources including CoStar, Land Registry, Rightmove and through contact with agents. We have categorised this land sale and price information across differing types of use, namely agricultural, industrial/office and residential.

#### Agricultural

4.68 In terms of agricultural land values the most recent RICS RAU Survey H1 2018 reports that in the north west arable land values are £23,156 per ha (£9,375 per acre) and pasture land is at £15,746 per ha (£6,375 per acre).

Commercial/Development Land

- 4.69 There is limited available evidence in relation to commercial land sales in the Borough however table 4.12 contains details relating to the information that we have been able to obtain.

Type	Address	Area (ha)	Price	Price (per ha)	Price (per acre)	Date
BF	Carr Hill Works, Haslingden	0.15	£95,000	£617,750	£250,000	For Sale
GF	Bleakholt Road, Turn Village	0.11	£50,000	£449,090	£181,818	For Sale
BF	Peel Mill, Shawforth	0.45	£595,000	£1,336,000	£540,000	For Sale
GF/BF	Brandwood Quarry, Bacup	1.22	£500,000	£411,667	£166,667	For Sale
GF	Highfield Park, Haslingden	0.16	£100,000	£625,000	£253,000	For Sale

Table 4.12: Commercial Land Prices (Source: CoStar and Rightmove)

Residential

- 4.70 Recent new housing developments in Rossendale have been developed on both brownfield sites and also some greenfield sites. We have prepared table 4.13 which contains available information relating the prices paid for the land on which these new developments have been constructed. These transactions are reflective of the current policy position. For ease of reference the transactions are presented ascending order based on the price paid per gross acre. Further details are contained at **Appendix 1**.
- 4.71 We consider at Section 5 an appropriate 'Benchmark Land Value' for the purpose of our viability testing however it should be noted that the prices paid for land in the transactions at table 4.13 are not the same as a 'Benchmark Land Value'. The assessment of a benchmark or threshold land value must take into account the effect of future planning policy in the emerging Local Plan, and be based on the existing use value of the land as a starting point together with a premium.



Type	Address	Sub Area	Gross Area (ha)	Net Area (Ha)	Price Paid	Date	Price per Gross ha	Price per Net Ha	Price Per Gross Acre	Price per Net Acre
BF	Former Kearns Mill Site, Cowpe Road	Cowpe	1.73		£550,000	Sept 15	£317,919		£128,660	
BF	Former Holden Vale Hotel,	Helmshore	1.0	1.0	£515,000	May 16	£515,000	£515,000	£208,502	£208,502
BF	Whinberry View, Bacup Road	Rawtenstall	0.72	0.72	£645,000	Oct 14*	£895,833	£895,833	£362,539	£362,539
GF	Oaklands Drive and Lower Cribden Avenue	Rawtenstall	1.57	1.43	£1,488,000	Jun 12	£947,770	£1,040,560	£383,558	£421,279
BF	Health Centre, Yorkshire Street	Bacup	0.21	0.21	£300,000	May 18	£1,428,570	£1,428,570	£578,135	£578,135
BF	Greensnook Cottages, Greensnook Lane	Bacup	0.11	0.11	£163,000	May 17	£1,433,588	£1,433,588	£580,400	£580,400
BF	Croft End Mill, Bolton Road North	Edenfield	0.45	0.45	£725,000	Oct 17	£1,611,111	£1,611,111	£659,000	£659,000
BF	Former Edenfield Methodist Church	Edenfield	0.52	0.52	£200,000	Nov 16	£1,669,137	£1,669,137	£674,764	£674,764
BF	Horse and Jockey Pub,	Edenfield	0.22	0.22	£470,000	June 17	£2,138,835	£2,138,835	£864,925	£864,925

Table 4.13: Residential Land Transactions in Rossendale

\*Part acquired in 2006

## 5.0 FINANCIAL APPRAISAL ASSUMPTIONS

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5.01 In this section, we have outlined the assumptions that have been adopted in our financial appraisals in relation to the Residential and Non-Residential Development Scenarios.

### **Benchmark Land Value**

5.02 Land value is difficult to assess for a number of reasons. Firstly, development land value is an utterly derived value, with land being bought as a factor of production in the course of development. The price is generally determined by the development potential of the site. Secondly, the comparison of land value in terms of prices paid for sites is extremely difficult because of the large number of site specific variables that will impact upon the price paid. For example, the amount of remediation or other abnormal costs are likely to differ from site to site. Hence, any evidence of land transactions needs to be treated with a degree of subjectivity as adjustments may be necessary for factors such as abnormal site conditions, contamination and development density.

5.03 Paragraph: 013 of the Planning Practice Guidance sets out how land value should be assessed for the purpose of viability assessment. It states that:

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

5.04 Paragraph: 014 then provides details of what factors should be considered in establishing a benchmark land value. In particular it states that a 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.

5.05 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. In plan making, the landowner premium should be tested and balanced against emerging policies.

5.06 At paragraph: 015 further information is provided about what is meant by existing use value (EUV). It is defined as being:

*"the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value."*

5.07 The PPG acknowledges that EUVs will vary depending on the type of site and development types. It suggests that an EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

5.08 The premium (or the 'plus' in EUV+), is the amount above existing use value (EUV) that goes to the landowner. The PPG states that:

*"The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements."*

5.09 The document 'Viability Testing in Local Plans' advocates the use of 'threshold land value'. This should represent the value at which a typical willing landowner is likely to release land for development, before the payment of taxes. The guidance suggests that threshold land value needs to take account of the fact that future plan Policy requirements will have an impact on land values and landowner expectations, and therefore using a market value approach as a starting point carries the risk of building in assumptions of current Policy costs rather than helping to inform the potential for future Policy. As a result it suggests that market values can be a useful 'sense check' and suggests that the threshold land value is based on a premium over current use values and credible alternative use values. The latter would be most appropriate where there is competition for land among a range of alternative uses such as in town centres. This is in line with the updated guidance contained in the PPG.

- 5.10 The RICS Guidance Note 'Financial Viability in Planning' although now historic explains that for a development to be financially viable, any uplift from the current use value of land that arises when planning permission is granted should be able to meet the cost of planning obligations, whilst at the same time, ensuring an appropriate site value for the land owner and a risk adjusted return to the developer for delivering the project. The return to the land owner will be in the form of a land value increase in excess of current use value. The land value will be based on market value which will be risk adjusted, so it will normally be less than current market prices for development land on which planning permission has been secured and planning obligation requirements are known.
- 5.11 In arriving at our assessments of land values in Rossendale, we have had regard to available transactional evidence both in Rossendale, and also in the wider North West area where relevant and similar market conditions exist. We have undertaken research using Land Registry data and other databases such as EGi and CoStar. We have also had regard to Valuation Office Property Market Surveys (albeit these are now fairly out-dated, which has been reflected in the weighting that we have given to such studies). We have outlined at paragraphs 4.67 to 4.71 details of land transactions that we have considered in the Borough based on the differing land uses.

### **Residential Benchmark Land Values**

- 5.12 The future residential development sites within the Borough are likely to be either Previously Developed Brownfield sites, or Greenfield sites located immediately adjacent or close to the existing settlements in the Borough. Having regard to the characteristics of Rossendale, a typical settlement area site traditionally will have been previously developed and most likely would have been in previous industrial or other commercial use. However the Local Plan has been prepared following a review of Green Belt Boundaries, and as such it is likely that a number of greenfield sites on the edge of settlements will also come forward over the Local Plan period.
- 5.13 Having regard to the likely characteristics of development within the Borough, we have identified a number of possible development scenarios on both previously developed and Greenfield sites. We have had regard to these classifications for the purpose of our testing.

- 5.14 In arriving at a market value for previously developed land in this case, both the land owner and the developer would have regard to a site's current use value, albeit a landowner would be seeking uplift in value above this level. Conversely, a developer would be reluctant to pay a full residential value for the site, having regard to the risk and cost involved in obtaining planning consent and the likely policy contributions being sought by the Council. In arriving at an assessment of benchmark land value for these purposes it is therefore necessary to have regard to evidence of current use values as well as evidence from sites with residential planning permissions. This will allow an assessment of EUV together with an appropriate landowner premium based on reasonable adjustments to reflect factors such as the land owner's aspirations, the developer's concerns, risks inherent in the development process, and potential planning obligations.
- 5.15 Within Rossendale we would expect current values for previously developed land in the settlement areas with planning consents for commercial development to be in the range of £247,000 per hectare (£100,000 per acre) to £495,000 per hectare (£200,000 per acre) and possibly less in some cases. The definition of viability in the context of planning recognises the issue of a landowner receiving an appropriate site value, which whilst being less than full residential value is likely to be higher than current use value. Having regard to this we have considered the level of site value at which a landowner is likely to release a site for development in the towns and settlement areas. This will also be influenced by the supply of competing residential development sites available in the area. A large number of sites will have a limiting effect on value, and conversely a limited number of sites is likely to increase the landowners' expectations of a value uplift.
- 5.16 The landowner in making a decision regarding site value will also have regard to the likely houses prices in the area and inevitably those in higher value areas will be seeking a greater site value than those in lower house price areas.
- 5.17 Having regard to these factors we have considered the range of land values based on the likely revenues that residential developments would be expected to achieve across the Borough and the availability of land for development. In the circumstances we believe that it is reasonable to assume a benchmark land value for Previously Developed land to be in the region of £864,500 per hectare (£350,000 per acre) for the highest value area in the Borough and a figure of £370,500 per hectare (£150,000 per acre) for the lowest value locations.

- 5.18 In order to deliver the growth proposed in the emerging Local Plan, it is likely that some large Greenfield development sites on the edge of the existing built-up areas will need to be developed over the Local Plan period as part of the Site Allocations.
- 5.19 At the present time, these sites will normally be used for agricultural and grazing purposes or informal open space with site values on this basis typically in the region of £25,000 - £50,000 per hectare (£10,000 - £20,000 per acre) or less. It is probable that a number of such sites have had development expectations, since they are at the edge of or within the settlement area and in some cases may already be subject to option agreements. Naturally, any land owner is unlikely to sell such sites for that level of value and clearly a land owner will be seeking an uplift in value if they are to consider releasing the site for development.
- 5.20 With reference to the PPG and that from the Housing Delivery Group, it would be inappropriate to assume land values based on sites with full residential planning permission, and in reality the site value for viability purposes will lie somewhere between this and current use value. In addition many Greenfield sites may require significant initial expenditure on services and infrastructure to enable them to be developed for residential purposes. We believe that for Greenfield locations it would be reasonable to assume a benchmark land value in the region of £370,500 per hectare (£150,000 per acre) to £617,500 per hectare (£250,000 per acre), dependent on site size and location, as being the level at which a landowner would consider releasing a site for development.
- 5.21 Local Authorities provide a buffer of 5% or 20% in relation to their supply of sites to ensure choice and competition in the market for land. This is intended to ensure that the landowner will have to compete in the market to sell his site so will have to competitively price it to sell albeit will still want a return in excess of its current or alternative use value. If a landowner has unrealistic expectations of value, then the theory is that developers will then just acquire a more competitively priced site elsewhere and the overpriced site will remain undeveloped. Having regard to the above Table 5.1 provides a summary of the benchmark land values per net developable hectare and per net developable acre that we have used in our testing based on the various Value Zones.

Value Zone	Previously Developed		Greenfield	
	(£/ha)	(£/acre)	(£/ha)	(£/acre)
1	370,500	150,000	370,500	150,000
2	494,000	200,000	432,250	175,000
3	741,000	300,000	555,750	225,000
4	864,500	350,000	617,500	250,000

Table 5.1: Residential Benchmark Land Value Assumptions

- 5.22 As a sense check we have also considered residential land sales based on the available evidence. From the sales listed at table 4.13, it is clear that there is a range of prices that have been paid for land with residential planning permission reflecting the differing characteristics of the development sites, the landowner's expectations and the existing planning policy requirements.
- 5.23 From the analysis that we have undertaken based on the available evidence, the prices paid for residential development land range from £515,000 per net hectare (£208,502 per net acre) for the former Holden Vale Hotel site in Helmshire to £2,138,835 per net hectare (£864,925 per net acre) for the former Horse and Jockey Pub in Edenfield. The former Kearns Mill site in Cowpe sold for £550,000 per gross hectare (£128,660 per gross acre), although there is no information available about the net developable site area. As previously noted these values can only provide guidance in relation to the subject viability testing as these sales will include the pre-existing policy requirements and as a consequence are not directly comparable for this exercise.

### **Non-Residential Benchmark Land Values**

- 5.24 Consideration of current use values has also been applied to the sites for non-residential development to assess the commercial land values. Over the last few years, there have been limited land sales in Rossendale as a result of limited development activity in the commercial development sector. Having regard to this, considered adjustments have been made in order to reach land values based on both the reported transactional evidence and our market experience within the area.
- 5.25 Potential commercial development sites are most likely to be vacant Previously Developed Land, opportunity sites within or adjacent to existing industrial areas, or alternatively the extension of current industrial areas into the surrounding Greenfield areas.
- 5.26 In arriving at our assessment of benchmark land value, current use values have been considered and allowances made to reflect both the land owner's aspirations and the developer's concerns. The specific characteristics of each form of development have been taken into account. For example, larger consolidated plots in highly accessible locations are likely to command a premium given their suitability for supermarket development or for retail warehouse development.
- 5.27 Table 5.2 provides a summary of the benchmark land values for non-residential uses that we have adopted, together with an explanation of the differences.

Type	Land Value (price/ha)	Land Value (price/acre)	Rationale
<b>Industrial (B1b, B1c, B2, B8)</b>	£370,500	£150,000	Located outside of Town Centre locations. Use requires fairly accessible location, although does not usually require significant frontage.
<b>Office (A2, B1a)</b>	£430,000	£175,000	Office land values can differ significantly depending on whether site is in town centre or periphery. Assumed lower land value to test viability in this instance. Accessible location with frontage required.
<b>Convenience / Comparison Retail (all sizes, all areas)</b>	£990,000	£400,000	Use requires highly accessible location in close proximity to key public transport interchanges or main arterial routes. Requires significant plot sizes.

Table 5.2: Commercial Land Value Assumptions

### **Acquisition Costs**

- 5.28 In addition to the land values detailed above, we have also assumed land acquisition costs based on 1% of purchase price for agent's fees and legal fees at 0.75%. This is in line with normal market practice and rates. We have also assumed payment of stamp duty in accordance with HMRC thresholds and rates.

### **Timing of Land Acquisition**

- 5.29 Our generic viability appraisals and also those in relation to the smaller allocations (less than 250 units), assume that the land is acquired on day 1 of the development programme and hence the purchase carries finance costs from the outset. For most of the smaller sites this would be usual practice. However, it should be noted that for the larger residential developments above 250 units it would be unusual for a developer to acquire the entirety of such large sites from day 1. A large development site would normally be the subject of a phased acquisition programme, with the land only being drawn down by the developer as required. As a result, land acquisition costs are more likely to be phased over the development period and so the cost of finance would be reduced with a corresponding increase in the amount of development surplus. Whilst each development will depend on its own circumstances inevitably a landowner would expect and accept a phased draw down of land from a developer. In relation to the largest allocation of 400 dwellings we have assumed 3 phases of development with land drawn down at 18 month intervals.



## **Residential Appraisal Assumptions**

### **Development Programme**

- 5.30 In our experience a developer would seek to construct and sell around 30-40 dwellings per annum. For the purpose of the assessments we have assumed an average sales rate for each site of between 2 and 3 per month, depending on the size of the development, with the first sales typically taking place around 9/10 months after a start on site.
- 5.31 Sales rates tend to increase in respect of larger sites as developers seek to 'double up' and develop out a site in tandem. This may take the form of affiliated developers (such as Barratt and David Wilson Homes) or separate house builders. We have factored this into the sales rates assumed within the testing parameters for the larger sites and have adopted higher sales rates of 5 per month for the very largest allocation.

### **Sales Values**

#### Market Housing

- 5.32 Having regard to the market commentary contained at Section 4 and the detailed comparable sales evidence at **Appendix 2**, we have provided at Table 5.3 details of the broad Value Zones and net sales prices that we have adopted for the purpose of our viability testing in these zones. For completeness figure 5.1 identifies the general location of the various zones.

<b>Value Zone</b>	<b>Areas include</b>	<b>Net Sales Price (per sq.m)</b>	<b>Net Sales Price (per sq.ft)</b>
<b>1</b>	Bacup, Stacksteads	£1,884	£175
<b>2</b>	Whitworth, Facit, Shawforth, Britannia, Weir, Newchurch, Waterfoot, East	£2,099	£195
<b>3</b>	Rawtenstall, Haslingden, North and South Rural Areas	£2,314	£215
<b>4</b>	Helmshore, Edenfield, Parts of west Rawtenstall and Haslingden	£2,583	£240

Table 5.3: Net Sales Prices adopted for Viability Testing

- 5.33 Our viability testing of apartments across these value zones adopts a discount of 10% to the net sales prices listed in table 5.3.

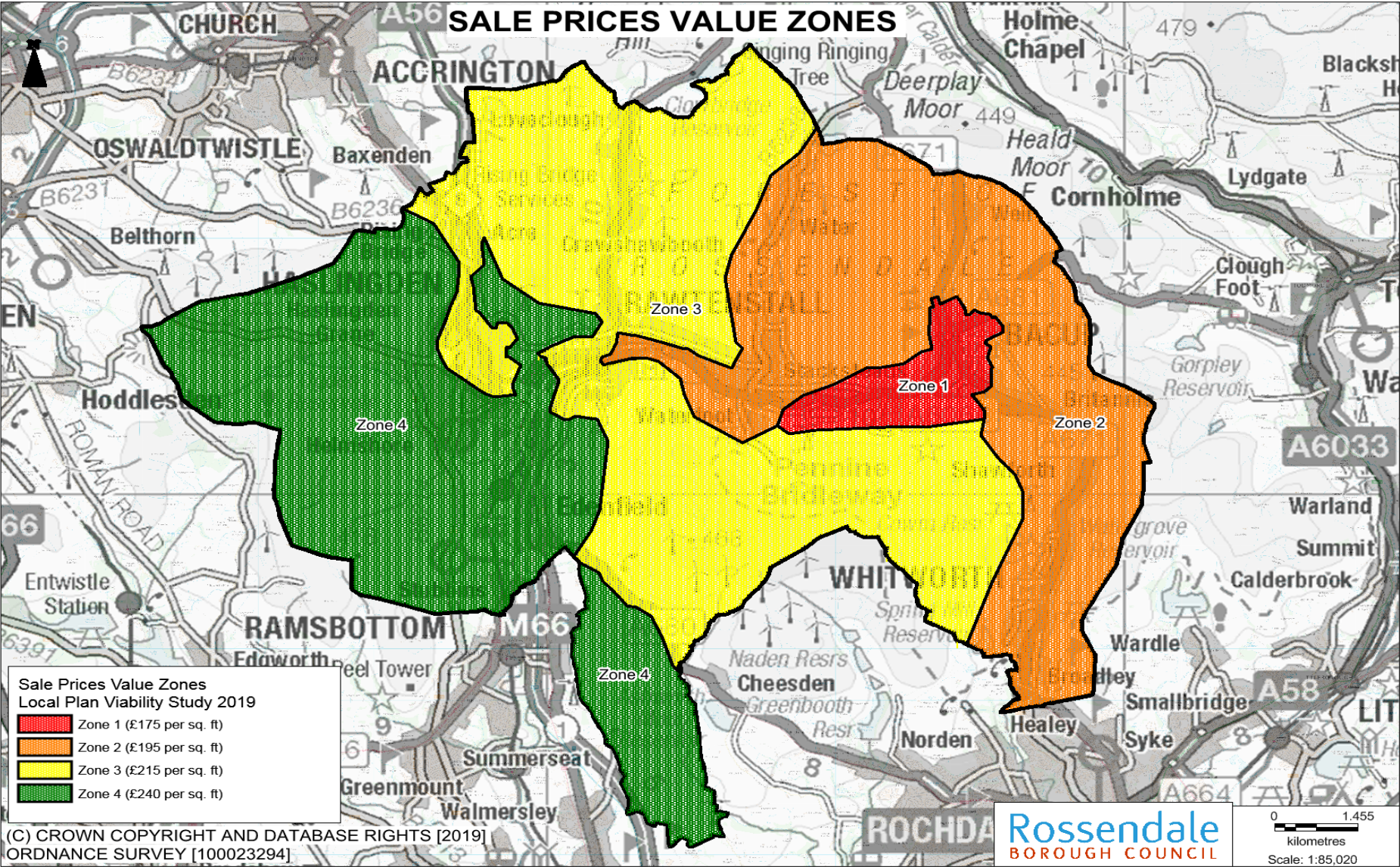


Figure 5.1: Map of Rossendale with Value Zones Identified



5.34 Our viability testing includes a small number of bungalows. There has been limited development of new bungalows in Rossendale however our experience is that a premium above prevailing values is normally paid for bungalows. We have therefore increased the value of the bungalows that are included in our testing by 10% over and above the net selling prices contained in Table 5.3.

Affordable Housing

5.35 The values that have been assumed for the affordable units are based on the likely bid by a Registered Provider. In this respect we have assumed bid prices for the different tenure options based on a percentage of market value. The rates adopted reflect evidence of sales values for affordable stock and our experiences generally in dealing with viability assessments for planning purposes in the region. The bid prices adopted for our testing are as follows:

Affordable Rent	45% of market value
Affordable Home Ownership	70% of market value

5.36 Our testing assumes a zero grant position.

**Construction Costs**

5.37 The construction costs that we have adopted both for the generic and the site specific viability assessments have been prepared by our Quantity Surveyor. A report containing their methodology and the generic and site-specific cost assessments is contained at **Appendix 5** of this Report.

5.38 These costs are based on current building regulation requirements and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency. The costs assume sustainable construction techniques and make provision for attenuation and SUDs requirements.

5.39 The construction costs are inclusive of the provision of on-site public open space in accordance with the specific requirements contained in the Local Plan together with the capitalised cost of future maintenance.

5.40 For the purpose of the generic testing of greenfield sites our QS has assessed a site opening up cost per dwelling which has been inputted into the testing. Table 5.4 contains details of the greenfield site opening up costs that have been assumed.

No of Dwellings	Opening Up Cost (per dwelling)
0-14	£0
15-49	£3,000
50-99	£4,500

Table 5.4: Generic Greenfield Testing – Site Opening Up Costs

5.41 In addition to the base construction cost assessments Policy HS8 Housing Standards requires that at least 20% of the new homes should be constructed to Part M4 Category 2. Our QS has assessed additional costs for per dwelling for this policy requirement as:

Building Regulation Requirements M4 (2) - £1,100 per house and £750 per apartment.

#### **Section 106/Section 278 and Emerging Planning Policy Requirements**

5.42 **HS1 Meeting Rossendale’s Housing Requirement** requires that proposals for residential development should be consistent with latest evidence including the SHMA. We have undertaken viability testing to model the impact of this by assuming a form of development that move towards the requirements of the SHMA. In particular the testing assumes the provision of greater number of 1 and 2 bed house types together with the provision of 3% of the dwellings as bungalows. In accordance with the SHMA we have also included larger 4 and 5 bed houses.

5.43 **Policy HS6 Affordable Housing** contains requirements in relation to affordable housing and in particular that new housing development of 10 or more dwellings or more should contain 30% affordable provision. The viability testing that we have undertaken for each of the generic development typologies and also the site specific viability assessments assumes affordable housing provision in accordance with these requirements.

For the developments tested we have assumed:

- that one third of the affordable provision will be for affordable home ownership and
- Two thirds for affordable rent.

Based on the requirements identified in the SHMA we have further assumed that the affordable provision will be based on the following mix:

- 1 and 2 bed           65%
- 3 and 4 bed           35%

- 5.44 **Policy HS8 Housing Standards** contains requirements for 20% of new dwellings to be constructed to Part M4 Category 2. We have undertaken viability testing to model this requirement based on the additional costs noted at para 5.41. In addition this policy requires all new dwellings to meet the requirements of the Nationally Described Space Standard and this has been taken into account in the size of the dwellings that have been adopted for the purpose of our testing.
- 5.45 **Policy HS10 Open Space Requirements in New Housing Developments** – deals with provision of open space in new development. In particular for new developments of 100 dwellings or more provision is to be made for new public open space. The construction cost assessments make provision for the cost of new open space on site and in addition we have then modelled the impact of an additional payment to offsite provision in the sum of £1,366 per dwelling.
- 5.46 **Policy HS11** deals with Playing Pitch requirements in new housing development. We have modelled the impact of this policy by including an additional contribution of £566 per dwelling.
- 5.47 **Policy SD3 Planning Obligations** deals with addressing any shortfall in on/offsite infrastructure and developer contributions. Within our testing to understand the impact of S106 contributions have adopted a contribution of £1,000 per dwelling towards infrastructure provision. This figure will vary dependent on the nature and location of the development, however £1,000 per dwelling is considered to be a reasonable amount and reflects the approach adopted in the 2016 EVA.

### **Sales and Marketing Costs**

- 5.48 Disposal costs, including sales and marketing expenses, have been assumed at a rate of 3.5% of the Gross Development Value of the market housing. This is in line with typical development industry rates for housing development. We have included an allowance of £500 per unit for the costs associated with the transfer of the affordable units to a registered provider.

### **Finance**

- 5.49 For all of the residential viability testing we have assumed a finance rate of 7% inclusive of arrangement and monitoring fees. This reflects the cost of finance currently available in the development market for residential developments of the type contained in our viability assessments.

**Developer's Profit and Overhead**

- 5.50 Paragraph 018 of the PPG deals with how a return to developers (developer's profit) should be defined for the purpose of viability assessment. In particular it notes that potential risk is accounted for in the assumed return for developers at the plan making stage and it is the role of developers, not plan makers or decision makers, to mitigate these risks.
- 5.51 The PPG goes on to say that for the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. In addition it suggests that a lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk.
- 5.52 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. The level of profit requirement will principally reflect the risk of constructing a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.
- 5.53 Many factors will govern risk in relation to a development site; these include location, the local property market, the size and scale of the development, potential contamination and other abnormal costs and the type of accommodation being provided. Other considerations affecting risk could include the planning status of the site, and specifically whether a planning consent is in place for the proposed scheme.
- 5.54 In terms of residential development, a smaller residential development would be considered less risky than a large scale strategic residential development site. On a larger site it may take many years for the developer to build out and complete the sale of all of the houses. There could be significant changes (for better or worse) in the property market during the lifetime of the development. Therefore, the risk associated with having capital tied up in the development is carried for many years. As a result, a developer would require a higher profit return than on the smaller development site.
- 5.55 The industry standard measure of profit return is typically based on a percentage of either Gross Development Value (GDV) or cost. In certain instances developers may use an internal rate of return as an additional check measure. In our experience profit based on GDV is more commonly used for residential developments although not exclusively, whilst a return based on cost is more typical for commercial development.

- 5.56 From our development market experience, and as also noted in the PPG, residential developments would tend to command a profit return of 15-20% GDV, inclusive of a developer's overhead.
- 5.57 The HCA Guidance Note '*Investment and Planning Obligations: Responding to the Downturn*'<sup>1</sup> suggests that a figure of 16% of values rather than cost may be targeted for private residential sales. The HCA's User Manual<sup>2</sup> accompanying their Development Appraisal Tool suggests a typical figure at that time (July 2009) of 17.5-20% GDV, but this is given as a guide only as the manual suggests that profit will depend on the state of the market and the size and complexity of the scheme.
- 5.58 Looking at planning decisions, Planning Inspectors in certain instances have made reference in decisions to the level of profit adopted and what is typical, including the following examples:

Flambard Way, Godalming<sup>3</sup> (a mixed development of 225 flats and commercial accommodation): the Inspector refers to an industry norm of 15-20% profit and although not explicitly stated this seems to be based on cost;

Flemingate, Beverly<sup>4</sup> (a mixed use development): Here the Inspector accepted 15% of cost;

Clay Farm<sup>5</sup> (2,300 dwellings and retail, health centre, education): Here the Local Planning Authority suggested a profit return based on 20% of cost or 16% of GDV. 16% GDV was considered by the Council to be consistent with the profit based on GDV in the HCA document detailed above. The Inspector appears to accept the LPA's approach albeit the key point at issue related to whether the scheme should be assessed on a residual land value basis, or based on the actual historic purchase price.

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<sup>1</sup> HCA Guidance Note '*Investment and Planning Obligations: Responding to the Downturn*' (HCA, 2009)

<sup>2</sup> HCA Economic Appraisal Tool User Manual (HCA, 2009)

<sup>3</sup> Planning Inspectorate Decision in relation to 'Waverley Borough Council appeal by Flambard Development Limited' APP/R3650/A/08/2063055 (Planning Inspectorate 2008)

<sup>4</sup> Planning Inspectorate Decision in relation to Application by CP Group, Wykeland Group and Quintain Estates & Development PLC, LPA: East Riding of Yorkshire' APP/E2001/V/08/1203215 (Planning Inspectorate 2008)

<sup>5</sup> Planning Inspectorate Decision in relation to 'Applications by Countryside Properties PLC & Countryside Properties (UK) Ltd to Cambridge City Council' APP/Q0505/A/09/2103599 and APP/Q0505/A/09/2103592 (Planning Inspectorate, 2009)

Former Royal Hotel, Newbury<sup>6</sup> (35 sheltered apartments): The Inspector here decided that the profit range of 17.5%-20% of GDV detailed in the HCA EAT user manual was the correct level of profit for this development.

Shinfield, Reading<sup>7</sup> (residential development comprising 126 dwellings and a sports pavilion): The Inspector determined that a figure of 20% profit on GDV was appropriate for this development.

Land adjacent to Policemans Lane, Poole, Dorset<sup>8</sup> (a development comprising 70 dwellings). The Inspector in reaching a decision regarding the viability of the development adopted a blended profit across the market and affordable units of 16.53% of GDV. This reflected 20% of GDV for the market units and 8% of cost for the affordable dwellings.

Lowfield Road, Bolton upon Dearne, Barnsley<sup>9</sup> (a development comprising 97 houses). Based on the evidence before him the Inspector concluded that the development could reasonably operate at a profit margin of 17.5% GDV for the market dwellings.

- 5.59 As the above demonstrates, the profit return requirement is not at a fixed level and will vary from site to site, depending upon the risk profile, which is driven by many factors.
- 5.60 On the basis of the above and having regard to the nature of the site typologies and allocated sites, a profit level based on 17.5% of GDV (inclusive of overheads) has been applied for the smaller housing schemes of 10 or less dwellings. For all other sites a developer's return (inclusive of overheads) of 20% of GDV has been adopted. This level of profit has been applied to both the market and affordable houses so in the context of the relevant case law and guidance is considered to be extremely robust.

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<sup>6</sup> Planning Inspectorate Decision in relation to 'Former Royal Hotel, Newbury, Gillingham, Dorset SP8 4QJ' APP/N1215/A/09/2117195

<sup>7</sup> Planning Inspectorate Decision in relation to 'Land at the Manor, Shinfield, Reading RG2 9BX and bordered by Brookers Hill to the North, Hollow Lane to the east and Church Lane to the west' APP/X0360/A/12/2179141 (Planning Inspectorate 2013)

<sup>8</sup> Planning Inspectorate Decision in relation to 'Land adjacent to Policemans Lane and the A35, Upton, Poole, Dorset BH16 5NE.' APP/B1225/W/15/3049345 (20 November 2015)

<sup>9</sup> Planning Inspectorate Decision in relation to 'Land off Lowfield Road, Bolton upon Dearne, Barnsley S63 2TF'. APP/R4408/W/17/3170851 (23 October 2017)



### **Non-Residential Appraisal Assumptions**

#### **Development Programme**

5.61 The development programme for non-residential sites will vary depending on the specific characteristics of each scheme. Table 5.5 contains details of the development programmes that we have assumed.

<b>Type</b>	<b>Floor Area (sq.m)</b>	<b>Construction Period (months)</b>
Offices (Out of Town)	464	8
Offices (Out of Town)	1,857	14
Industrial B1/B2	464	6
Industrial B1/B2	1,857	10
Industrial B2/B8	4,643	12
Industrial B8	9,287	15
Industrial B8	32,504	18
Retail (Comparison)	929	10
Retail (Comparison)	2,786	12
Retail (Convenience)	279	7
Retail (Convenience)	929	10
Retail (Convenience)	2,786	12
Retail (Convenience)	4,643	14

Table 5.5: Commercial Development Programmes

#### **Sales Values**

5.62 Having regard to the market commentary at Section 4, Table 5.6 contains details of the rents and yields that have been adopted for the non-residential uses forming the hypothetical development scenarios.

<b>Use</b>	<b>Rent (per sq.m)</b>	<b>Rent (per sq.ft)</b>	<b>Yield</b>
Office	£145	£13.50	8%
B2/B8	£59-75	£5.50-£7	7%
Retail (Comparison)	£151	£14	7.5%
Retail (Convenience)	£151-£178	£14-£16.50	6.5%

Table 5.6: Commercial Sales Value Assumptions

5.63 Our appraisals are also inclusive of the following average rent free allowances:

Offices (Out of Town) – Average 12 months

B2/B8 – Average 6 months

B8 – Average 6 months

Retail - Average 12 months, save for smaller forms of convenience retail at 6 months.

### **Construction Costs**

5.64 The construction costs that have been adopted in the viability appraisals have also been prepared by our Quantity Surveyor and their methodology is included in their report at **Appendix 5**. These costs are calculated on a cost per sq.m basis, and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency.

### **Sales and Marketing**

5.65 We have assumed marketing and disposal fees on lettings of the units based on 20% of rental value. Sales disposal fees have been included at a rate of 1.5% (1% agent's fees and 0.5% legal fees). Such fees are considered reasonable at the present time and comprise the standard market charges. Stamp Duty Land Tax has been included as appropriate at usual HMRC rates.

### **Finance**

5.66 A finance rate of 6% has been uniformly applied across all commercial development, which is inclusive of arrangement and monitoring fees. This quantum reflects the profile of commercial developers and the characteristics of development.

### **Developer's Profit and Overhead**

5.67 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. As identified above in reference to the assumptions made in relation to developers profit in the residential appraisals, the level of profit requirement will principally reflect the risk associated with a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.

5.68 In the context of most forms of commercial development, the developer will typically seek a profit requirement of approximately 15% on cost. The figure is widely used, and has been applied to all forms of non-residential development that we have tested.

## 6.0 VIABILITY TESTING RESULTS

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6.01 This section sets out the results and findings from the viability assessments undertaken for the generic typologies both residential and commercial together with the proposed allocation sites tested.

### **Residential Results – Generic Typologies**

6.02 In each case the results tables are presented to show the scheme reference, number of dwellings and the average dwelling size for the scheme. The 'Surplus' is the residual sum that is left once the gross costs (inclusive of developer's profit and benchmark land value) are deducted from gross revenues. The development surplus is presented on the basis of an amount per sq.m of built floor space.

6.03 The first column under the overall heading of surplus shows the base surplus. This is the viability of development having regard to the base construction cost position which reflects current building regulation requirements including provision for attenuation requirements. In addition these appraisals make provision for the costs associated with the Local Plan policy requirements relating to the following:

- Provision of onsite open space and;
- Sustainable Drainage Systems.

6.04 The base position assumes a development of entirely market housing.

6.05 The viability of the generic schemes is then tested with the inclusion of other Local Plan policies which have an impact on viability. Policy HS6 makes provision for 30% affordable housing for developments of 10 dwellings or more. We have therefore undertaken viability testing based on onsite affordable housing provision at 30% and also at lower levels of 20% and 10%. The respective columns titled 10% Affordable, 20% Affordable and 30% Affordable show the respective development surplus per sq.m at that level of provision. A minus figure shows that the development makes a loss and hence is not viable at that particular level of provision.

6.06 In relation to those results where the development is not viable the cells have also been shaded red.

- 6.07 Obviously viability and hence the level of planning obligations that can be supported varies across the Borough. To allow consideration of the impact of other plan policies in combination with affordable housing we have included the columns in the right hand section of the tables. Based on the results of our testing, the first of these columns (POS) shows the impact on viability of Policy HS10 including a further planning contribution in our testing based on a payment to offsite open space provision in the sum of £1,366 per dwelling.
- 6.08 The second of these columns titled Playing Pitch shows the impact on viability of a contribution of £566 per dwelling to the improvement/provision of offsite playing pitches in accordance with Policy HS11.
- 6.09 Having regard to the requirements of Policy SD3 we have also considered the impact of a S106 contribution based on £1,000 per dwelling. The respective column showing the impact of this is titled S106.
- 6.10 Policy HS8 contains requirements relating to M4 (2). The column titled M4 (2) shows the reduction in surplus resulting from compliance with M4 (2) for 20% of the dwellings.
- 6.11 The results in the right hand side of the tables show the impact or reduction in viability due to the respective policy in the form of the per sq.m reduction to the 'Surplus'. This allows the viability impact to be considered in relation to these requirements both singularly and cumulatively and in combination with differing levels of affordable housing provision.
- 6.12 Taking the result for Scheme 4 in table 6.10 as an example, with 10% affordable housing provision the development has a surplus of £64 per sq.m and hence is viable. If the requirements for public open space contributions are added this would reduce the surplus by £13 to £51 per sq.m. With the playing pitch contribution the surplus would reduce by a further sum of £5 per sq.m giving a net surplus of £46 per sq.m. Adding in requirements for a S106 contribution would reduce the surplus by a further £10 per sq.m and M4 (2) by £2 per sq.m. If these contributions are also taken into account the surplus would reduce by a further £12 per sq.m to £34 per sq.m. In this case the typology would be sufficiently financially viable to support these policy requirements together with 10% affordable housing, and leave a surplus of £34 per sq.m.
- 6.13 The development surplus and the policy impact per sq.m have in all cases been rounded to the nearest £ per sq.m.

6.14 The results tables are presented with reference to each of the four value zones, so for each zone in turn we have provided the results tables for our testing based brownfield and then greenfield sites at densities of 30, 35 and then 40 dwellings per hectare. The relevant tables relating to each zone are:

**Zone 1**

**(Bacup, Stacksteads)**

Tables 6.1 to 6.6

**Zone 2**

**(Whitworth, Facit, Shawforth, Britannia, Weir, Newchurch, Waterfoot, East Rawtenstall)**

Tables 6.7 to 6.12

**Zone 3**

**(Rawtenstall, Haslingden, North and South Rural Areas)**

Tables 6.13 to 6.18

**Zone 4**

**(Helmshore, Edenfield, Parts of West Rawtenstall and Haslingden)**

Tables 6.19 to 6.24

6.15 We have also undertaken viability testing of standalone apartment developments across all four value areas and the results of our testing on this basis are contained in tables 6.25 to 6.28.

**Zone 1 - Brownfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£185			
2	10	89	-£139	-£170	-£229	-£290
3	20	89	-£120	-£153	-£205	-£262
4	35	91	-£69	-£94	-£146	-£198
5	50	92	-£35	-£64	-£115	-£163

Table 6.1: Zone 1 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£10	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£154			
2	10	89	-£104	-£135	-£194	-£255
3	20	89	-£84	-£117	-£169	-£226
4	35	91	-£35	-£60	-£111	-£163
5	50	92	-£2	-£31	-£81	-£129

Table 6.2: Zone 1 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£10	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£130			
2	10	89	-£77	-£108	-£167	-£228
3	20	89	-£57	-£90	-£142	-£199
4	35	91	-£10	-£35	-£86	-£137
5	50	92	£22	-£7	-£57	-£104

Table 6.3: Zone 1 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£10	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

**Zone 1 - Greenfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£109			
2	10	89	-£63	-£94	-£152	-£213
3	20	89	-£76	-£109	-£161	-£217
4	35	91	-£30	-£55	-£105	-£157
5	50	92	-£12	-£41	-£92	-£129

Table 6.4: Zone 1 – 30 dwellings per hectare

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£81			
2	10	89	-£31	-£61	-£119	-£180
3	20	89	-£44	-£77	-£128	-£185
4	35	91	£1	-£24	-£74	-£125
5	50	92	£17	-£11	-£61	-£108

Table 6.5: Zone 1 – 35 dwellings per hectare

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£59			
2	10	89	-£7	-£37	-£95	-£156
3	20	89	-£20	-£53	-£104	-£161
4	35	91	£24	-£1	-£50	-£101
5	50	92	£41	£12	-£38	-£85

Table 6.6: Zone 1 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£12	-£1
-£14	-£6	-£10	-£2
-£13	-£6	-£10	-£2

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

**Zone 1*****Base Position***

- 6.16 The results relating to the housing schemes tested on brownfield sites in Zone 1 show that at the base position (ie with no affordable housing) development is generally unviable and makes a loss. The level of loss is greatest for those schemes tested at 30 dwellings per hectare with the losses ranging from -£35 up to -£185 per sq.m for the smallest scheme. The results improve at higher densities and at 40 dwellings per hectare the largest scheme tested is viable with a surplus of £22 per sq.m. For the remaining schemes the levels of loss range from -£10 to -£130 per sq.m.
- 6.17 The results for the greenfield typologies tested in Zone 1 show an improved viability position in comparison with the brownfield testing. Again the least viable typologies are those tested at 30 dwellings per hectare with the level of loss ranging from -£12 up to -£109 per sq.m for the smallest scheme. The testing at 35 dwellings per hectare resulted in two of the five typologies tested producing viable results, these related to the larger schemes of 35 and 50 dwellings. At 40 dwellings per hectare these two typologies were again viable with surpluses of £24 and £41 per sq.m respectively. The remaining results were unviable, however the level of loss significantly reduced from the testing at 30 dwellings per hectare and ranged from -£7 to -£59 per sq.m for the smallest typology.

***Affordable Housing***

- 6.18 Our viability testing in Zone 1 shows that the form of housing development tested is not sufficiently viable to support affordable housing. At 10% affordable housing provision there was one viable result for the 50 dwelling typology tested at 40 dph on a greenfield site, this produced a surplus of £12 per sq.m. At 20% and 30% affordable housing provision all of the typologies tested on Zone 1 were unviable.

***Off Site Open Space and Playing Pitch Contributions***

- 6.19 The impact on viability of contributions to off-site open space provision at £1,366 per dwelling is relatively limited with a reduction in the 'surplus' of between £13 and £15 per sq.m. However of the brownfield typologies tested at the base position, only one (the 50 dwelling typology at 40 dwellings per hectare) would be sufficiently financially viable to support this level of contribution. Of the greenfield typologies tested at the base position there are three, (the 50 dwelling scheme at 35 and 40 dwellings per hectare and the 35 dwelling scheme at 40 dwellings per hectare) that have a sufficient level of surplus to be able to support this level of open space contribution.



6.20 The contribution to the creation/improvement of playing pitches at £566 per dwelling results in a smaller impact with the reduction in 'surplus' being between £5 and £6 per sq.m. The typologies noted in paragraph 6.19 are all sufficiently viable at the base position to support this level of contribution on its own. Three of the typologies tested, (namely the largest scheme on both brownfield and greenfield sites at 40 dwellings per hectare, and also the 35 dwelling scheme at 40 dwellings per hectare on a greenfield site) would be sufficiently viable at the base position to support contributions to both playing pitches and public open space.

### ***S106 Contributions***

6.21 In Zone 1 we have undertaken viability testing to model the impact of a S106 contribution of £1,000 per dwelling. The results of the viability testing on this basis are contained in the column headed S106 and show that the impact of this level of contribution is a reduction in the surplus of between £9 and £12 per sq.m. The impact on the surplus of this level of contribution is relatively small however as development in Zone 1 is generally not viable at the base position, it is unlikely that new housing developments in these areas would be able to support a S106 contribution at this level. That said three of the greenfield typologies tested could support this level of contribution at the base position together with one of the brownfield typologies.

### ***Part M4 Category 2***

6.22 The impact on viability of the inclusion of the requirement to achieve M4 (2) to 20% of new dwellings is relatively limited with a reduction in the 'surplus' of £2 per sq.m. Those sites in Zone 1 that are viable at the base position would generally be able to support this policy requirement without undermining viability.

### ***Summary***

6.23 The results for the housing typologies tested show that development in the lowest value Zone 1 area is generally unviable at the base position. New housing developments in these locations are unlikely to be able to support significant affordable housing provision, S106 and other planning contributions. We do suggest that our findings be taken in the round however with the evidence provided at table 4.5 demonstrating that development has occurred in these Zone 1 locations in recent times. This provides 'real world' evidence of development taking place in these locations and suggests that landowners and developers appear to be able to achieve a level of return that has not prevented development from being delivered. In such cases the landowner, the developer or both have been willing to be more flexible in relation to their requirements for a 'normal' profit return to enable development to be taken forward in Zone 1.

**Zone 2 - Brownfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£62			
2	10	89	-£23	-£57	-£121	-£187
3	20	89	-£15	-£50	-£106	-£168
4	35	91	£31	£3	-£51	-£105
5	50	92	£63	£31	-£25	-£75

Table 6.7: Zone 2 – 30 dwellings per hectare

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	-£26			
2	10	89	£19	-£15	-£79	-£145
3	20	89	£26	-£8	-£64	-£126
4	35	91	£71	£43	-£11	-£65
5	50	92	£102	£70	£15	-£35

Table 6.8: Zone 2 – 35 dwellings per hectare

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£2			
2	10	89	£50	£17	-£48	-£114
3	20	89	£58	£23	-£32	-£94
4	35	91	£101	£73	£19	-£35
5	50	92	£131	£99	£44	-£6

Table 6.9: Zone 2 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£9	-£2

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£13	-£6	-£10	-£2
-£13	-£5	-£9	-£2

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

## Zone 2 - Greenfield

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£33			
2	10	89	£75	£42	-£22	-£88
3	20	89	£49	£14	-£41	-£101
4	35	91	£92	£64	£10	-£44
5	50	92	£108	£76	£21	-£29

Table 6.10: Zone 2 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£63			
2	10	89	£110	£77	£13	-£53
3	20	89	£84	£49	-£5	-£66
4	35	91	£126	£98	£44	-£10
5	50	92	£141	£109	£54	£4

Table 6.11: Zone 2 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£87			
2	10	89	£139	£105	£40	-£26
3	20	89	£110	£76	£21	-£39
4	35	91	£151	£124	£70	£16
5	50	92	£166	£135	£79	£29

Table 6.12: Zone 2 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£11	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

**Zone 2****Base Position**

6.24 The results of the viability testing at the base position show that development is viable in Zone 2 across 26 of the 30 schemes tested. The unviable results all relate to brownfield typologies, with 3 unviable results relating to the 3 smaller typologies at 30 dwellings per hectare, and the other unviable result at 35 dwellings per hectare again relating to the smallest typology tested with the exception of the smallest development of 5 dwellings (scheme 1). In relation to these unviable typologies the level of deficit ranges from -£15 to -£62 per sq.m.

**Affordable Housing**

6.25 The smallest typology tested at 5 units falls under the affordable housing threshold. The testing based on brownfield typologies shows that based on 10% on site affordable housing provision, 8 of the 12 typologies tested (67% are viable). The unviable results relate to the small typologies of 10 and 20 dwellings at 30 and 35 dwellings per hectare. At 40 dwellings per hectare all of the brownfield typologies tested are viable.

6.26 The testing undertaken in relation to greenfield typologies shows that based on 10% affordable housing provision all are viable.

6.27 At 20% on site affordable housing provision only three of the 12 brownfield typologies tested are viable (25%). These are the largest scheme tested of 50 dwellings at both 35 and 40 dwellings per hectare and also the 35 dwellings typology at 40 dwellings per hectare.

6.28 Of the greenfield typologies tested only 3 of the 12 are unviable (25%) at 20% affordable housing provision. The unviable typologies are the 20 unit scheme at both 30 and 35 dwellings per hectare and also the 10 unit scheme at 30 dwellings per hectare. The level of deficit in these cases ranges from -£5 to -£41 per sq.m.

6.29 At 30% affordable housing provision none of the brownfield typologies tested are viable. In terms of the greenfield typologies, 3 of the 12 tested are viable (25%). These are the largest scheme tested of 50 dwellings at both 35 and 40 dwellings per hectare and also the 35 dwellings typology at 40 dwellings per hectare. The level of surplus in all cases is relatively limited and ranges from £4 to £29 per sq.m

6.30 The results for Zone 2 indicate that it may be difficult to achieve the 30% target in all cases, particularly on brownfield sites. At 20% provision however the majority of greenfield sites are viable and a small number of brownfield sites. At 10% affordable provision 20 of the 24 typologies tested are viable. The testing also shows that larger sites have a greater level of viability in Zone 2 and are therefore likely to be better able to support higher levels of affordable provision. The results for the 10 and 20 dwellings typologies are generally less viable particularly in relation to brownfield sites.

### **Off Site Open Space and Playing Pitch Contributions**

6.31 The impact on viability of a contribution to off-site open space provision at £1,366 per dwelling is relatively limited with a reduction in the 'surplus' of between £13 and £15 per sq.m. In those instances where the typologies tested are viable then in most cases the level of surplus is sufficient to absorb the viability impact of a contribution to offsite open space provision. There are only 3 results where this isn't the case, these are for brownfield sites scheme 4 tested at 30 dwellings per hectare with 10% affordable provision and for greenfield sites scheme 4 again tested at 30 dwelling per hectare but with 20% affordable provision and scheme 2 at 35 dwellings per hectare with 20% affordable provision.

6.32 The contribution to the creation/improvement of playing pitches at £566 per dwelling results in a smaller impact with the reduction in 'surplus' being between £5 and £6 per sq.m. In all but one case, where a typology is viable the level of surplus is sufficient to absorb the viability impact of a contribution towards playing pitch provision. The one exception is scheme 4 tested at on brownfield sites at 30 dwellings per hectare. Here the testing based on 10% affordable provision is viable but the level of surplus at £3 per sq.m would not quite be sufficient to support a contribution towards playing pitch provision.

6.33 If requirements for public open space and playing pitch contributions are combined then the impact on viability is a total reduction in the level of 'surplus' of between £18 and £21 per sq.m. Of the brownfield typologies tested then of the 8 viable schemes based on 10% affordable housing provision, 6 are sufficiently viable to support a contribution to both public open space and playing pitch provision. For the greenfield typologies of the 9 viable schemes at 20% affordable provision, then 7 are sufficiently viable to also support contributions to public open space and playing pitch provision.

**S106 Contributions**

- 6.34 In Zone 2 we have undertaken viability testing to model the impact of a S106 contribution of £1,000 per dwelling. The results of the viability testing on this basis are contained in the column headed S106 and show that the impact of this level of contribution is a reduction in the surplus of between £9 and £11 per sq.m. The impact on the surplus of this level of contribution is relatively small and where development is viable then this level of contribution can generally be supported. There are only three cases where the amount of 'surplus' would not be sufficient to absorb the cost of S106 contributions at this level. These are for brownfield sites, scheme 4 at 30 dwellings per hectare assuming 10% affordable provision and scheme 1 at 40 dwellings per hectare. The relevant result for greenfield typologies is for scheme 5 tested at 35 dwellings per hectare and with 30% affordable housing provision.

**Part M4 Category 2**

- 6.35 The impact on viability of the inclusion of the requirement to achieve M4 (2) to 20% of new dwellings is relatively limited with a reduction in the 'surplus' of £2 per sq.m. In all cases in Zone 2 where development is viable then the level of 'surplus' is sufficient to meet requirements for M4 (2).

**Summary**

- 6.36 The results for the housing typologies tested show that development in Zone 2 is more viable than in Zone 1. On brownfield sites the majority of typologies tested 67% are sufficiently viable to support 10% affordable housing provision and a small number could support 20% affordable provision. Of the greenfield typologies all are sufficiently financially viable to support 10% affordable provision, with 75% able to support 20% provision and 25% able to support 30% provision. The results show that viability is better for the larger typologies tested as they generally benefit from greater economies of scale (and hence lower costs) than the smaller sites.
- 6.37 The requirements for contributions towards public open space and playing pitch provision have a more limited impact on viability. In the majority of cases where development is viable then these requirements can be supported either singularly or in combination.
- 6.38 A S106 contribution of £1,000 per dwelling on its own also has limited impact on viability, and there are only 3 instances where the inclusion of a section S106 contribution at this level makes a typology unviable.
- 6.39 The impact on viability of achieving M4 (2) compliance for 20% of the dwellings is reduction in surplus of only £2 per sq.m and on its own is unlikely to make development unviable.

**Zone 3 - Brownfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£19			
2	10	89	£43	£8	-£62	-£134
3	20	89	£38	£0	-£60	-£125
4	35	91	£85	£55	-£5	-£64
5	50	92	£116	£81	£20	-£35

Table 6.13: Zone 3 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£67			
2	10	89	£102	£67	-£7	-£79
3	20	89	£93	£55	-£5	-£70
4	35	91	£140	£110	£48	-£12
5	50	92	£168	£133	£72	£17

Table 6.14: Zone 3 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£103			
2	10	89	£138	£102	£34	-£38
3	20	89	£134	£96	£36	-£29
4	35	91	£177	£147	£87	£28
5	50	92	£207	£172	£111	£56

Table 6.15: Zone 3 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£15	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

**Zone 3 - Greenfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£151			
2	10	89	£197	£149	£81	£10
3	20	89	£149	£111	£51	-£14
4	35	91	£191	£160	£101	£41
5	50	92	£206	£171	£110	£55

Table 6.16: Zone 3 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£187			
2	10	89	£226	£191	£123	£52
3	20	89	£190	£152	£92	£27
4	35	91	£231	£201	£141	£82
5	50	92	£245	£210	£149	£94

Table 6.17: Zone 3 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£215			
2	10	89	£257	£222	£154	£84
3	20	89	£221	£183	£123	£58
4	35	91	£262	£231	£172	£112
5	50	92	£275	£240	£179	£124

Table 6.18: Zone 3 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£11	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2



**Zone 3*****Base Position***

- 6.40 The results of the viability testing at the base position show that development is viable in Zone 3 across all of the schemes tested.

***Affordable Housing***

- 6.41 Based on 10% on site affordable housing provision, all of the 24 typologies tested are viable.
- 6.42 At 20% on site affordable housing provision all of the greenfield typologies tested are viable and 7 of the 12 brownfield typologies (58%). The unviable results relate to the smaller schemes tested at lower densities.
- 6.43 At 30% affordable housing provision all but one of the greenfield typologies tested is viable. Of the brownfield typologies the majority become unviable based on 30% affordable housing provision with only 3 of the 12 typologies tested (25%) viable at this level of provision.
- 6.44 The results for Zone 3 indicate that it may be difficult to achieve the 30% affordable housing target in all cases on brownfield sites, however all, save for one, of the greenfield sites tested was viable assuming 30% affordable housing provision. At 20% provision the majority of brownfield typologies (58%) are viable and at 10% affordable provision all of the brownfield typologies tested are viable. As in Zone 2 the results for the 10 and 20 dwellings typologies are generally less viable particularly in relation to brownfield sites.

***Off Site Open Space and Playing Pitch Contributions***

- 6.45 The impact on viability of a contribution to off-site open space provision at £1,366 per dwelling is relatively limited with a reduction in the 'surplus' of between £13 and £15 per sq.m. In those instances where the typologies tested are viable then in most cases the level of surplus is sufficient to absorb the viability impact of a contribution to offsite open space provision. There are only 3 results where this isn't the case, these are for brownfield sites schemes 2 and 3 at 30 dwellings per hectare with 10% affordable provision and for greenfield sites scheme 2 again tested at 30 dwelling per hectare with 30% affordable provision.

- 6.46 The contribution to the creation/improvement of playing pitches at £566 per dwelling results in a smaller impact with the reduction in 'surplus' being between £5 and £6 per sq.m. In all but one case, where a typology is viable the level of surplus is sufficient to absorb the viability impact of a contribution towards playing pitch provision. The one exception is scheme 3 tested on brownfield sites at 30 dwellings per hectare. Here the testing based on 10% affordable provision is viable but the level of 'surplus' at £0 per sq.m would not quite be sufficient to support a contribution towards playing pitch provision.
- 6.47 If requirements for public open space and playing pitch contributions are combined then the impact on viability is a total reduction in the level of 'surplus' of between £18 and £21 per sq.m. Of the brownfield typologies tested then of the 7 viable schemes based on 20% affordable housing provision, all are sufficiently viable to support a contribution to both public open space and playing pitch provision. For the greenfield typologies, of the 11 viable schemes at 30% affordable provision, then 10 are sufficiently viable to also support contributions to public open space and playing pitch provision.

#### ***S106 Contributions***

- 6.48 In Zone 3 we have undertaken viability testing to model the impact of a S106 contribution of £1,000 per dwelling. The results of the viability testing on this basis are contained in the column headed S106 and show that the impact of this level of contribution is the same as for the other Zones with a reduction in the surplus of between £9 and £11 per sq.m. The impact on the surplus of this level of contribution is relatively small and where development is viable then this level of contribution can generally be supported. There are only three cases where the amount of 'surplus' would not be sufficient to absorb the cost of S106 contributions at this level. These are for brownfield sites, schemes 2 and 3 at 30 dwellings per hectare assuming 10% affordable provision and for greenfield typologies scheme 2 tested at 30 dwellings per hectare with 30% affordable housing provision.

#### ***Part M4 Category 2***

- 6.49 The impact on viability of the inclusion of the requirement to achieve M4 (2) to 20% of new dwellings is relatively limited with a reduction in the 'surplus' of £2 per sq.m. In all cases (save for one) in Zone 3 where development is viable then the level of 'surplus' is sufficient to meet requirements for M4 (2). The exception is the result for scheme 3 based on a brownfield typology at 30 dwellings per hectare and assuming 10% affordable housing provision.

### **Summary**

- 6.50 The results for the housing typologies tested show that development in Zone 3 is more viable than in Zone 2. On brownfield sites all of the typologies tested are sufficiently viable to support 10% affordable housing provision and 58% could support 20% affordable provision. There are also 3 viable results based on 30% affordable provision. Of the greenfield typologies all but one are sufficiently financially viable to support 30% affordable provision. As in the other Zones the results show that viability is better for the larger typologies tested as they generally benefit from greater economies of scale (and hence lower costs) than the smaller sites.
- 6.51 The requirements for contributions towards public open space and playing pitch provision have a more limited impact on viability. In the majority of cases where development is viable then these requirements can be supported either singularly or in combination.
- 6.52 A S106 contribution of £1,000 per dwelling on its own also has limited impact on viability, and there are only 3 instances where the inclusion of a section S106 contribution at this level makes a typology unviable.
- 6.53 The impact on viability of achieving M4 (2) compliance for 20% of the dwellings is reduction in surplus of only £2 per sq.m and on its own is unlikely to make development unviable.

**Zone 4 - Brownfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£177			
2	10	89	£191	£151	£76	-£2
3	20	89	£174	£132	£65	-£8
4	35	91	£220	£186	£120	£54
5	50	92	£250	£211	£143	£81

Table 6.19: Zone 4 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£231			
2	10	89	£251	£212	£136	£59
3	20	89	£236	£193	£126	£54
4	35	91	£279	£246	£179	£113
5	50	92	£309	£269	£201	£140

Table 6.20: Zone 4 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£271			
2	10	89	£297	£258	£182	£105
3	20	89	£282	£239	£172	£100
4	35	91	£324	£290	£223	£157
5	50	92	£352	£312	£244	£183

Table 6.21: Zone 4 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

**Zone 4 - Greenfield**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£330			
2	10	89	£355	£316	£240	£163
3	20	89	£308	£266	£199	£126
4	35	91	£348	£315	£248	£182
5	50	92	£362	£323	£255	£193

Table 6.22: Zone 4 – 30 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	102	£369			
2	10	89	£405	£366	£285	£208
3	20	89	£353	£310	£243	£171
4	35	91	£392	£358	£292	£226
5	50	92	£404	£365	£297	£236

Table 6.23: Zone 4 – 35 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	87	£398			
2	10	87	£434	£394	£319	£241
3	25	88	£392	£349	£280	£205
4	50	86	£425	£391	£325	£258
5	75	87	£439	£400	£330	£268

Table 6.24: Zone 4 – 40 dwellings per hectare

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
		-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2

**Zone 4*****Base Position***

- 6.54 The results of the viability testing at the base position show that development is viable in Zone 4 across all of the schemes tested.

***Affordable Housing***

- 6.55 Based on 10% and 20% on site affordable housing provision, all of the 24 typologies tested are viable.
- 6.56 At 30% on site affordable housing provision all of the greenfield typologies tested are viable and 10 of the 12 brownfield typologies (83%). The unviable results relate to the two smaller schemes tested at 30 dwellings per hectare.
- 6.57 The results for Zone 4 illustrate that the most developments are sufficiently viable to support the policy requirement for 30% affordable housing provision. There are only two unviable results on this basis and these relate to the smaller 10 and 20 dwelling schemes on brownfield sites at 30 dwellings per hectare. At higher densities of 35 dwellings per hectare which are likely to be more typical for this type of site, then development is sufficiently financially viable to support 30% affordable housing provision.

***Off Site Open Space and Playing Pitch Contributions***

- 6.58 The impact on viability of a contribution to off-site open space provision at £1,366 per dwelling is relatively limited with a reduction in the 'surplus' of between £13 and £14 per sq.m. In those instances where the typologies tested are viable then in all cases the level of surplus is sufficient to absorb the viability impact of a contribution to offsite open space provision.
- 6.59 The contribution to the creation/improvement of playing pitches at £566 per dwelling results in a smaller impact with the reduction in 'surplus' being between £5 and £6 per sq.m. Again where a typology is viable the level of surplus is sufficient to absorb the viability impact of a contribution towards playing pitch provision.
- 6.60 If requirements for public open space and playing pitch contributions are combined then the impact on viability is a total reduction in the level of 'surplus' of between £18 and £20 per sq.m. In all cases where typologies are viable the level of 'surplus' is sufficient to support these contributions together with 30% affordable provision.

**S106 Contributions**

- 6.61 In Zone 4 we have undertaken viability testing to model the impact of a S106 contribution of £1,000 per dwelling. The results of the viability testing on this basis are contained in the column headed S106 and show that the impact of this level of contribution is very slightly less than in the other Zones with a reduction in the surplus of between £9 and £10 per sq.m. Based on the levels of 'surplus' for the viable schemes at 30% affordable provision in Zone 4 then the typologies are sufficiently financially viable to support this contribution either in isolation or in combination with the other policy requirements tested.

**Part M4 Category 2**

- 6.62 The impact on viability of the inclusion of the requirement to achieve M4 (2) to 20% of new dwellings is relatively limited with a reduction in the 'surplus' of £2 per sq.m. In all cases in Zone 4 where development is viable then the level of 'surplus' is sufficient to meet requirements for M4 (2).

**Summary**

- 6.63 The results for the housing typologies tested show that development in Zone 4 is more viable than in Zone 3. Of the 24 typologies tested 22 are sufficiently financially viable to support 30% affordable provision. The two unviable results have losses of -£2 and -£8 per sq.m and this level of loss at less than 0.5% of GDV indicates that these developments are marginal and the provision of 30% affordable provision is unlikely to preclude development on these typologies.
- 6.64 The level of 'surpluses' for viable Zone 4 typologies is sufficient to meet the policy requirement for 30% affordable housing provision in combination with other contributions towards offsite public open space and playing pitch provision, a S106 contribution at £1,000 per dwelling and also requirements for M4 (2).

**Residential Results - Apartment Developments**

- 6.65 We have also considered the viability of apartment developments in the Borough. We have prepared viability testing based on a small 15 apartment development and a larger 50 unit scheme across all three zones. In all cases we have assumed development of previously developed brownfield sites. The results of our testing are contained in Tables 6.25 - 6.28.

**Zone 1 - Apartments**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
6	15	64	-£364			
7	50	64	-£289			

Table 6.25: Zone 1 - Apartments

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£21	-£9	-£15	-£2
-£21	-£9	-£15	-£2

**Zone 2 - Apartments**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
6	15	64	-£242			
7	50	64	-£175			

Table 6.26: Zone 2 - Apartments

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£21	-£9	-£15	-£2
-£20	-£8	-£15	-£2

**Zone 3 - Apartments**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	87	-£141			
2	10	87	-£86			

Table 6.27: Zone 3 - Apartments

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£21	-£9	-£15	-£2
-£20	-£8	-£15	-£2

**Zone 4 - Apartments**

Ref	No. Dwellings	Ave Size (sq.m)	Surplus (per sq.m)			
			Base	10% Affordable	20% Affordable	30% Affordable
1	5	87	£12	-£58		
2	10	87	£50	£9	-£72	

Table 6.28: Zone 4 - Apartments

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£20	-£8	-£15	-£2
-£19	-£8	-£14	-£2



**Zones 1, 2 and 3**

6.66 The results of our viability testing for the development of 'standalone' apartments in the three lowest value zones show that even with no affordable housing provision this form of development is unviable. The level of losses ranges from -£86 per sq.m in Zone 3 up to -£364 per sq.m in Zone 1. The level of loss indicates that apartment developments in these locations are unlikely to be able to support planning contributions in the form of affordable housing, M4 (2) compliance and other contributions.

**Zone 4**

6.67 The results of our viability testing for apartments in the Zone 4 locations show an improvement in viability. At 10% affordable housing provision the larger of the two developments tested is viable with a surplus of £9 per sq.m albeit the smallest scheme is unviable on this basis with a loss of -£58 per sq.m. On the assumption of a scheme of entirely market dwellings both schemes are viable with surpluses of £12 to £50 per sq.m.

6.68 A contribution to offsite open space provision leads to a reduction in the level of 'surplus' of between £19 and £20 per sq.m and the playing pitch contribution reduces the level of 'surplus' by £8 per sq.m. The S106 contribution of £1,000 per dwelling leads to a reduction in the level of surplus of between £14 and £15 per sq.m.

6.69 The inclusion of the costs of M4 (2) has a relatively limited impact on viability with a reduction in the level of surplus of £2 per sq.m in each case.

**Summary**

6.70 The results for the apartment typologies tested in all Zones show that based on a policy compliant level of affordable housing at 30%, development of standalone apartment schemes is unlikely to be viable. In Zone 4 the results show that at 10% affordable housing provision the larger of the schemes tested is viable. The smaller scheme makes a loss but is viable based on a scheme of market housing. This indicates that in Zone 4 locations apartment developments are likely to be able to support some affordable housing provision. For the larger schemes it may be possible to achieve 10% provision whilst for the smaller developments viability is more limited and less than 10% may be a more realistic position.

**Residential Results – Allocations**

6.71 As outlined at paragraph 3.31 we have also undertaken site specific viability testing in relation to a broad range of the proposed housing allocations with capacities in excess of 40 dwellings. We have presented the results of this viability testing based on the four values zones that have been identified with the respective tables as follows:

Table 6.29 – Zone 1

Table 6.30 – Zone 2

Table 6.31 – Zone 3

Table 6.32 – Zone 4

6.72 The results are presented in the same format as those for the generic viability testing with the Local Plan reference, address, number of dwellings and the average dwelling size for the scheme. The testing is based on the capacity identified in the Local Plan with the net developable area calculated at an appropriate density based on this capacity. Having regard to the size and configuration of H73 (Edenwood Mill) we have adjusted the housing mix tested to achieve the capacity identified in the Local Plan.

6.73 As with the previous tables the 'Surplus' is the residual sum that is left once the gross costs (inclusive of developer's profit and benchmark land value) are deducted from gross revenues. The development surplus is presented on the basis of an amount per sq.m of built floor space.

6.74 The results of our testing for each site are presented with reference to the policy compliant level of affordable housing at 30%, and then also lower thresholds of 20%, 10% and 0%. These columns show the viability of development having regard to the differing affordable housing thresholds and the base construction cost position which reflects current building regulation requirements including provision for surface water attenuation. In addition the appraisals make provision for the costs associated with the Local Plan policy requirements relating to the following:

- Provision of onsite open space;
- Sustainable Drainage Systems.

6.75 As with the generic typologies the viability of the allocation sites is shown having regard to the level of development surplus per sq.m. A minus shows that the development is not viable and the cell has been shaded red.

- 6.76 The final four columns then show the impact on viability of requirements relating to public open space contributions at £1,366 per dwelling, playing pitch contributions at £566 per dwelling, a S106 contribution of £1,000 per dwelling and then requirements to achieve M4 (2) in relation to 20% of the dwellings.
- 6.77 The results in the right hand side of the tables show the impact or reduction in viability due to the respective policy in the form of the per sq.m reduction to the 'Surplus'. This allows the viability impact to be considered in relation to these requirements both singularly and cumulatively.
- 6.78 The development surplus and the policy impact per sq.m have in all cases been rounded to the nearest £ per sq.m.
- 6.79 Full details of the testing assumptions and results are contained at **Appendix 6**, whilst the construction cost assessments for each allocation are contained in the QS report at **Appendix 5**.

**Zone 1 - Allocations**

Ref	Address	No	Ave Size (sq.m)	Surplus (per sq.m)			
				Base	10%	20%	30%
H30	Tong Farm, Bacup	51	92	-£20	-£48	-£101	-£157
H37	Land off Gladstone Street, Bacup	63	92	£20	-£7	-£65	-£120

Table 6.29: Zone 1 Allocations

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2

**Zone 2 - Allocations**

Ref	Address	No	Ave Size (sq.m)	Surplus (per sq.m)			
				Base	10%	20%	30%
H28	Sheephouse Reservoir, Britannia	63	92	£107	£78	£12	-£46
H40	Land off Todmorden Road, Bacup	53	92	£86	£56	-£10	-£69
H42	Land south of The Weir Public House, Weir	52	92	£117	£86	£32	-£43
H59	Land Adjacent Dark Lane Football Ground, Newchurch	80	93	£178	£147	£89	£30

Table 6.30: Zone 2 Allocations

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£9	-£2
-£13	-£5	-£9	-£2
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£11

**Zone 3 - Allocations**

Ref	Address	No	Ave Size (sq.m)	Surplus (per sq.m)			
				Base	10%	20%	30%
H5	Swinshaw Hall, Loveclough	47	92	£187	£149	£97	£23
H11	The Hollins, Hollin Way, Rawtenstall	70	92	£258	£223	£161	£95
H13	Loveclough Working Mens Club/land at rear, Loveclough	95	92	£274	£243	£176	£114
H60	Johnny Barn Farm/ land to the east, Cloughfold	80	93	£216	£182	£119	£54

Table 6.31: Zone 3 Allocations

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2
-£13	-£5	-£9	-£2
-£13	-£5	-£9	-£11

**Zone 4 - Allocations**

Ref	Address	No	Ave Size (sq.m)	Surplus (per sq.m)			
				Base	10%	20%	30%
H70	Irwell Vale Mill	45	93	£323	£289	£209	£139
H72	Land west of Market Street, Edenfield	400	92	£357	£324	£260	£193
H73	Edenwood Mill, Edenfield	47	84	£310	£266	£202	£106
H74	Grane Village, Helmshore	174	92	£417	£382	£314	£246

Table 6.32: Zone 4 Allocations

Impact on Surplus (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£9	-£12
-£11	-£5	-£8	-£10
-£14	-£6	-£11	-£13
-£12	-£5	-£9	-£11

### **Housing Allocations**

- 6.80 The results for the two allocations contained in the Zone 1 area are similar to those for the generic testing. One of the schemes tested (H37) is viable at the base position with a small surplus of £20 per sq.m, whilst the other allocation (H30) shows a small loss of £20 per sq.m which is around 1% of GDV. The level of loss at 1% of GDV is not significant in this case and shows that the viability of this site is marginal. The extent of the loss is unlikely to prevent delivery of this particular site.
- 6.81 Once 10% affordable housing is included then in each case the allocation is unviable, although the level of loss for H37 at £7 per sq.m is relatively small at 0.4% of GDV. For these sites to come forward with any significant affordable housing provision then either the land owner or developer or both will need to accept a reduction in the level of return that they may be seeking.
- 6.82 The testing undertaken for the Zone 2 sites shows an improvement in viability. All of the allocations tested are viable with 10% affordable housing provision and in common with the generic testing in Zone 2 three of the sites would be able to support 20% affordable housing provision and in one case 30% provision. In the absence of other plan policy requirements the sites would generally be able to support 20% provision. The results show that on this basis two of the four sites (H42 and H59) would also be able to support some or all of the other policy requirements tested. For sites H28 and H40 then the inclusion of other policy requirements is likely to reduce the level of affordable housing that can be supported to less than 20%.
- 6.83 The results of the testing for the proposed allocations in Zones 3 and 4 show that in all cases the allocations are viable. The level of surplus is such that in all cases (save for H5) the allocations would also be able to support contributions to POS, playing pitches, S106 (at the level tested) and M4 (2). In relation to H5, the level of surplus at £23 per sq.m would be able to meet the cost of some but not all of the additional contributions.

### **Electric Vehicle Charging Points**

- 6.84 Policy TR4 requires the provision of charging points where considered appropriate to serve new development. Our QS has estimated the cost of electrical vehicle charging points to be in the region of £220 per dwelling in addition to the base construction costs. Adding these costs into the viability assessments would mean that based on the average dwelling sizes this would lead to a reduction in the level of surplus in the range of £2.61 to £2.15 per sq.m. The cost of electric vehicle charging points is minimal and makes no significant difference to the base construction costs and will have a very limited impact on overall viability

**Commercial Results**

6.85 The results of the testing that we have undertaken in respect of the Commercial development scenarios are listed in table 6.33. The testing has been undertaken on the basis of brownfield development scenarios assuming typical hypothetical developments. As with the residential testing the results are presented to show the development surplus or loss per sq.m once all development costs (including land and developers profit) are deducted from the GDV of the completed development.

Type	Floor Area (sq.m)	Floor Area (sq.ft)	Surplus (per sq.m)
Offices (Out of Town)	464	5,000	-£760
Offices (Out of Town)	1,857	20,000	-£680
Industrial B1/B2	464	5,000	-£508
Industrial B1/B2	1,857	20,000	-£217
Industrial B2/B8	4,643	50,000	-£225
Industrial B8	9,287	100,000	-£217
Industrial B8	32,504	350,000	-£168
Retail (Convenience)	279	3,000	£484
Retail (Convenience)	929	10,000	£194
Retail (Convenience)	2,786	30,000	£307
Retail (Convenience)	4,643	50,000	£316
Retail (Comparison)	929	10,000	-£85
Retail (Comparison)	2,786	30,000	£89

Table 6.33: Commercial Viability Testing Results – Generic Typologies

- 6.86 Our viability testing for the commercial development typologies assumes that development is undertaken speculatively and hence includes a market risk adjusted developer's profit return at 15% of cost. With reference to Table 6.33 the results indicate that at present, standalone speculative office and industrial development is generally unviable on this basis
- 6.87 The results of the retail testing show that there is a mixed picture in relation to new retail development in the Borough. The development of new convenience retail is generally viable however smaller developments of new comparison out of town provision is generally unviable at the present time inclusive of a full speculative developer's profit. The level of deficit being -£85 per sq.m.

- 6.88 The results of our viability testing for speculative commercial developments in Rossendale aligns with our experiences elsewhere in the North West. Speculative employment development is generally not viable save for locations such as Manchester City Centre and around key transport hubs ie. Manchester Airport where values are significantly higher.
- 6.89 Despite the fact that certain forms of commercial development are not considered to be financially viable on a speculative basis at this point in time it is likely that industrial and office development will come forward in the future in Rossendale. Such development is likely to be motivated by specific circumstances such as an existing owner wishing to expand or other business requirements necessitating development of that type in that location, for example to be near a specific piece of existing infrastructure or for business agglomeration reasons. Development of this type may take place with owner occupiers acquiring a site for development themselves, or alternatively procuring new premises through a design and build project which carries a lower profit requirement based on a contractors return.
- 6.90 Alternatively if such forms of development are to come forward on a speculative basis, it is likely that they may require support from enabling development in the form of more viable forms of development such as certain types of retail or residential accommodation. Alternatively, with the aid of public sector funding support such forms of development may also come forward in the Borough.
- 6.91 With reference to the employment sites identified in the Local Plan there is likely to be a range of different types of employment development including offices, industrial and warehousing. Development may be brought forward using a variety of different mechanisms or the landowners may simply service the sites and seek to sell plots for owner occupation or design and build.
- 6.92 When applying normal development viability criteria including a speculative developer's profit, office and industrial developments are unviable and as such substantive speculative market development is unlikely to take place in on this basis. We do however expect new employment development to come forward in the Borough with development likely to be in the form of expansion space for existing companies in the Borough. In addition new employment development is also likely to come forward with the benefit of public sector funding support or possibly as part of a wider mixed use scheme. It is anticipated that given the strategic location of the western part of Rossendale new employment development will come forward in the most well located positions close to the A56/M66 corridor.



## 7.0 PLAN VIABILITY AND DELIVERY

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### **Conclusions**

- 7.01 As outlined in Section 3 the NPPF requires that the Local Plan should be deliverable and the policies contained within the plan should not undermine delivery of the plan. The PPG indicates that a viability assessment should be used to ensure that the policies contained within the plan are realistic and that the total cumulative cost of all relevant policies contained in the plan will not undermine its deliverability.
- 7.02 Having regard to the requirements of the NPPF and PPG we have considered the spatial and strategic policies of the Local Plan, the proposed housing and employment allocations on which new development will be based, the development management policies that will guide the form, design, quality of development and the associated planning obligations.
- 7.03 In Section 3 we noted the sensitivity of residual appraisals to small changes in any of the assumptions which feed into the appraisal process. In our view we have ensured that we have taken a robust and a rigorous approach based on the appropriate available property market evidence at the time of preparing this study. In accordance with the PPG this evidence is considered to be adequate and proportionate for the purpose of the Viability Assessment.

### **Housing**

- 7.04 Based on the scale and location of potential future development sites and therefore the type of development that is primarily likely to come forward, we have prepared a representative sample of potential housing typologies on which to base our testing. These range in size from 5 dwellings to 50 dwellings and are based on brownfield and greenfield development scenarios. Summaries of the generic housing development scenarios that have been tested are contained at Table 3.3. There is also likely to be some limited new residential development in the form of apartment schemes and hence we have undertaken viability testing of a number of standalone apartment schemes in all market areas. Further details are contained in Table 3.4.
- 7.05 To assess the viability of larger residential development sites of 50 dwellings or more, then based on the proposed Local Plan allocations, we have also prepared site specific viability appraisals for a representative sample of the housing allocations on which the plan relies. The allocations tested are both greenfield and brownfield sites and range in capacity from 45 dwellings to 400 dwellings. Details of the proposed allocation sites tested are contained at Table 3.6.

- 7.06 The Development Management Policies contained within the Local Plan vary in terms of their impact on development. Not all will have direct implications for development viability. A summary of the key policies and their effect on development is contained at Section 2 of this report and Table 3.16.
- 7.07 Of the policies assessed a number will impact on the form and design of development such as those which require provision for SUDs or for open space. Others such as Affordable Housing will place an obligation on the developer which will have a cost implication. Requirements for local infrastructure provision may require a monetary payment either through a S.106/S278 contribution or possibly CIL at a future point in time.
- 7.08 In preparing our viability assessments we have considered those policies which guide the form and design of development. Firstly we have considered **Policies HS7** and **HS1** which deal amongst other matters with density and housing mix. We have undertaken viability testing based on densities of 30, 35 and 40 dwellings per hectare. We have also adopted a housing mix for testing that moves towards the conclusions of the SHMA but also recognises past delivery and the fact that the requirements of the SHMA are aspirational. In addition the typologies tested make provision for 3% of the dwellings to be 2 bedroom bungalows. **Policy HS8** addresses the Council's expectations in relation to housing standards and in particular the expectation that new housing developments will as a minimum meet the requirements for internal space in the Nationally Described Space Standards. The dwelling sizes that we have adopted therefore accord to the requirements of these standards.
- 7.09 The construction cost assessments are reflective of this mix and dwellings sizes have been prepared assuming a development which meets current building regulation requirements and is reflective of Policy requirements in relation to matters such as sustainable construction and water management.
- 7.10 **Policies HS10** and **HS11** address open space provision and playing pitch requirements. Our testing of the generic housing typologies of 10 dwellings or more and also the housing allocations includes the cost of onsite open space provision together with the capitalised cost of future maintenance. In addition, as advised by the Council, we have also included contributions to offsite open space provision (at £1,366 per dwelling) and playing pitch improvements (at £566 per dwelling).

- 7.11 We have then considered the impact of **Policy HS6 Affordable Housing** and have undertaken viability testing, both generic and site specific, based on the policy compliant level of 30% onsite affordable housing. We have also tested lower thresholds of affordable provision at 10% and 20%.
- 7.12 Full details of our assumptions in relation policy requirements are contained at Table 3.16 and also at paragraphs 5.42 to 5.47, whilst our QS report on the Construction Costs is included at **Appendix 5**.
- 7.13 Tables 6.1-6.32 contain the results of our viability testing of the Local Plan policies in relation to new residential development.
- 7.14 In the lowest value area (Zone 1) the results of our testing of the generic typologies on brownfield and to a lesser extent greenfield sites shows that development is generally unviable even in the absence of affordable housing on these sites. For greenfield sites the results show an improvement in viability with the larger schemes tested viable at 35 and 40 dwellings per hectare. Of the two allocations that were tested in Zone 1, H37 was viable at the base position (ie with no affordable housing) although with 10% affordable provision showed a small loss. H30, which was tested at a lower density, showed a more marginal viability position. At the base position ie with no affordable housing the loss was £20 per sq.m which at less than 1% of GDV is unlikely to prevent development coming forward on this site.
- 7.15 The results of our testing indicate that new housing developments in these Zone 1 locations are unlikely to be able to support substantive affordable housing provision at the present time and hence it would be difficult to achieve the policy requirement of 30%.
- 7.16 With the higher sales prices in Zone 2 the viability position improves. Of the brownfield generic typologies tested, 67% are able to support 10% affordable provision and 25% are viable with 20% provision. None of the generic brownfield typologies tested are viable with 30% affordable provision.
- 7.17 The results for the generic testing of greenfield sites in this Zone show the provision of 30% affordable housing is generally not viable with only 25% of the typologies tested viable at this level of provision. The viable results relate to the larger sites tested at higher densities. At 20% affordable provision the majority of schemes (75%) are viable. The least viable results are for the smaller schemes at lower densities. At 10% affordable provision all of the greenfield sites tested are viable.

- 7.18 Of the allocations tested in Zone 2 the 3 sites tested at lower densities (H28, H40, H42) are not sufficiently viable to support 30% affordable housing provision. H59 which has been tested at a higher density of 41 dwelling per hectare is sufficiently viable to support 30% affordable housing.
- 7.19 At 20% provision 3 of the 4 allocations are viable with 20% affordable provision. The level of loss for the fourth allocation at £10 per sq.m is equivalent to only 0.5% of GDV. This suggests that the result is marginal, and a small reduction in costs, or increase in revenues, would be sufficient to make the result viable.
- 7.20 For greenfield sites in Zone 2 our testing shows that based on a reasonable development density of 35 dwellings per hectare new housing development is generally able to support 20% affordable housing provision and in a number of cases 30% affordable provision. Lower density development at 30 dwellings per hectare combined with the housing mix tested, which includes a relatively high proportion of 1 and 2 bed houses, results in a relatively low floorspace per acre ratio. This means that the site is used less efficiently and the developer is not able to achieve the optimum amount of built floorspace relative to the amount of land acquired. This has an impact on viability in this zone and as a result the Council will need to be flexible in the application of the housing mix policy at lower densities so as to ensure development inclusive of affordable housing does not become unviable.
- 7.21 For the brownfield sites in Zone 2 our testing indicates that at a reasonable development density of 35 dwellings per hectare and above, the majority of development could support 10% affordable housing provision and in some cases 20% provision. It would be difficult however to achieve the policy requirement of 30% on these sites.
- 7.22 In the Zone 3 locations the results of the generic testing for brownfield sites show that development is viable with 10% affordable provision and at 20% provision the majority of sites (58%) are viable. Only 3 sites are viable with the 30% affordable housing.
- 7.23 All of the greenfield sites tested in Zone 3 save for one are viable based on 30% affordable provision. The one unviable result has a small deficit of £14 per sq.m, which is less than 1% of GDV. The development of this typology is marginal and only a very small change in any of the appraisal variables would generate a surplus.
- 7.24 The allocations tested in Zone 3 are all viable with 30% affordable provision.

- 7.25 The results of the testing in Zone 3 indicate that greenfield sites are likely to be sufficiently viable to support 30% affordable housing. For brownfield sites however the level of viability means that only a limited number of sites could support 30% affordable provision. The majority of brownfield sites are more likely to be able to support 20% provision, or less at lower densities.
- 7.26 In Zone 4 all of the typologies tested (save for 2) together with the allocations are viable based on the policy compliant level of affordable at 30%. The unviable results relate to the 2 smallest schemes tested at 30 dwellings per hectare. The level of loss at -£2 and -£8 per sq.m shows that the results are marginal and only a very small change in any of the appraisal variables would generate a surplus. This level of deficit is unlikely to prevent development coming forward on this basis. In these higher value locations the affordable housing requirements contained in the Local Plan are reasonable.
- 7.27 We have also undertaken viability testing of apartments. This shows that standalone developments of apartments are not generally sufficiently financially viable to support affordable housing provision and other planning contributions save in the highest value Zone 4 locations. In Zone 4 our testing shows that the larger scheme of new apartments tested was sufficiently viable to support 10% affordable provision. The result for the smaller development was not viable on this basis and indicated that a lower level of affordable housing provision would be required for the scheme to remain viable
- 7.28 Our viability testing considers the impact of the SHMA housing mix on viability and in particular the impact of including a higher number of smaller 1 and 2 bed dwellings in the housing mix. The results of our generic testing at a lower density of 30 dwellings per hectare particularly in Zone 1 and 2 demonstrate that this housing mix does have an impact on viability. The impact of the mix is to increase the number of smaller 1 and 2 bed houses. This leads to a reduction in the level of square footage per acre to below a level considered to be an optimum position by the development industry. In addition at lower densities the Council will need to be mindful that a strict application of this mix may not result in an efficient use of land. Particularly in the lower value areas the Council will need to balance the target for smaller dwellings identified in the SHMA with viability issues that may arise as a result. The policy as drafted is not prescriptive in terms of the housing mix that needs to be achieved, and it is assumed that although the SHMA will guide discussions with applicants, each planning application will be considered on its own merits taking into account relevant evidence including the most up to date SHMA.

- 7.29 We have also considered the impact of other aspects of the local plan policy **HS8** in the context of the requirements to achieve the standards set out in M4 (2) of Building Regulations. The policy requires 20% of new dwellings to be delivered to meet the optional accessibility standards set out in Optional Requirement M4 (2) of Part M of the Building Regulations.
- 7.30 Our viability testing considered the impact of this policy. The results of the testing showed that the requirements to achieve M4 (2) generally have a relatively limited impact on viability with a cost of around £2 per sq.m. Where development is viable, then these standards can generally be supported and do not have a significant impact on viability.
- 7.31 Our testing assumes onsite open space provision, however in some instances where there is a deficiency in provision, **HS10** and **HS11** will require contributions to offsite open space and playing pitch provision. The impact of the former is a reduction in surplus of between £12 and £15 per sq.m and the later around £6 per sq.m. In Zone 1 the results of our testing show that development is unlikely to be able to support such contributions.
- 7.32 In Zones 2 and 3 the position improves and in the majority of cases where development is viable, then contributions at the levels tested can be supported either individually or in many cases cumulatively.
- 7.33 In Zone 4 all schemes save for 2 (schemes 2 and 3 at 30 dwellings per hectare on brownfield sites) are sufficiently viable to support 30% affordable housing and the contributions to playing pitches and public open space.
- 7.34 It should be stressed however that the testing already includes for onsite open space provision and only sites in areas of deficiency may be required to make these additional contributions.
- 7.35 **SD3: Planning Obligations** makes provision for on and off site contributions for matters such as infrastructure and for mitigation of the impacts of new development. To understand the impact of developer contributions for offsite matters we have undertaken testing based on a contribution of £1,000 per dwelling.

- 7.36 The impact of this policy is a reduction in surplus of £9 to £11 per sq.m. In Zone 1 it is unlikely that S106 contributions at this level could be supported on many sites. In Zone 2 the position improves for those schemes with viable results the level of surplus is such that it would be able to absorb a contribution at this level. Generally in Zone 2 most brownfield sites could support 10% affordable provision and a S106 contribution at this level. Whilst most greenfield sites would be able to support 20% affordable provision and a S106 contribution.
- 7.37 In Zone 3 the majority of brownfield sites could support 20% affordable housing together with a S106 contribution at this level, whilst for greenfield sites all save for one result could support 30% affordable housing and a S106 contribution of £1,000 per dwelling.
- 7.38 In Zone 4 save for two results all of the generic typologies tested and the allocations would be able to support a S106 contribution of £1,000 per dwelling and the policy compliant level of affordable housing.
- 7.39 The provision of affordable housing probably has the most significant impact on viability. **HS6: Affordable Housing** contains the plan requirements and sets a target of 30% provision. Our testing indicates that in Zones 3 and 4, in most cases it is possible to achieve the relevant policy requirement. In Zone 2 however particularly on brownfield sites it will be difficult to achieve a policy compliant level of affordable housing. This is particularly so at lower development densities where the impact of the housing mix reduces the amount of floorspace per acre to below the optimum level. As a result 20% affordable housing may be a more realistic level of provision in Zone 2, although in some cases the results show that 30% could be achieved whilst in others development is only viable based on 10% provision.
- 7.40 In dealing with applications in these Zone 2 locations the Council will need to be mindful of the impact of housing mix and ensure that a balance is achieved so as not to undermine viability and the ability to deliver affordable housing provision.
- 7.41 The results in Zone 1 suggest that it is unlikely that significant affordable housing can be delivered as a part of open market schemes. Notwithstanding this the Council has been successful in securing 100% affordable housing schemes in the locations.

7.42 **Policy SD3 Planning Obligations** states that in seeking contributions the Council will take into account the viability of development. Similarly in **Policy HS6 Affordable Housing** the policy states that the target of 30% is subject to site and development considerations such as financial viability. The explanation to the policy notes that the SHMA recognises that there is a need to balance the delivery of affordable housing against the viability of delivery. Our viability testing demonstrates that in relation to new housing development not all parts of the Borough will be able to support the cumulative plan policies and hence this test of viability will ensure that there is sufficient flexibility in relation to viability matters to allow development to come forward where viability may be an issue specifically in the lower value Zone 1 and 2 locations.

### **Non-Residential Developments**

- 7.43 The results from the viability testing for the offices and industrial suggest that employment development is not currently viable on a speculative basis. In certain cases for industrial development the results indicate that in the absence of a developer's profit requirement development may come close to 'breaking even'.
- 7.44 In our view the Local Plan Policy obligations, as drafted, do not place such a burden on new employment development so as to prejudice its future delivery. Issues in relation to viability are common across other parts of the North West, and arise because rents and capital values for employment uses are still currently at a relatively low level and in comparison there is a 'gap' with build costs. Traditionally in recent years this gap has been met by public sector funding support or in the case of mixed use schemes cross-subsidised by other more viable forms of development.
- 7.45 Notwithstanding the results of our viability testing it is likely that office and industrial development will come forward in Rossendale in the future motivated by specific circumstances such as an owner occupier wishing to expand or alternatively with the benefit of public sector funding support.
- 7.46 The results of our viability testing for Retail shows that new convenience retail development is viable and able to support plan policies. Comparison retail is not generally viable with a full speculative profit save for the larger scheme tested. In part this is a result of higher land values for retail uses and also the fact that construction cost increases in recent times have not necessarily been matched by increases in values for these type of uses. The impact of Local Plan policies on retail development are fairly limited in comparison with these market factors.



7.47 In summary the viability testing for commercial developments shows a mixed picture however where viability issues do arise this is as result of relatively low rents and capital values for employment uses in comparison with build costs rather than the policies contained in the Local Plan. Also our testing assumes a speculative form of development with a full developer's profit included. Many of the developments tested are unlikely to come forward as speculative schemes and hence will have a much lower profit requirement.

### **Key Themes for the Council to Consider**

7.48 We have summarised briefly a number of key points that the Council may wish to consider in formulating the local plan policies.

#### ***Affordable Housing***

7.49 It is unlikely that the Council will be able to achieve 30% affordable provision across all parts of the Borough. Assuming a reasonable development density at 35 dwellings per hectare, combined with a housing mix which contains a relatively high proportion of 1 and 2 bed houses our testing demonstrates the following are realistic levels of affordable housing provision:

Zone 1 – It is unlikely that substantive affordable housing provision could be secured as part of market housing schemes in these locations. Here affordable housing is more likely to be delivered through Registered Providers;

Zone 2 – greenfield sites are likely to be able to support 20% affordable housing provision and in some cases more. Brownfield sites can support 10% provision and more in certain cases;

Zone 3- greenfield sites are able to support 30% affordable housing and for brownfield sites the majority can support 20% affordable provision;

Zone 4 – all sites are able to support 30% affordable housing.

Apartments – across all areas apartments are unlikely to be able to support substantive affordable housing provision.

***Housing Mix***

- 7.50 Our testing assumes a housing mix which moves towards the recommendations of the SHMA. The mix tested assumes 30% of the dwellings are one and two bed. At lower densities ie 30 dwelling per hectare, and in lower value areas this mix with a relatively high number of 1 and 2 beds has an impact on viability. In the lower value areas, particularly Zones 1 and 2 the Council will need to balance the target for smaller dwellings identified in the SHMA with viability issues that may arise as a result.

***Optional Standard M4 (2) of Part M of the Building Regulations***

- 7.51 The requirement for 20% of new dwellings to meet this standard has a minimal impact on viability. Where development is viable the inclusion of this policy requirement will not on its own result in unviable development.

***Open Space and Playing Pitch Requirements***

- 7.52 Not all sites will be required to make contributions to offsite open space and playing pitches. However our testing shows that in Zone 1 development would not be sufficiently viable to support such additional contributions. In Zone 2 and 3 where development is viable the majority of schemes can support these additional contributions singularly and in many cases cumulatively. In Zone 4 development is generally able to support these additional contributions and 30% affordable housing.

***Other Planning Contributions***

- 7.53 We have tested the impact of a S106 contribution of £1,000 per dwelling. In Zone 1, new housing development is unlikely to be able to support any significant S106 contribution. In Zones 2 and 3 development would be able to support S106 contributions at this level, however the Council would need to be flexible in its requirements to achieve an appropriate overall planning package which doesn't undermine viability. In Zone 4 development is sufficiently viable to support a S106 contribution at this level combined with other Local Plan Policy Requirements.

***Overall Conclusion***

- 7.54 Subject to the comments made above, the overall scale of obligations, standards and policy burdens contained in the Local Plan are not of such a scale that cumulatively they threaten the ability of the sites and scale of development identified in the Plan to be developed viably. In certain circumstances there may need to be a balance achieved between any requirements for affordable housing and S106 contributions/CIL (if introduced), however there is sufficient flexibility in the Plan policies as currently drafted to allow a relaxation of policy requirements if appropriate to ensure that the delivery of the plan is not undermined.

- 7.55 The results of our viability testing for residential development in the lower value Zone 1 locations indicate that due to relatively low house prices viability is a factor even in the absence of Local Plan Policies. In many cases the testing shows that even without affordable housing development is not viable based on the reasonable assumptions that we have made. These assumptions include an allowance for a reasonable return to both the landowner and the developer.
- 7.56 For development to come forward in these locations either the landowner or the developer or both may need to be more flexible in relation to the level of 'return' that they are willing to accept. The key message therefore is that although viability is inevitably an issue in Zone 1 based on normal market requirements, some development is happening. Landowners and developers appear to have adopted approaches to the level of return that they have been prepared to accept to bring forward development in these locations.
- 7.57 As noted at para 6.68 the results of our viability testing for speculative commercial developments in Rossendale align with our experiences elsewhere in the North West where speculative employment development is generally not viable save for high value locations such as Manchester City Centre and around key transport hubs.
- 7.58 When applying normal development viability criteria including a speculative developer's profit, office and industrial developments are unviable and as such substantive speculative market development is unlikely to take place on this basis. However new employment development is likely to be brought forward using a variety of different mechanisms including the sale of serviced sites for owner occupation or design and build. New employment development will occur in the Borough as a result for example of existing occupiers wishing to expand or for other business requirements necessitating development of that type in that location, for example to be near a specific piece of existing infrastructure or for business agglomeration reasons. In addition new employment development is also likely to come forward with the benefit of public sector funding support or possibly as part of a wider mixed use scheme.
- 7.59 Viability issues do arise in relation to certain forms of commercial development however this is as a result of market factors rather than Local Plan policy obligations.

## **APPENDIX 1**

### **PLANNING APPLICATION ANALYSIS**

APPENDIX 1 - PLANNING APPLICATION ANALYSIS SINCE 2016

Ref	Planning Application Number	Address	Development Tier	Site Area (Hectares) Gross	Houses						Site area gross (acres)	Site area net (hectares)	Site area net (acres)	Gross to net ratio	Dwellings Per net ha	Floorspace (sq.ft) per net acre	Developer	Comments	
					1 bed	2 bed	3 bed	4 bed	5 bed	Total									
1	2014/0355	Whinberry View, Bacup Road, Rawtenstall (BF)	1	0.72	Mix			22	7		29	1.78	0.72	1.78	100%	40	15,517	Boys Homes	2 and 2.5 storey dwellings. No on site affordable houses
					%			76%	24%		100%								
					Size (sq.ft)			901	1,112		27,606								
2	2015/0454	Former Kearns Mill Site, Cowpe Road, Cowpe (BF)	4	1.73	Mix			1	16	3	20	4.27						Skipton Properties	No one site affordable dwellings, 2 houses include 3 acres and stables
					%			5%	80%	15%	100%								
					Size (sq.ft)			1,564	1,700	2,295	35,650								
3	2015/0334	Oaklands Drive and Lower Cribden Avenue, Rawtenstall (GF)	1	1.57	Mix			7	13	14	34	3.88	1.43	3.53	91%	24	18,529	McDermott Homes	Payment of £300,000 to offsite affordable housing provision
					%			21%	38%	41%	100%								
					Size (sq.ft)			1,577	1,737	2,273	65,446								
4	2015/0358	Land r/o 32 Greensnook Lane, Bacup (GF)	2	1.43	Mix			19	14		33	3.53	1.43	3.53	100%	23	10,565	Boys Homes	No affordable provision on site contribution to offsite of £69,622
					%			58%	42%		100%								
					Size (sq.ft)			1,066	1,219		37,317								
5	2016/0228	Croft End Mill, Bolton Road North, Edenfield (BF)	4	0.45	Mix				9	2	11	1.10	0.45	1.10	100%	25	16,462	Eccleston Homes	
					%				82%	18%	100%								
					Size (sq.ft)				1,613	1,799	18,116								

Overall Mix

Housing Mix	Houses					Total
	1 bed	2 bed	3 bed	4 bed	5 bed	
No Dwellings			49	59	19	127
Percentage			39%	46%	15%	100%

Dwelling Size

Dwelling Size	Houses				
	1 bed	2 bed	3 bed	4 bed	5 bed
Ave Size (sq.ft)			1277	1476	2122
Ave Size (sq.m)			119	137	197

## **APPENDIX 2**

### **NEW BUILD SALES EVIDENCE**

**APPENDIX 2 - NEW BUILD SALES**

**ROSSENDALE NEW BUILD PRICES SUMMARY**

Development	Location	Developer	Sale Price		Asking Price	
			per sq.m	per sq.ft	per sq.m	per sq.ft
<b>DALE MOOR VIEW</b>	RAWTENSTALL	TAYLOR WIMPEY	£2,430	£226		
<b>OAKLANDS RISE</b>	RAWTENSTALL	MCDERMOTT HOMES	£2,262	£210	£2,215	£206
<b>THE LOOM AND THE POWER MILL</b>	HELMSHORE		£1,984	£184	£2,071	£192
<b>HOLDEN VALE HOTEL</b>	HELMSHORE		£2,208	£205		
<b>KEARNS VILLAGE</b>	COWPE	SKIPTON PROPERTIES	£2,472	£230	£2,383	£221
<b>THE HOLLINS</b>	RAWTENSTALL	MCM			£2,751	£256
<b>WHINBERRY PLACE</b>	RAWTENSTALL	BOYS HOMES	£1,990	£185	£2,267	£211
<b>WOODLAND GRANGE</b>	BACUP	MCDERMOTT HOMES	£1,900	£176		
<b>PENNINE VIEW</b>	BACUP	WAINHOMES	£1,874	£174		
<b>GREENSNOOK</b>	BACUP	BOYS HOMES			£1,844	£171
<b>GREENSNOOK LANE</b>	BACUP	REVILO HOMES			£1,691	£157
<b>BADGER GARDENS</b>	BACUP				£2,106	£196
<b>HEALY WALK</b>	WHITWORTH	PERSIMMON HOMES	£1,883	£175		
<b>GREENBOOTH VILLAGE</b>	NORDEN, ROCHDALE	RUSSELL HOMES	£2,904	£270	£3,327	£309
<b>CHATTERTON PLACE</b>	STUBBINS	ECCLESTON HOMES			£2,991	£278
<b>PEEL GARDENS</b>	EDENFIELD				£2,724	£253

APPENDIX 2 - NEW BUILD SALES

DALE MOOR VIEW, RAWTENSTALL (TAYLOR WIMPEY)

SOLD PRICES

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	2	BRYNBELLA DRIVE	RAWTENSTALL	BB4 6SN	£215,000	24/11/2017	80	866	£2,672	£248	S	3	Gosford
	4	BRYNBELLA DRIVE	RAWTENSTALL	BB4 6SN	£272,995	24/11/2017	102	1,099	£2,674	£248	S	4	Lydford
	28	BRYNBELLA DRIVE	RAWTENSTALL	BB4 6SN	£318,995	08/01/2018	125	1,346	£2,551	£237	D	4	Chelford
	1	WARD WAY	RAWTENSTALL	BB4 6SP	£281,895	07/12/2017	108	1,159	£2,618	£243	D	4	Bradenham
	2	WARD WAY	RAWTENSTALL	BB4 6SP	£206,995	17/10/2017	80	866	£2,573	£239	S	3	Gosford
	4	WARD WAY	RAWTENSTALL	BB4 6SP	£210,895	20/11/2017	80	866	£2,621	£244	S	3	Gosford
	5	WARD WAY	RAWTENSTALL	BB4 6SP	£304,995	20/11/2017	116	1,251	£2,624	£244	D	4	Downham
	6	WARD WAY	RAWTENSTALL	BB4 6SP	£173,995	29/09/2017	58	621	£3,016	£280	S	2	Appleford
	7	WARD WAY	RAWTENSTALL	BB4 6SP	£219,995	04/08/2017	101	1,089	£2,174	£202	S	3	Alton G (2.5s)
	8	WARD WAY	RAWTENSTALL	BB4 6SP	£155,000	13/10/2017	58	621	£2,687	£250	S	2	Appleford
	9	WARD WAY	RAWTENSTALL	BB4 6SP	£219,995	28/07/2017	101	1,089	£2,174	£202	S	3	Alton G (2.5s)
	10	WARD WAY	RAWTENSTALL	BB4 6SP	£207,895	15/09/2017	80	866	£2,584	£240	S	3	Gosford
	11	WARD WAY	RAWTENSTALL	BB4 6SP	£225,995	29/06/2017	113	1,216	£2,000	£186	T	4	Oakham (TH)
	12	WARD WAY	RAWTENSTALL	BB4 6SP	£203,895	25/08/2017	80	866	£2,534	£235	S	3	Gosford
	14	WARD WAY	RAWTENSTALL	BB4 6SP	£312,995	28/02/2018	125	1,346	£2,503	£233	D	4	Chelford
	15	WARD WAY	RAWTENSTALL	BB4 6SP	£223,995	30/06/2017	113	1,216	£1,983	£184	T	4	Oakham (TH)
	16	WARD WAY	RAWTENSTALL	BB4 6SP	£267,995	31/08/2017	102	1,099	£2,625	£244	D	4	Lydford
	17	WARD WAY	RAWTENSTALL	BB4 6SP	£219,995	28/06/2017	113	1,216	£1,947	£181	S	4	Oakham (TH)
	18	WARD WAY	RAWTENSTALL	BB4 6SP	£305,895	30/06/2017	116	1,251	£2,632	£245	D	4	Downham
	19	WARD WAY	RAWTENSTALL	BB4 6SP	£219,995	30/06/2017	113	1,216	£1,947	£181	T	4	Oakham (TH)
	20	WARD WAY	RAWTENSTALL	BB4 6SP	£273,995	30/06/2017	108	1,159	£2,545	£236	D	4	Bradenham
	21	WARD WAY	RAWTENSTALL	BB4 6SP	£221,995	01/06/2017	113	1,216	£1,965	£183	T	4	Oakham (TH)
	22	WARD WAY	RAWTENSTALL	BB4 6SP	£297,995	26/06/2017	116	1,251	£2,564	£238	D	4	Downham
	23	WARD WAY	RAWTENSTALL	BB4 6SP	£216,995	24/05/2017	101	1,089	£2,145	£199	S	3	Alton G (2.5s)
	24	WARD WAY	RAWTENSTALL	BB4 6SP	£296,895	17/03/2017	116	1,251	£2,555	£237	D	4	Downham
	25	WARD WAY	RAWTENSTALL	BB4 6SP	£214,995	22/05/2017	101	1,089	£2,125	£197	S	3	Alton G (2.5s)
	26	WARD WAY	RAWTENSTALL	BB4 6SP	£229,995	15/02/2017	85	914	£2,709	£252	D	3	Aldenham
	27	WARD WAY	RAWTENSTALL	BB4 6SP	£294,995	05/05/2017	116	1,251	£2,538	£236	D	4	Downham
	28	WARD WAY	RAWTENSTALL	BB4 6SP	£292,995	21/04/2017	116	1,251	£2,521	£234	D	4	Downham
	30	WARD WAY	RAWTENSTALL	BB4 6SP	£270,995	31/03/2017	108	1,159	£2,517	£234	D	4	Bradenham
	34	WARD WAY	RAWTENSTALL	BB4 6SP	£204,995	27/01/2017	113	1,216	£1,815	£169	T	3	Alton G (2.5s)
	37	WARD WAY	RAWTENSTALL	BB4 6SP	£315,995	10/01/2017	125	1,346	£2,527	£235	D	4	Chelford
	38	WARD WAY	RAWTENSTALL	BB4 6SP	£266,995	27/01/2017	108	1,159	£2,480	£230	D	4	Bradenham
	44	WARD WAY	RAWTENSTALL	BB4 6SP	£285,995	10/03/2017	116	1,251	£2,461	£229	S	4	Downham
									<b>Market Housing Ave</b>	<b>£2,430</b>	<b>£226</b>		
									<b>Market Housing Ave (ex 2.5s)</b>	<b>£2,597</b>	<b>£241</b>		

Source: Land Registry

All homes sold as at 2 August 2018



**APPENDIX 2 - NEW BUILD SALES**

**OAKLANDS RISE, RAWTENSTALL (MCDERMOTT HOMES)**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	47	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£385,000	26/01/2018	177	1,906	£2,174	£202	D	5	Easington
	49	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£354,995	27/04/2018	156	1,675	£2,281	£212	D	4	Beacon
	51	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£337,495	21/05/2018	147	1,577	£2,304	£214	D	3	Musberry
	53	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£337,995	29/06/2018	147	1,577	£2,307	£214	D	3	Musberry
	44	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£349,995	29/06/2018	155	1,673	£2,252	£209	D	4	Hurst
	38	OAKLANDS DRIVE	RAWTENSTALL	BB4 6SA	£349,995	01/06/2018	155	1,673	£2,252	£209	D	4	Hurst
									<b>Market Housing Ave</b>	<b>£2,262</b>	<b>£210</b>		

Source: Land Registry

**AVAILABILITY AT 28 JULY 2018**

Plot No	No Beds	Type	Asking Price	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description
19	4	Hurst	£349,995	1,673	£209	£2,252	Detached (2.5s)
24	4	Lichfield	£369,995	1,914	£193	£2,081	Detached (2.5s)
16	4	Beacon	£359,995	1,675	£215	£2,313	Detached
					<b>Asking Price Ave</b>	<b>£206</b>	<b>£2,215</b>

Source: Developers Website

**APPENDIX 2 - NEW BUILD SALES**

**THE LOOM AND THE POWER MILL, HELMSHORE**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
APARTMENT 28	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£150,000	18/12/2017	92	990	£1,630	£151	F	2	
APARTMENT 30	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£270,000	27/11/2017	139	1496	£1,942	£180	F	2	
APARTMENT 31	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£170,000	20/02/2017	86	926	£1,977	£184	F	2	
APARTMENT 32	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£150,000	11/08/2017	64	689	£2,344	£218	F	2	
APARTMENT 35	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£250,000	10/11/2017	120	1292	£2,083	£194	F	3	
APARTMENT 36	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£220,000	22/03/2017	96	1033	£2,292	£213	F	2	
APARTMENT 39	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£325,000	15/01/2018	130	1399	£2,500	£232	F	2	
APARTMENT 41	THE LOOM	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£175,000	03/05/2017	90	969	£1,944	£181	F	2	
APARTMENT 1	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£125,000	12/04/2017	77	829	£1,623	£151	F		
APARTMENT 14	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£140,000	31/01/2017	52	560	£2,692	£250	F		
APARTMENT 16	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£115,000	13/04/2017	65	700	£1,769	£164	F		
APARTMENT 3	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£240,000	16/02/2018	137	1475	£1,752	£163	F		
APARTMENT 4	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£315,000	22/12/2017	198	2131	£1,591	£148	F		
APARTMENT 6	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£275,000	24/11/2017	173	1862	£1,590	£148	F		
APARTMENT 8	THE POWER MILL	HOLCOMBE ROAD	HelmsHore	BB4 4AZ	£162,000	08/12/2017	80	861	£2,025	£188	F		
									<b>Market Housing Ave</b>	<b>£1,984</b>	<b>£184</b>		

Source: Land Registry

**AVAILABILITY AT 2 AUGUST 2018**

Apt	Building	No Beds	Type	Asking Price	Size (sq.m)	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description	
21	Power Mill	3	Penthouse	£350,000	158	1,701	£206	£2,215	Flat	
17	Power Mill	2	Duplex	£335,000	147	1,582	£212	£2,279	Flat	
26	The Loom	2	Ground	£245,000	154	1,658	£148	£1,591	Flat	
35	The Loom	2		£240,000	120	1,292	£186	£2,000	Flat	
11	Power Mill	2	Triplex	£210,000		-			Flat	
15	Power Mill	2		£205,000	88	947	£216	£2,330	Flat	
19	Power Mill	2		£200,000	121	1,302	£154	£1,653	Flat	
33	The Loom	2		£190,000	93	1,001	£190	£2,043	Flat	
24	The Loom	2		£190,000	69	743	£256	£2,754	Flat	
23	The Loom	2	Ground	£180,000	97	1,044	£172	£1,856	Flat	
7	Power Mill	2	Duplex	£175,000	78	840	£208	£2,244	Flat	
9	Power Mill	2	Duplex	£170,000		-			Flat	
10	Power Mill	2	Duplex	£170,000	82	883	£193	£2,073	Flat	
18	Power Mill	2		£140,000	67	721	£194	£2,090	Flat	
20	Power Mill	2		£140,000	78	840	£167	£1,795	Flat	
							<b>Asking Price Ave</b>	<b>£192</b>	<b>£2,071</b>	

Source: Selling Agents Particulars

Sold stc

U/O

Sold stc

Sold stc

**APPENDIX 2 - NEW BUILD SALES**

**HOLDEN VALE HOTEL, HELMSHORE**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
APARTMENT 1	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£130,000	20/04/2017	56	603	£2,321	£216	F		
APARTMENT 10	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£165,000	20/12/2017	96	1033	£1,719	£160	F		
APARTMENT 12	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£210,000	09/10/2017	93	1001	£2,258	£210	F		
APARTMENT 13	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£200,000	26/05/2017	71	764	£2,817	£262	F		
APARTMENT 14	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£185,000	12/02/2018	102	1098	£1,814	£169	F		
APARTMENT 2	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£135,000	12/07/2017	58	624	£2,328	£216	F		
APARTMENT 4	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£160,000	06/12/2017	96	1033	£1,667	£155	F		
APARTMENT 5	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£115,000	27/04/2018	39	420	£2,949	£274	F		
APARTMENT 7	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£120,000	05/03/2018	66	710	£1,818	£169	F		
APARTMENT 8	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£172,000	22/06/2017	70	753	£2,457	£228	F		
APARTMENT 9	HOLDEN VALE HOUSE	HOLCOMBE ROAD	HELMSHORE	BB4 4QR	£135,000	05/03/2018	63	678	£2,143	£199	F		
<b>Market Housing Ave</b>									<b>£2,208</b>	<b>£205</b>			

Source: Land Registry

**APPENDIX 2 - NEW BUILD SALES**

**KEARNS VILLAGE, COWPE (SKIPTON PROPERTIES)**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	1	BISHOPS COURT	COWPE	BB4 7FB	£344,950	26/05/2017	186	1998	£1,858	£173	D	4	Cowpe 3s
	2	BISHOPS COURT	COWPE	BB4 7FB	£599,950	28/04/2017	222	2392	£2,700	£251	D	5	Carriage House inc land and stables
	3	BISHOPS COURT	COWPE	BB4 7FB	£619,950	24/04/2017	207	2230	£2,992	£278	D	5	Coach House inc land and stables
	4	BISHOPS COURT	COWPE	BB4 7FB	£329,950	28/04/2017	123	1329	£2,672	£248	D	4	Ermystead
	5	BISHOPS COURT	COWPE	BB4 7FB	£329,950	24/02/2017	123	1329	£2,672	£248	D	4	Ermystead
	6	BISHOPS COURT	COWPE	BB4 7FB	£349,950	13/01/2017	137	1471	£2,561	£238	D	4	Sharp
	7	BISHOPS COURT	COWPE	BB4 7FB	£469,950	10/03/2017	210	2262	£2,236	£208	D	5	Jackson 3s
	8	BISHOPS COURT	COWPE	BB4 7FB	£389,950	17/03/2017	188	2027	£2,071	£192	D	4	Rawsthorne 3s
	9	BISHOPS COURT	COWPE	BB4 7FB	£404,950	24/02/2017	188	2027	£2,150	£200	D	4	Rawsthorne 3s
	10	BISHOPS COURT	COWPE	BB4 7FB	£374,950	25/05/2017	149	1599	£2,524	£234	D	4	Davitt
	19	OLD MILL COURT	COWPE	BB4 7FD	£359,950	12/02/2018	123	1329	£2,915	£271	D	4	Ermystead
	22	OLD MILL COURT	COWPE	BB4 7FD	£335,000	13/01/2017	145	1564	£2,306	£214	D	3	Gatehouse
									<b>£2,472</b>	<b>£230</b>			

Source: Land Registry

**Market Housing Ave**

**AVAILABILITY AT 2 AUGUST 2018**

Plot No	No Beds	Type	Asking Price	Size (sq.m)	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description
	4	Irwell (3s)	£379,950	166	1,787	£213	£2,289	Terrace
	5	Tyrell (3s)	£509,950	206	2,216	£230	£2,477	Detached
						<b>£221</b>	<b>£2,383</b>	

Source: Developers Website

**Asking Price Ave**

**APPENDIX 2 - NEW BUILD SALES**

**THE HOLLINS, RAWTENSTALL (MCM)**  
 AVAILABILITY AT 2 AUGUST 2018

Plot No	No Beds	Type	Asking Price	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description
69	4	Longridge	£415,000	1,499	£277	£2,980	Detached
91	4	Pendleton	£350,000	1,349	£259	£2,793	Detached
101	4	Chatburn	£320,000	1,389	£230	£2,480	Detached
<b>Asking Price Ave</b>					<b>£256</b>	<b>£2,751</b>	

Source: Rightmove

**APPENDIX 2 - NEW BUILD SALES**

**WHINBERRY PLACE, RAWTENSTALL (BOYS)**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	11	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£158,500	17/02/2017	80	865	£1,971	£183	S	3	BLUEBIRD
	10	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£166,500	17/02/2017	80	865	£2,071	£192	S	3	BLUEBIRD
	12	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£158,500	23/02/2017	80	865	£1,971	£183	S	3	BLUEBIRD
	17	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£172,000	25/08/2017	80	865	£2,139	£199	S	3	BLUEBIRD
	7	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£168,500	29/08/2017	80	865	£2,096	£195	T	3	BLUEBIRD
	9	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£170,000	30/08/2017	80	865	£2,114	£197	T	3	BLUEBIRD
	8	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£160,000	25/10/2017	80	865	£1,990	£185	T	3	BLUEBIRD
	18	BILBERRY PLACE	RAWTENSTALL	BB4 7UL	£170,000	24/11/2017	80	865	£2,114	£197	S	3	BLUEBIRD
	5	CO-OPERATION STREET	RAWTENSTALL	BB4 7UQ	£169,950	15/12/2017	80	865	£2,114	£196	S	3	BLUEBIRD
	7	CO-OPERATION STREET	RAWTENSTALL	BB4 7UQ	£165,000	27/10/2017	80	865	£2,052	£191	S	3	BLUEBIRD
	164	BACUP ROAD	RAWTENSTALL	BB4 7PA	£190,000	15/03/2017	103	1112	£1,839	£171	T	4	WHINBERRY 2.5S
	166	BACUP ROAD	RAWTENSTALL	BB4 7PA	£183,000	07/07/2017	103	1112	£1,772	£165	T	4	WHINBERRY 2.5S
	168	BACUP ROAD	RAWTENSTALL	BB4 7PA	£183,000	28/07/2017	103	1112	£1,772	£165	T	4	WHINBERRY 2.5S
	170	BACUP ROAD	RAWTENSTALL	BB4 7PA	£190,000	27/02/2017	103	1112	£1,839	£171	T	4	WHINBERRY 2.5S
									<b>Market Housing Ave</b>	<b>£1,990</b>	<b>£185</b>		

Source: Land Registry

**AVAILABILITY AT 2 AUGUST 2018**

Plot No	No Beds	Type	Asking Price	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description	Comments	
5	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s		
4	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s	Sold stc	
6	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s	Sold stc	
2	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s	Sold stc	
3	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s	Sold stc	
1	3	CRANBERRY	£210,000	997	£211	£2,267	Semi 2.5s		
					<b>Asking Price Ave</b>	<b>£211</b>	<b>£2,267</b>		

Source: Developers Website

**APPENDIX 2 - NEW BUILD SALES**

**WOODLAND GRANGE, BACUP  
SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	19	SISKIN AVENUE	BACUP	OL13 9BH	£167,500	10/07/2017					D		
	32	SISKIN AVENUE	BACUP	OL13 9BH	£210,000	13/04/2017	115	1238	£1,826	£170	D	4	Maidstone
	48	SISKIN AVENUE	BACUP	OL13 9BH	£157,000	27/09/2017	79	850	£1,987	£185	D	3	Welland
	50	SISKIN AVENUE	BACUP	OL13 9BH	£195,000	22/09/2017	102	1098	£1,912	£178	D	4	Chatham
	3	STONECHAT CLOSE	BACUP	OL13 9BJ	£210,000	05/04/2017	115	1238	£1,826	£170	D	4	Maidstone
	4	STONECHAT CLOSE	BACUP	OL13 9BJ	£210,000	12/10/2017	115	1238	£1,826	£170	D	4	Maidstone
	6	STONECHAT CLOSE	BACUP	OL13 9BJ	£186,000	24/04/2017	102	1098	£1,824	£169	D	4	Chatham
	8	STONECHAT CLOSE	BACUP	OL13 9BJ	£155,000	24/02/2017	79	850	£1,962	£182	D	3	Welland
	12	STONECHAT CLOSE	BACUP	OL13 9BJ	£155,000	19/04/2017	79	850	£1,962	£182	D	3	Welland
	16	STONECHAT CLOSE	BACUP	OL13 9BJ	£155,000	30/05/2017	79	850	£1,962	£182	D	3	Welland
	18	STONECHAT CLOSE	BACUP	OL13 9BJ	£180,000	26/05/2017	96	1033	£1,875	£174	D	4	Ennerdale
	20	STONECHAT CLOSE	BACUP	OL13 9BJ	£155,000	07/04/2017	79	850	£1,962	£182	D	3	Welland
	21	STONECHAT CLOSE	BACUP	OL13 9BJ	£190,000	10/03/2017	105	1130	£1,810	£168	D	4	Cleveland
	22	STONECHAT CLOSE	BACUP	OL13 9BJ	£155,000	27/05/2017	79	850	£1,962	£182	D	3	Welland

Source: Land Registry

**Market Housing Ave**

**£1,900    £176**

All homes sold as at 2 August 2018

**APPENDIX 2 - NEW BUILD SALES**

**PENNINE VIEW, BRITANNIA, BACUP, WAINHOMES**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	2	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	21/12/2017	114	1225	£1,889	£175	D	4	Newton
	4	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	31/03/2017	114	1225	£1,889	£175	D	4	Scott
	18	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	31/08/2017	115	1242	£1,863	£173	D	4	Brunel
	20	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	30/06/2017	114	1225	£1,889	£175	D	4	Scott
	30	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	10/02/2017	114	1225	£1,889	£175	D	4	Newton
	32	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£154,950	17/02/2017	81	871	£1,915	£178	D	3	Conway
	34	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	29/09/2017	114	1225	£1,889	£175	D	4	Scott
	36	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£209,999	06/01/2017	114	1225	£1,845	£171	D	4	Scott
	38	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£174,950	28/07/2017	94	1014	£1,857	£173	D	4	Nelson
	40	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£234,950	24/02/2017	124	1340	£1,887	£175	D	4	Salisbury
	42	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	23/06/2017	114	1225	£1,889	£175	D	4	Scott
	44	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	17/02/2017	115	1242	£1,863	£173	D	4	Brunel
	46	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	27/10/2017	114	1225	£1,889	£175	D	4	Scott
	48	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£169,950	27/10/2017	95	1019	£1,795	£167	D	4	Jenner
	52	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	22/05/2017	114	1225	£1,889	£175	D	4	Newton
	59	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£174,950	13/04/2017	94	1014	£1,857	£173	D	4	Nelson
	61	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£214,950	24/02/2017	114	1225	£1,889	£175	D	4	Scott
	71	COCKERELL DRIVE	BRITANNIA	OL13 9SG	£174,950	05/10/2017	94	1014	£1,857	£173	D	4	Nelson
									<b>£1,874</b>	<b>£174</b>			

Source: Land Registry

Market Housing Ave

All homes sold as at 2 August 2018





**APPENDIX 2 - NEW BUILD SALES**

**HEALY WALK, WHITWORTH (PERSIMMON HOMES)**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	22	ORAMA AVENUE	WHITWORTH	OL12 8ED	£249,995	16/01/2017	143	1535	£1,753	£163	D	5	Barrington
	1	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£209,995	30/06/2017	102	1096	£2,062	£192	D	4	Roseberry
	3	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£186,995	27/07/2017	109	1171	£1,719	£160	D	4	Runswick (2.5s)
	4	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£179,995	26/05/2017	93	999	£1,939	£180	D	3	Clandon
	5	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£249,995	28/07/2017	143	1535	£1,753	£163	D	5	Barrington
	6	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£129,995	26/05/2017	69	739	£1,893	£176	S	3	Moseley
	7	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£186,995	31/07/2017	109	1171	£1,719	£160	D	4	Runswick (2.5s)
	8	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£129,995	26/05/2017	69	739	£1,893	£176	S	3	Moseley
	9	SPINNERS DRIVE	WHITWORTH	OL12 8ES	£211,995	28/07/2017	102	1096	£2,082	£193	D	4	Roseberry

Source: Land Registry

<b>Market Housing Ave</b>	<b>£1,883</b>	<b>£175</b>
<b>Market Housing Ave exc 2.5s</b>	<b>£1,911</b>	<b>£178</b>

All homes sold as at 2 August 2018

**APPENDIX 2 - NEW BUILD SALES**

**GREENBOOTH VILLAGE, NORDEN, ROCHDALE (RUSSELL HOMES)**

**SOLD PRICES**

Apt no	No	Street	Settlement	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (per sq.m)	Price (per sq.ft)	Type	No Beds	Ref
	4	FIELD VIEW LANE	OL12 7TS		£295,995	17/11/2017	112	1202	£2,651	£246	T	3	Orrell (2.5s)
	5	FIELD VIEW LANE	OL12 7TS		£345,995	29/09/2017	115	1243	£2,996	£278	D	4	Cawson
	6	FIELD VIEW LANE	OL12 7TS		£299,995	29/09/2017	112	1202	£2,686	£250	T	3	Orrell (2.5s)
	8	FIELD VIEW LANE	OL12 7TS		£299,995	27/10/2017	112	1202	£2,686	£250	T	3	Orrell (2.5s)
	13	FIELD VIEW LANE	OL12 7TS		£359,995	30/06/2017	128	1378	£2,812	£261	D	4	Howarth
	19	FIELD VIEW LANE	OL12 7TS		£379,995	17/11/2017	128	1378	£2,968	£276	D	4	Howarth
	21	FIELD VIEW LANE	OL12 7TS		£389,995	20/10/2017	133	1432	£2,931	£272	D	4	Eccleston
	23	FIELD VIEW LANE	OL12 7TS		£389,995	20/10/2017	133	1432	£2,931	£272	D	4	Eccleston
	24	FIELD VIEW LANE	OL12 7TS		£369,995	12/12/2017	128	1378	£2,890	£269	D	4	Howarth
	25	FIELD VIEW LANE	OL12 7TS		£609,995	29/09/2017	174	1873	£3,506	£326	D	5	Kershaw
	28	FIELD VIEW LANE	OL12 7TS		£369,995	15/02/2018	128	1378	£2,890	£269	D	4	Howarth
									<b>£2,904</b>	<b>£270</b>			

Source: Land Registry

**Market Housing Ave**

**AVAILABILITY AT 2 AUGUST 2018**

Plot	No Beds	Type	Asking Price	Size (sq.m)	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description
42	5	Holtham	£575,000	206	2,217	£259	£2,792	Detached
19	5	Kershaw	£609,995	174	1,873	£326	£3,506	Detached
26	5	Kershaw	£649,995	174	1,873	£347	£3,735	Detached
29	5	Kershaw	£624,995	174	1,873	£334	£3,592	Detached
38	5	Kershaw	£589,995	174	1,873	£315	£3,391	Detached
8	3	Gilson	£264,995	90	968	£274	£2,947	Mews

Source: Developers Website

**Asking Price Ave**

**£309**

**£3,327**

**APPENDIX 2 - NEW BUILD SALES**

**CHATTERTON PLACE, STUBBINS (ECCLESTON HOMES)**

AVAILABILITY AT 3 AUGUST 2018

Plot	No Beds	Type	Asking Price	Size (sq.m)	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description	Status
1	4	Rimmington	£411,995	139	1,492	£276	£2,972	Detached	Available
2	4	Stoneyhurst	£449,995	150	1,610	£280	£3,009	Detached	Reserved
11	4	Rimmington	£412,995	139	1,492	£277	£2,980	Detached	Available
9	4	Stoneyhurst	£444,995	150	1,610	£276	£2,975	Detached	Reserved
6	4	Stoneyhurst	£444,995	150	1,610	£276	£2,975	Detached	Reserved
7	5	Waddington	£504,995	167	1,799	£281	£3,022	Detached	Reserved
8	5	Waddington	£504,995	167	1,799	£281	£3,022	Detached	Reserved
10	4	Stoneyhurst	£444,995	150	1,610	£276	£2,975	Detached	Reserved
				-					
<b>Asking Price Ave</b>						<b>£278</b>	<b>£2,991</b>		

Source: Developers Website

**PEEL GARDENS, EDENFIELD**

AVAILABILITY AT 3 AUGUST 2018

Plot	No Beds	Type	Asking Price	Size (sq.m)	Size (sq.ft)	Asking Price (Per Sq ft)	Asking Price (Per Sq m)	Description	Status
4	1		£152,950	56	603	£254	£2,730	Flat	
8	1		£152,950	56	603	£254	£2,730	Flat	
7	2		£199,950	74	800	£250	£2,690	Flat	
6	2		£154,950	56	608	£255	£2,743	Flat	
				-					
<b>Asking Price Ave</b>						<b>£253</b>	<b>£2,724</b>		

Source: Rightmove

**APPENDIX 3**

**INDUSTRIAL SUBMARKET REPORT**



# Industrial Submarket Report

## Rossendale

Lancashire Market

PREPARED BY



Ged Massie  
Partner



**INDUSTRIAL SUBMARKET REPORT**

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12 Mo Deliveries in SF

**0**

12 Mo Net Absorption in SF

**82.6 K**

Vacancy Rate

**1.8%**

12 Mo Rent Growth

**6.5%**

The Lancashire South East area has around 37 million SF of industrial space. Located south of Preston and north of Manchester, the area includes key towns such as Blackburn, Burnley, Hyndburn, Pendle and Rossendale. The area is historically associated with the manufacturing sector, although aircraft is also one of the dominant industrial drivers here. The vast majority of the area's big units are located along the M65 corridor. It is also a burgeoning logistics hub. Major occupiers include Crown Paints, Rolls Royce, Safran Aircelle and Silentnight Group, which all occupy more than 300,000 SF here.

Industrial demand has been strong in recent years, albeit

not to the extent of 2013-2016. Vacancies have been steadily compressing since nearing almost 11% in 2011, sitting around 2%. Most new supply has been fully let upon completion, while nothing above 200,000 SF is currently under construction. Rent growth is one of the highest in the market at around 6%, while the average asking rents are the lowest, standing at just above 4/SF. Prime industrial rents command around a 50% premium on average space. Investment cooled down, totalling around £11 million in the past 12 months. The most recent notable deal was the acquisition of the Caligen Foam unit in Broad Oak Industrial Estate by Ribston UK Industrial Property Limited Partnership for £7.3 million in February 2018.

### KEY INDICATORS

Current Quarter	GIA	Vacancy Rate	Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	1,614,168	3.7%	£3.80	4.5%	(16,484)	0	0
Specialised Industrial	1,613,244	0%	£4.61	0%	0	0	0
Light Industrial	547,779	1.5%	£4.14	2.7%	0	0	0
<b>Submarket</b>	<b>3,775,191</b>	<b>1.8%</b>	<b>£4.20</b>	<b>2.3%</b>	<b>(16,484)</b>	<b>0</b>	<b>0</b>

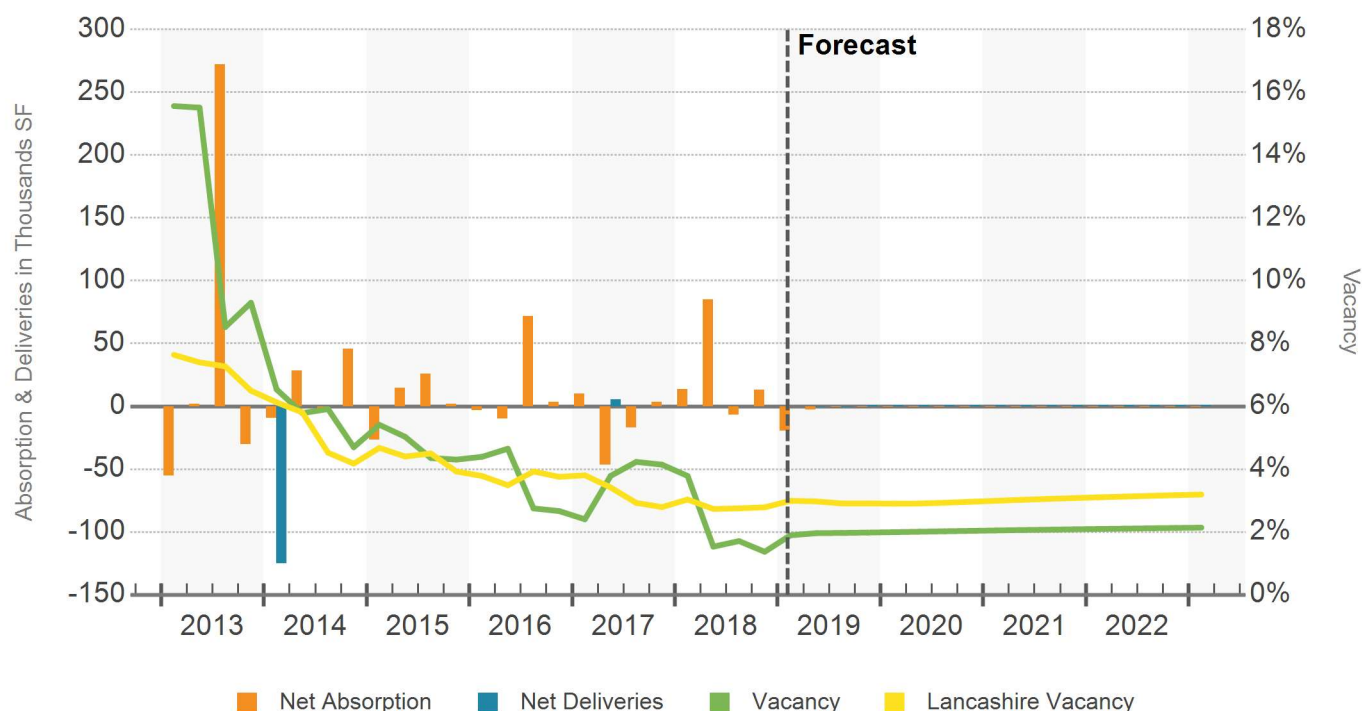
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-2.2%	6.8%	2.1%	15.6%	2013 Q1	1.4%	2018 Q4
Net Absorption SF	82.6 K	18,600	504	260,940	2014 Q2	(281,315)	2011 Q4
Deliveries SF	0	5,754	1,193	49,333	2010 Q3	0	2018 Q4
Rent Growth	6.5%	2.1%	3.2%	6.8%	2018 Q4	-3.1%	2010 Q1
Sales Volume	£2.3 M	£719.1K	N/A	£2.3M	2018 Q4	£0	2018 Q1



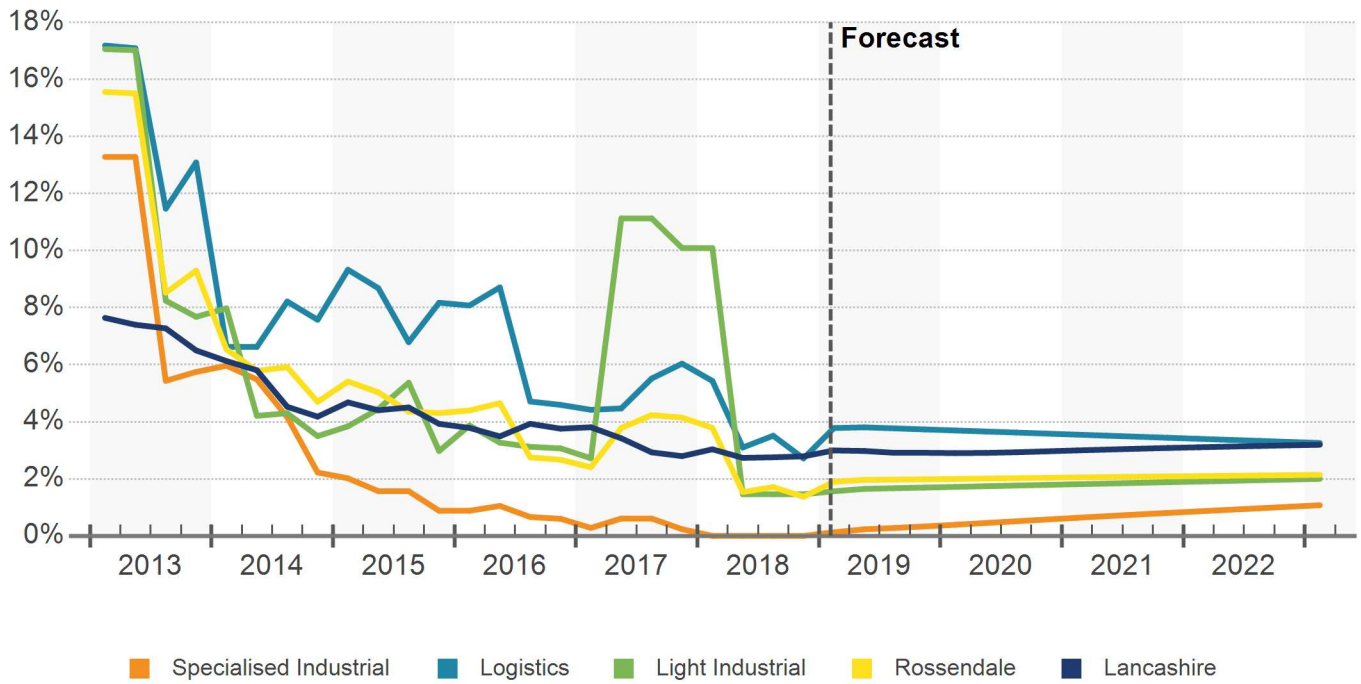
Annual net absorption in the Lancashire South East area has been positive in the past five years. Historically, absorption has averaged 350,000 SF, with around 170,000 SF absorbed in the 12 months. Positive demand and absence of speculative supply allowed the vacancy rate to fall from almost 11% in 2010 to a historic low of 2% in 2016. Although vacancies since increased as a few new units became vacant, like the 90,000-SF Palatin Mill in Blackburn, they remain around 2% and one of the lowest vacancy rates in the Lancashire Market, on par with the neighbouring Lancashire South West and comfortably above Lancashire North, where the vacancy is around 5%. Absorption in the past 18

months was supported by MK Illumination moving into 152,000 SF in Unit 1, Wilton Business Park in 17Q1 and Steel Dynamics occupying 37,500 SF at Unit 10-11, Walker Industrial Park in 17Q3. Speculative development has proven successful in the Lancashire South East area over the past couple of years. Fifteen of the 21 major developments that have completed since 2016 are fully or almost fully leased. However, only 15% of the 260,000 SF of speculative stock under construction had been leased as of August 2018, and vacancies are likely to move gently upwards as these schemes begin to deliver.

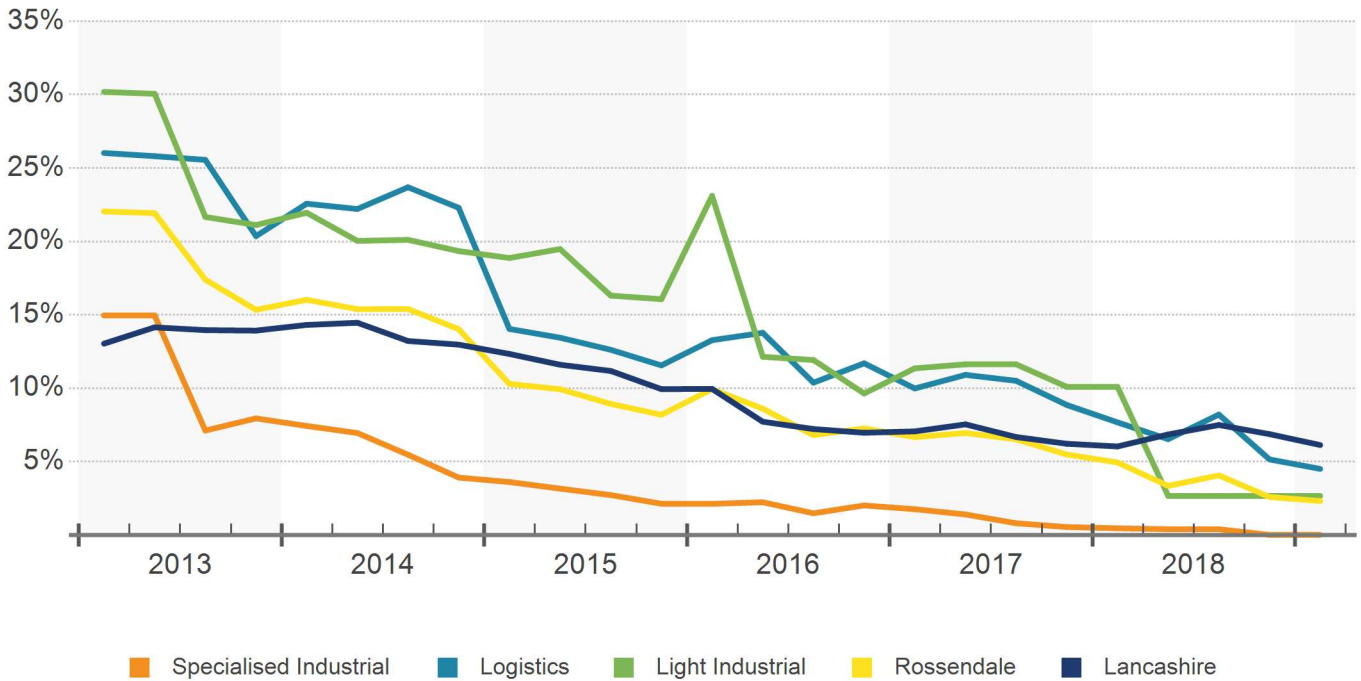
### NET ABSORPTION, NET DELIVERIES & VACANCY



## VACANCY RATE



## AVAILABILITY RATE



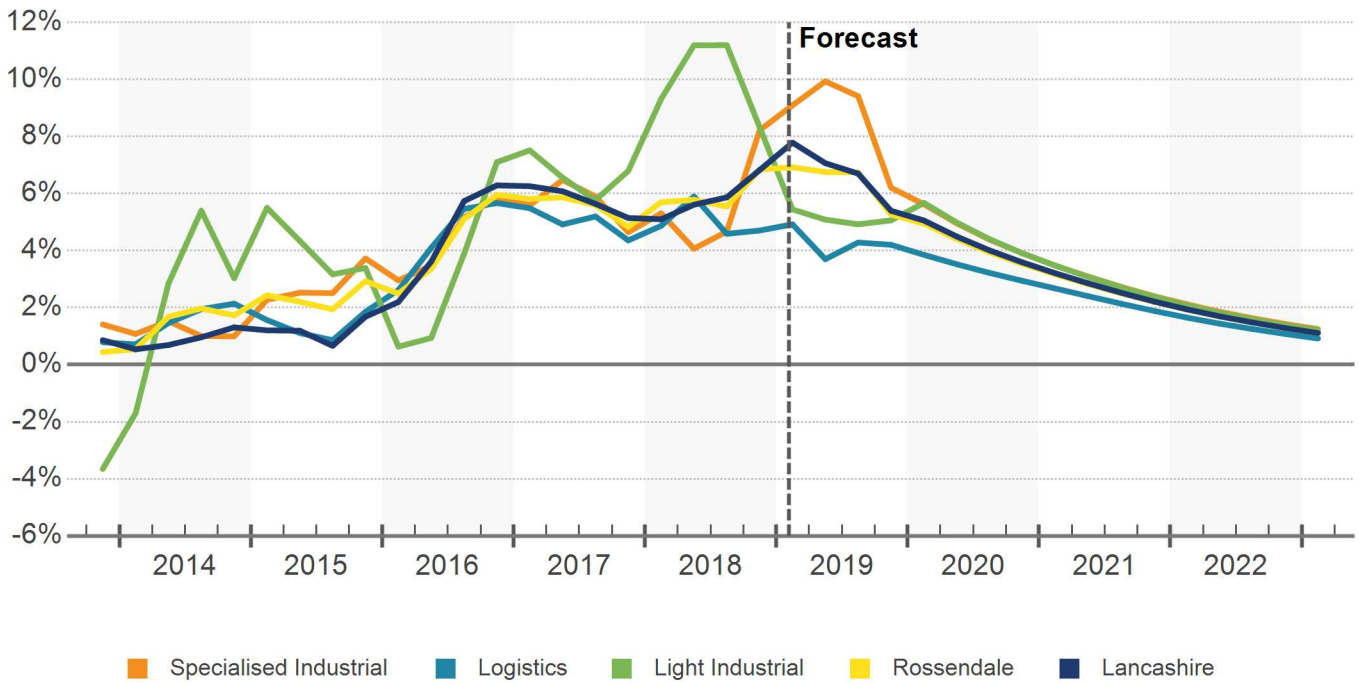
### 3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	GIA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
<b>Units 1-18</b> New Hall Hey Business Park	★ ★ ★ ★ ★	20,174	4	9,484	0%	0
<b>Units 1-11</b> Taylor Court	★ ★ ★ ★ ★	20,758	1	2,500	0%	0
<b>Units 1-10 - New Hall Hey Bus...</b> New Hall Hey Rd	★ ★ ★ ★ ★	24,654	1	8,000	32.4%	0

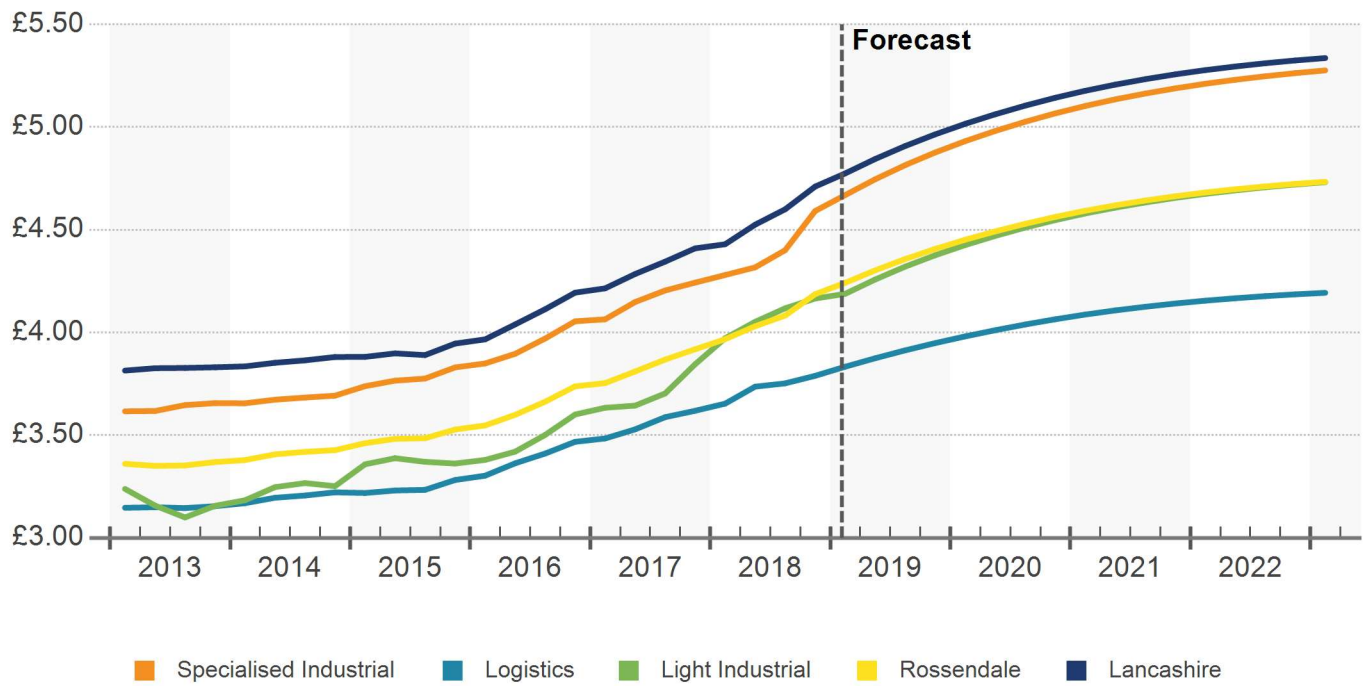
Industrial rents in the Lancashire South East area have grown strongly in the past few years, maintaining an upward trajectory and growing by about 6% in the past 12 months. At just above £4/SF, average asking rents in Lancashire South East are the lowest in the Lancashire Market, around 15% below Lancashire North and almost 20% below the Lancashire South West. Prime industrial

assets in Southampton command around a 50% premium on average space. The landlords of units 1-4, Phase One, Westfield are asking around £9/SF, while asking rents at Block A, The Hub, Darwen are about £9/SF. Rents are expected to continue to grow at a moderate pace in the near term.

## MARKET RENT GROWTH (YOY)



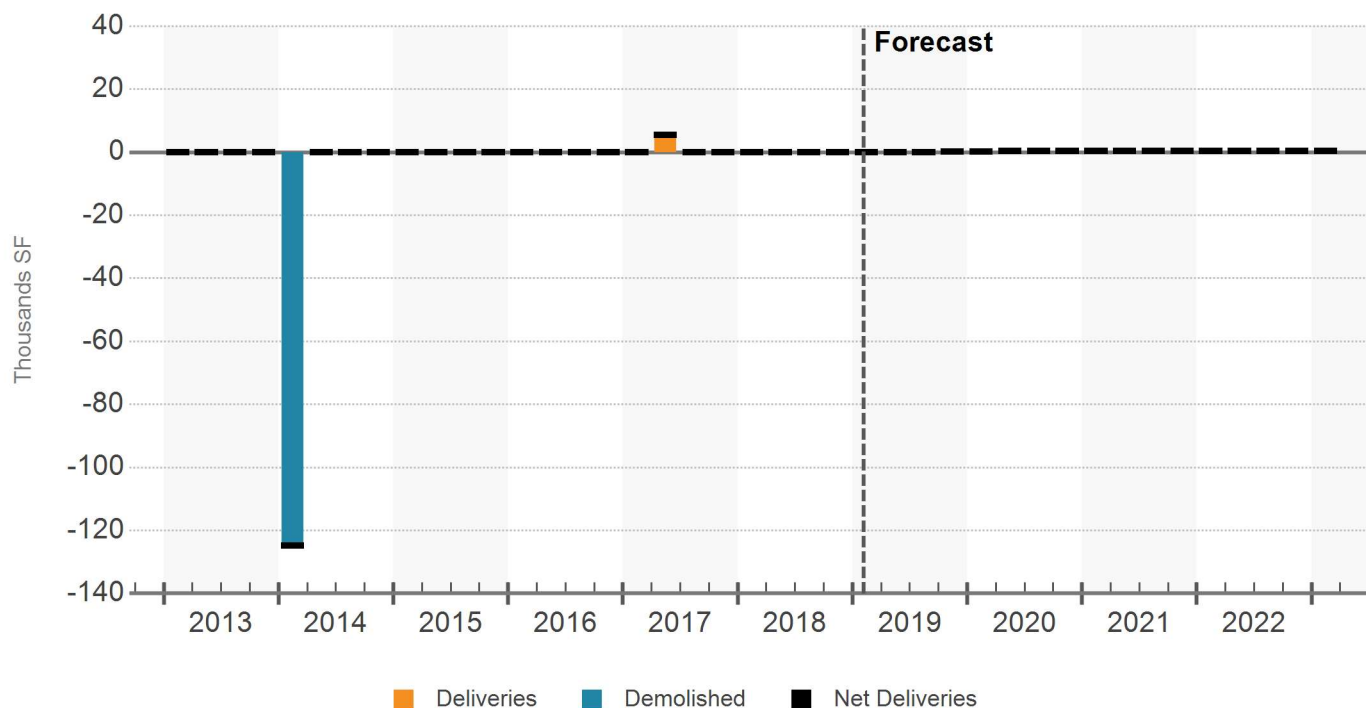
### MARKET RENT PER SQUARE FOOT



Lancashire South East has almost 37 million SF of industrial space, making it the largest area in the Lancashire Market. The vast majority of the area's big units (those larger than 100,000 SF) are located along the M65 corridor. Construction peaked in 2016, when the 545,000-SF Exertis unit in Burnley Bridge Business Park was completed. Construction in the past 18 months was in the form of sub-100,000-SF projects, and the biggest delivery was the Fagan & Whalley (92,000 SF) on

Magnesium Way in 2017. Though speculative development has proven successful in recent years, few schemes were under construction. The largest unit is the 185,500-SF unit FP1 in Frontier Park, which is expected to deliver in late 2018 and fully available. The developers of a few big schemes like Units 1-4, Frontier Park (475,000 SF) and Burnley Bridge South Junction (600,000 SF) are seeking a pre-let before committing.

## DELIVERIES & DEMOLITIONS





All-Time Annual Avg. SF

520

Delivered SF Past 4 Qtrs

0

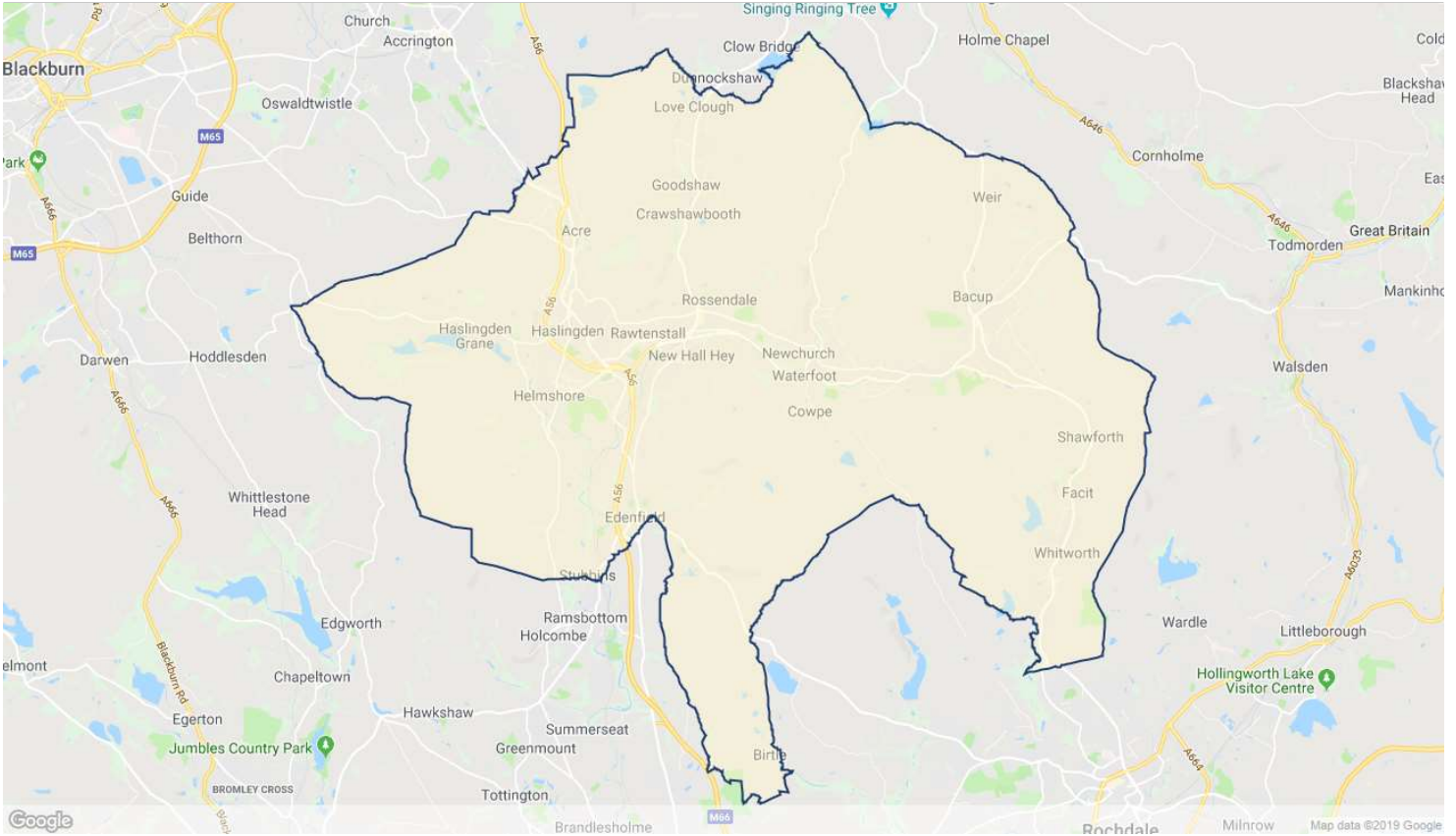
Delivered SF Next 4 Qtrs

0

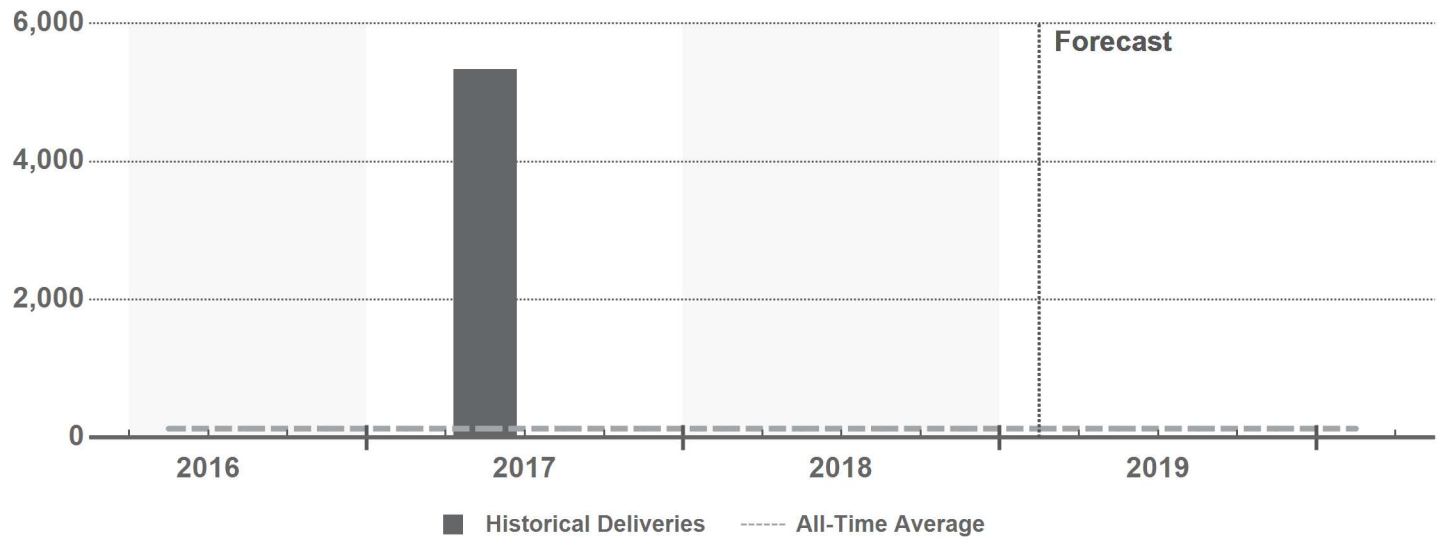
Proposed SF Next 4 Qtrs

0

### PAST 4 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



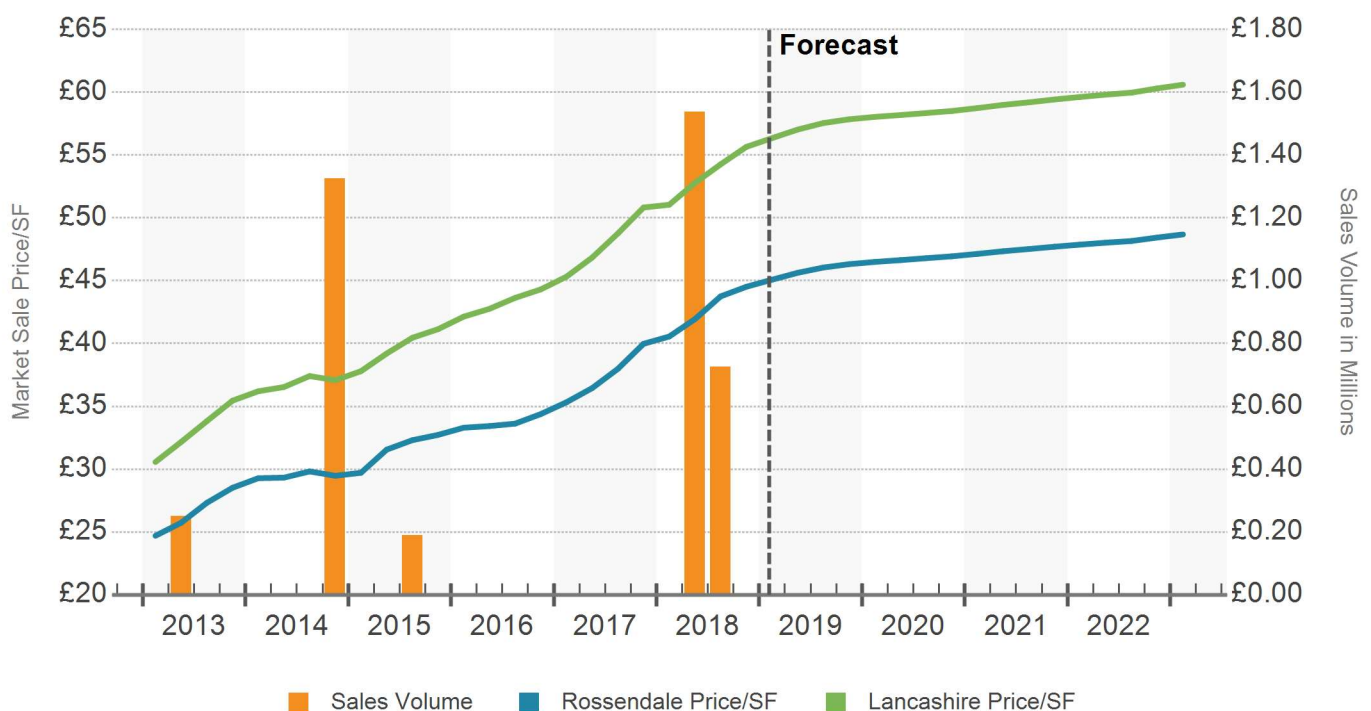
### PAST & FUTURE DELIVERIES IN SQUARE FEET



Investment volumes in Lancashire South East have cooled down after their peak in 2013, when volumes reached more than £33 million. Volumes in the past 12 months totalled around £11 million, which is almost 40% below the historical average, and were mainly driven by sub-£1 million deals. Average yields have come down by nearly 290 basis point since their 2012 high. The largest deal in 2017 was the sale of the Aircelle unit on Bancroft Rd., which Cruzon Capital sold for £5.1 million in June, reflecting a net initial yield of 8%. Another notable transaction was the national portfolio sale consisting of

93 properties, acquired by Westbrook Europe for £92.7 million in November. Five of the buildings, totalling 280,000 SF, were in the Lancashire South East Submarket (due to the multi-asset nature of the deal, the volumes are not reflected in the chart below). More recently, Ribston UK Industrial Property Limited Partnership has acquired Caligen Foam unit in Broad Oak Industrial Estate. Fully let to Caligen Foam, the 277,000-SF unit was sold for £7.3 million in February 2018, reflecting a net initial yield of 8%.

### SALES VOLUME & MARKET SALE PRICE PER SF





# Sales Past 12 Months

Rossendale Industrial

Sale Comparables

Avg. Yield

Avg. Price/SF

Avg. Vacancy At Sale

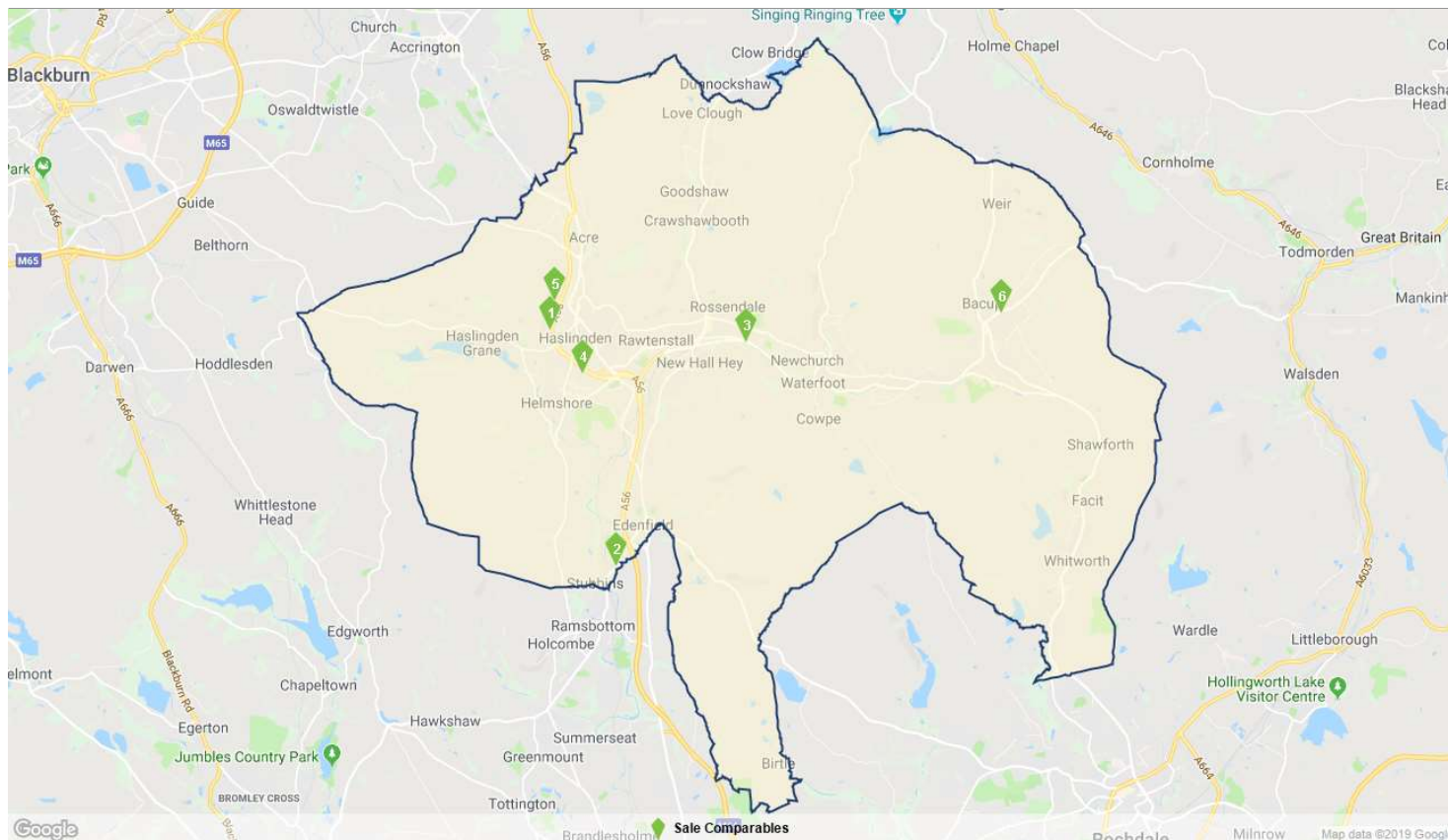
7

-

£26

0%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	£350,000	£565,625	£593,750	£725,000
Price Per SF	£22	£26	£26	£51
Net Initial Yield	-	-	-	-
Time Since Sale in Months	1.6	5.8	5.2	10.1
Property Attributes	Low	Average	Median	High
Building SF	6,325	18,537	18,087	33,501
Eaves Height	8'	10'	10'	12'
Docks	-	-	-	-
Vacancy Rate At Sale	0%	0%	0%	0%
Year Built	1890	1955	1975	1980
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Rosendale Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	NIY
<b>1</b> 2 St. Crispin Way	★ ★ ★ ★ ★	1980	27,870	0%	01/09/2018	£725,000	£26	-
<b>2</b> Croft End Stubbins, Bolton Rd N	★ ★ ★ ★ ★	1890	33,501	0%	04/04/2018	£725,000	£22	-
<b>3</b> Building B Bacup Rd	★ ★ ★ ★ ★	1980	18,087	0%	13/04/2018	£462,500	£26	-
<b>4</b> Units 4-6 Knowsley Rd	★ ★ ★ ★ ★	1970	6,900	0%	07/06/2018	£350,000	£51	-
<b>5</b> Todd Hall Rd	★ ★ ★ ★ ★	1994	1,250	0%	20/12/2018	-	-	-
<b>5</b> Todd Hall Rd	★ ★ ★ ★ ★	1994	1,250	0%	20/12/2018	-	-	-
<b>6</b> Vale St	★ ★ ★ ★ ★	-	6,325	0%	27/09/2018	-	-	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	3,780,309	1,138	0%	(474)	0%	-
2022	3,779,171	1,280	0%	(437)	0%	-
2021	3,777,891	1,431	0%	(518)	0%	-
2020	3,776,460	1,219	0%	(761)	0%	-
2019	3,775,241	50	0%	(22,992)	-0.6%	-
YTD	3,775,191	0	0%	(16,484)	-0.4%	-
2018	3,775,191	0	0%	104,679	2.8%	0
2017	3,775,191	5,332	0.1%	(50,606)	-1.3%	-
2016	3,769,859	0	0%	61,766	1.6%	0
2015	3,769,859	0	0%	14,804	0.4%	0
2014	3,769,859	(124,922)	-3.2%	60,009	1.6%	-
2013	3,894,781	0	0%	188,727	4.8%	0
2012	3,894,781	0	0%	(38,157)	-1.0%	-
2011	3,894,781	0	0%	(281,315)	-7.2%	-
2010	3,894,781	39,301	1.0%	34,785	0.9%	1.1
2009	3,855,480	-	-	182,672	4.7%	-

## SPECIALISED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	1,618,362	1,138	0.1%	(2,316)	-0.1%	-
2022	1,617,224	1,280	0.1%	(2,284)	-0.1%	-
2021	1,615,944	1,431	0.1%	(2,354)	-0.1%	-
2020	1,614,513	1,219	0.1%	(2,611)	-0.2%	-
2019	1,613,294	50	0%	(5,304)	-0.3%	-
YTD	1,613,244	0	0%	-	-	-
2018	1,613,244	0	0%	3,785	0.2%	0
2017	1,613,244	5,332	0.3%	11,194	0.7%	0.5
2016	1,607,912	0	0%	4,500	0.3%	0
2015	1,607,912	0	0%	21,587	1.3%	0
2014	1,607,912	0	0%	56,669	3.5%	0
2013	1,607,912	0	0%	76,800	4.8%	0
2012	1,607,912	0	0%	(10,676)	-0.7%	-
2011	1,607,912	0	0%	(67,763)	-4.2%	-
2010	1,607,912	0	0%	3,126	0.2%	0
2009	1,607,912	-	-	39,910	2.5%	-

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	1,614,168	0	0%	2,353	0.1%	0
2022	1,614,168	0	0%	2,359	0.1%	0
2021	1,614,168	0	0%	2,352	0.1%	0
2020	1,614,168	0	0%	2,361	0.1%	0
2019	1,614,168	0	0%	(16,401)	-1.0%	-
YTD	1,614,168	0	0%	(16,484)	-1.0%	-
2018	1,614,168	0	0%	53,619	3.3%	0
2017	1,614,168	0	0%	(23,335)	-1.4%	-
2016	1,614,168	0	0%	57,780	3.6%	0
2015	1,614,168	0	0%	(9,641)	-0.6%	-
2014	1,614,168	(124,922)	-7.2%	(19,566)	-1.2%	-
2013	1,739,090	0	0%	62,151	3.6%	0
2012	1,739,090	0	0%	(24,162)	-1.4%	-
2011	1,739,090	0	0%	(166,999)	-9.6%	-
2010	1,739,090	39,301	2.3%	33,488	1.9%	1.2
2009	1,699,789	-	-	80,422	4.7%	-

## LIGHT INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	547,779	0	0%	(511)	-0.1%	-
2022	547,779	0	0%	(512)	-0.1%	-
2021	547,779	0	0%	(516)	-0.1%	-
2020	547,779	0	0%	(511)	-0.1%	-
2019	547,779	0	0%	(1,287)	-0.2%	-
YTD	547,779	0	0%	-	-	-
2018	547,779	0	0%	47,275	8.6%	0
2017	547,779	0	0%	(38,465)	-7.0%	-
2016	547,779	0	0%	(514)	-0.1%	-
2015	547,779	0	0%	2,858	0.5%	0
2014	547,779	0	0%	22,906	4.2%	0
2013	547,779	0	0%	49,776	9.1%	0
2012	547,779	0	0%	(3,319)	-0.6%	-
2011	547,779	0	0%	(46,553)	-8.5%	-
2010	547,779	0	0%	(1,829)	-0.3%	-
2009	547,779	-	-	62,340	11.4%	-

### OVERALL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£4.76	0.7%	13.6%	82,031	2.2%	0%
2022	£4.72	1.3%	12.8%	80,482	2.1%	0%
2021	£4.66	2.2%	11.4%	78,829	2.1%	0%
2020	£4.56	3.5%	9.0%	76,919	2.0%	0.1%
2019	£4.41	5.3%	5.3%	74,866	2.0%	0.6%
YTD	£4.20	0.2%	0.2%	68,298	1.8%	0.4%
2018	£4.19	6.8%	0%	51,814	1.4%	-2.8%
2017	£3.92	4.8%	-6.4%	156,493	4.1%	1.5%
2016	£3.74	6.0%	-10.7%	100,555	2.7%	-1.6%
2015	£3.53	2.9%	-15.7%	162,321	4.3%	-0.4%
2014	£3.43	1.7%	-18.1%	177,125	4.7%	-4.6%
2013	£3.37	0.4%	-19.5%	362,056	9.3%	-4.8%
2012	£3.35	1.4%	-19.9%	550,783	14.1%	1.0%
2011	£3.31	-2.2%	-21.0%	512,626	13.2%	7.2%
2010	£3.38	0.5%	-19.2%	231,311	5.9%	0.1%
2009	£3.37	-	-19.6%	226,795	5.9%	-

### SPECIALISED INDUSTRIAL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£5.31	0.8%	15.6%	19,904	1.2%	0.2%
2022	£5.26	1.4%	14.6%	16,513	1.0%	0.2%
2021	£5.19	2.4%	13.0%	13,013	0.8%	0.2%
2020	£5.07	3.9%	10.3%	9,267	0.6%	0.2%
2019	£4.88	6.2%	6.2%	5,364	0.3%	0.3%
YTD	£4.61	0.4%	0.4%	0	0%	0%
2018	£4.59	8.2%	0%	0	0%	-0.2%
2017	£4.24	4.6%	-7.6%	3,785	0.2%	-0.4%
2016	£4.05	5.9%	-11.7%	9,647	0.6%	-0.3%
2015	£3.83	3.7%	-16.6%	14,147	0.9%	-1.3%
2014	£3.69	1.0%	-19.6%	35,734	2.2%	-3.5%
2013	£3.66	1.4%	-20.4%	92,403	5.7%	-4.8%
2012	£3.61	1.7%	-21.5%	169,203	10.5%	0.7%
2011	£3.55	-1.5%	-22.8%	158,527	9.9%	4.2%
2010	£3.60	1.4%	-21.6%	90,764	5.6%	-0.2%
2009	£3.55	-	-22.7%	93,890	5.8%	-

### LOGISTICS RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£4.21	0.6%	11.1%	50,800	3.1%	-0.1%
2022	£4.19	1.1%	10.5%	53,153	3.3%	-0.1%
2021	£4.14	1.9%	9.3%	55,512	3.4%	-0.1%
2020	£4.06	2.9%	7.3%	57,864	3.6%	-0.1%
2019	£3.95	4.2%	4.2%	60,225	3.7%	1.0%
YTD	£3.80	0.4%	0.4%	60,308	3.7%	1.0%
2018	£3.79	4.7%	0%	43,824	2.7%	-3.3%
2017	£3.62	4.4%	-4.5%	97,443	6.0%	1.4%
2016	£3.47	5.7%	-8.5%	74,108	4.6%	-3.6%
2015	£3.28	1.9%	-13.4%	131,888	8.2%	0.6%
2014	£3.22	2.1%	-15.0%	122,247	7.6%	-5.5%
2013	£3.15	0.8%	-16.7%	227,603	13.1%	-3.6%
2012	£3.13	1.0%	-17.4%	289,754	16.7%	1.4%
2011	£3.10	-3.5%	-18.2%	265,592	15.3%	9.6%
2010	£3.21	-0.3%	-15.3%	98,593	5.7%	0.2%
2009	£3.22	-	-15.0%	92,780	5.5%	-

### LIGHT INDUSTRIAL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£4.76	0.8%	14.2%	11,327	2.1%	0.1%
2022	£4.72	1.4%	13.3%	10,816	2.0%	0.1%
2021	£4.66	2.4%	11.8%	10,304	1.9%	0.1%
2020	£4.55	3.9%	9.2%	9,788	1.8%	0.1%
2019	£4.38	5.1%	5.1%	9,277	1.7%	0.2%
YTD	£4.14	-0.6%	-0.6%	7,990	1.5%	0%
2018	£4.17	8.3%	0%	7,990	1.5%	-8.6%
2017	£3.85	6.8%	-7.7%	55,265	10.1%	7.0%
2016	£3.60	7.1%	-13.6%	16,800	3.1%	0.1%
2015	£3.36	3.4%	-19.3%	16,286	3.0%	-0.5%
2014	£3.25	3.0%	-21.9%	19,144	3.5%	-4.2%
2013	£3.16	-3.7%	-24.2%	42,050	7.7%	-9.1%
2012	£3.28	1.3%	-21.3%	91,826	16.8%	0.6%
2011	£3.23	-0.9%	-22.3%	88,507	16.2%	8.5%
2010	£3.26	0.1%	-21.7%	41,954	7.7%	0.3%
2009	£3.26	-	-21.7%	40,125	7.3%	-

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£49.33	202	8.1%
2022	-	-	-	-	-	-	£48.43	198	8.1%
2021	-	-	-	-	-	-	£47.70	195	8.0%
2020	-	-	-	-	-	-	£46.94	192	8.0%
2019	-	-	-	-	-	-	£46.31	189	7.7%
YTD	-	-	-	-	-	-	£44.63	182	7.6%
2018	7	£2.3 M	2.5%	£565,625	£26.20	-	£44.51	182	7.5%
2017	4	£0 M	3.8%	-	-	-	£39.98	163	7.7%
2016	-	-	-	-	-	-	£34.39	140	8.3%
2015	9	£0.2 M	2.3%	£190,000	£6.23	11.5%	£32.73	134	8.2%
2014	6	£1.3 M	3.0%	£1,325,000	£13.50	-	£29.48	120	8.6%
2013	2	£0.2 M	0.1%	£125,000	£81.33	-	£28.52	117	8.7%
2012	2	£0.8 M	1.0%	£410,000	£20.82	-	£23.74	97	10.4%
2011	2	£0.3 M	0.4%	£325,000	£36.14	-	£23.55	96	10.5%
2010	2	£1.3 M	0.8%	£670,000	£45.02	-	£25.52	104	9.8%
2009	1	£0.5 M	0.8%	£500,000	£16.40	-	£24.48	100	10.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### SPECIALISED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£49.08	202	8.0%
2022	-	-	-	-	-	-	£48.12	198	8.0%
2021	-	-	-	-	-	-	£47.31	195	7.9%
2020	-	-	-	-	-	-	£46.44	191	7.9%
2019	-	-	-	-	-	-	£45.62	188	7.6%
YTD	-	-	-	-	-	-	£43.58	179	7.5%
2018	1	£0 M	0.4%	-	-	-	£43.49	179	7.4%
2017	1	£0 M	6.5%	-	-	-	£39.45	162	7.5%
2016	-	-	-	-	-	-	£34.25	141	8.1%
2015	2	£0 M	0.6%	-	-	-	£33.33	137	7.9%
2014	1	£0 M	0.4%	-	-	-	£29.94	123	8.3%
2013	1	£0.1 M	0.1%	£125,000	£116.71	-	£29.69	122	8.3%
2012	-	-	-	-	-	-	£24.59	101	9.9%
2011	2	£0.3 M	0.9%	£325,000	£36.14	-	£24.42	100	10.0%
2010	-	-	-	-	-	-	£25.39	104	9.6%
2009	-	-	-	-	-	-	£24.31	100	10.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£49.27	201	8.3%
2022	-	-	-	-	-	-	£48.45	198	8.2%
2021	-	-	-	-	-	-	£47.81	195	8.2%
2020	-	-	-	-	-	-	£47.19	192	8.1%
2019	-	-	-	-	-	-	£46.82	191	7.9%
YTD	-	-	-	-	-	-	£45.62	186	7.7%
2018	6	£2.3 M	5.5%	£565,625	£26.20	-	£45.41	185	7.7%
2017	3	£0 M	2.4%	-	-	-	£40.43	165	7.9%
2016	-	-	-	-	-	-	£34.77	142	8.5%
2015	6	£0.2 M	4.5%	£190,000	£6.23	11.5%	£32.28	132	8.5%
2014	5	£1.3 M	6.7%	£1,325,000	£13.50	-	£29.10	119	9.0%
2013	1	£0.1 M	0.1%	-	£62.41	-	£27.62	113	9.1%
2012	2	£0.8 M	2.3%	£410,000	£20.82	-	£22.98	94	10.9%
2011	-	-	-	-	-	-	£22.81	93	11.0%
2010	2	£1.3 M	1.7%	£670,000	£45.02	-	£25.74	105	10.0%
2009	1	£0.5 M	1.8%	£500,000	£16.40	-	£24.52	100	10.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### LIGHT INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£50.27	202	8.0%
2022	-	-	-	-	-	-	£49.32	198	8.0%
2021	-	-	-	-	-	-	£48.52	195	7.9%
2020	-	-	-	-	-	-	£47.66	192	7.9%
2019	-	-	-	-	-	-	£46.85	188	7.6%
YTD	-	-	-	-	-	-	£44.80	180	7.5%
2018	-	-	-	-	-	-	£44.89	181	7.4%
2017	-	-	-	-	-	-	£40.19	162	7.6%
2016	-	-	-	-	-	-	£33.66	135	8.3%
2015	1	£0 M	0.7%	-	-	-	£32.27	130	8.1%
2014	-	-	-	-	-	-	£29.20	117	8.6%
2013	-	-	-	-	-	-	£27.75	112	8.7%
2012	-	-	-	-	-	-	£23.43	94	10.3%
2011	-	-	-	-	-	-	£23.18	93	10.4%
2010	-	-	-	-	-	-	£25.31	102	9.7%
2009	-	-	-	-	-	-	£24.86	100	10.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



## **APPENDIX 4**

### **RETAIL SUBMARKET REPORT**



# Retail Submarket Report

## Rossendale

Lancashire Market

PREPARED BY



Ged Massie  
Partner



**RETAIL SUBMARKET REPORT**

Submarket Key Statistics	<b>2</b>
Leasing	<b>3</b>
Rent	<b>5</b>
Construction	<b>6</b>
Sales	<b>9</b>
Sales Past 12 Months	<b>10</b>
Supply & Demand Trends	<b>12</b>
Rent & Vacancy	<b>14</b>
Sale Trends	<b>16</b>

# Overview

Rossendale Retail

12 Mo Deliveries in SF

**0**

12 Mo Net Absorption in SF

**22.1 K**

Vacancy Rate

**1.7%**

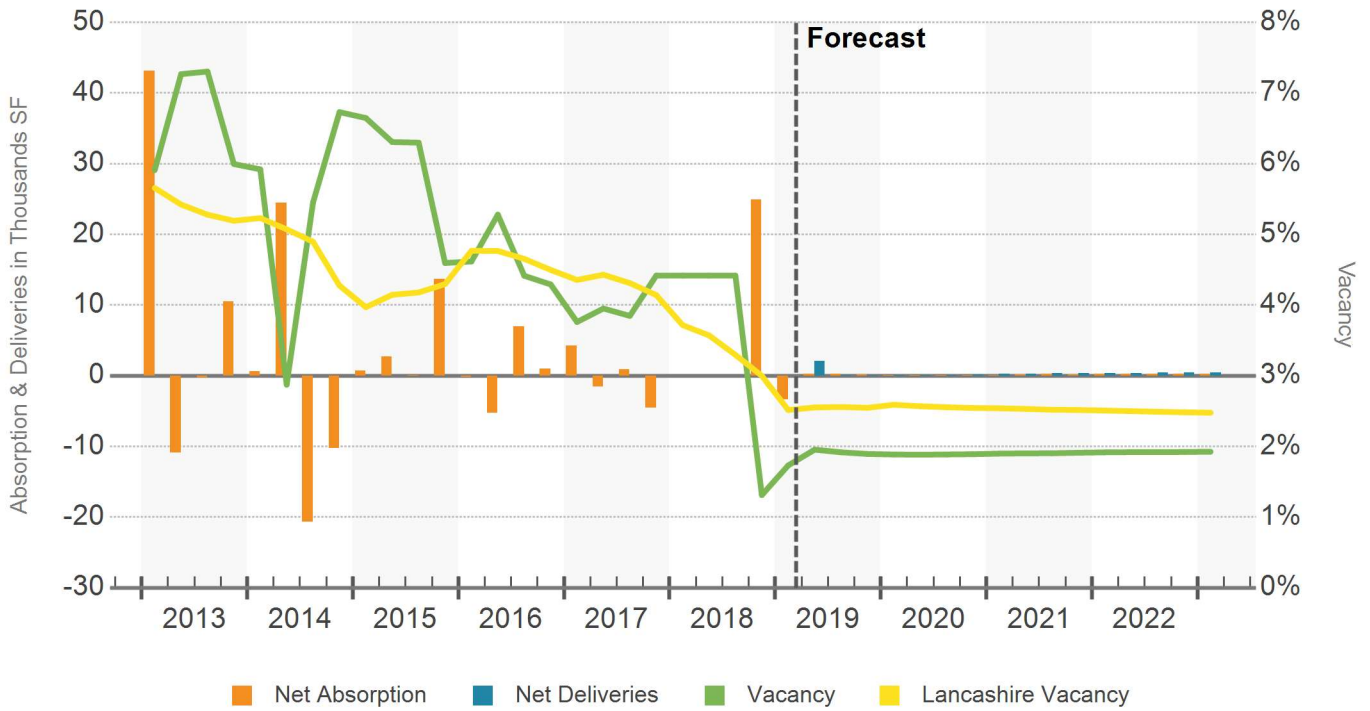
12 Mo Rent Growth

**-3.1%**

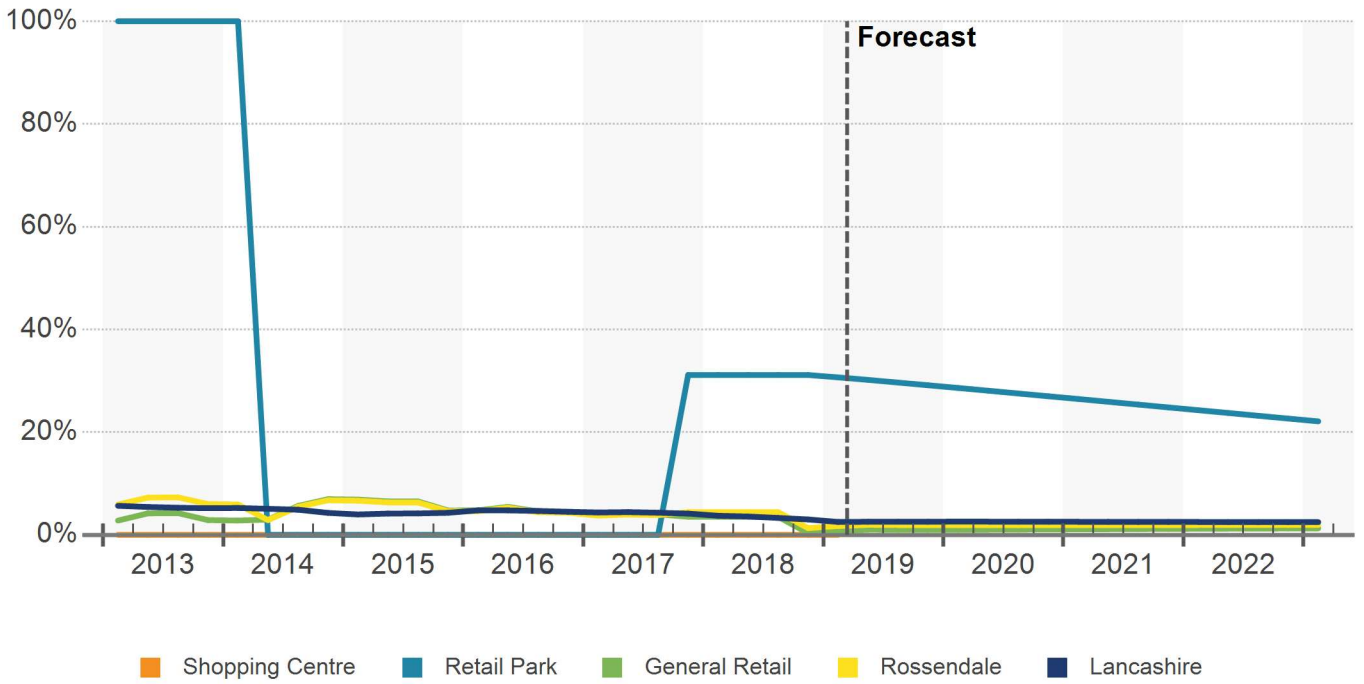
## KEY INDICATORS

Current Quarter	NIA	Vacancy Rate	Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Shopping Centre	0	-	-	-	0	0	0
Retail Park	25,790	31.1%	£19.09	31.1%	0	0	0
General Retail	776,247	0.7%	£13.08	2.9%	(2,816)	0	2,115
<b>Submarket</b>	<b>802,037</b>	<b>1.7%</b>	<b>£13.27</b>	<b>3.8%</b>	<b>(2,816)</b>	<b>0</b>	<b>2,115</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-2.8%	5.7%	1.9%	11.3%	2012 Q4	1.3%	2018 Q4
Net Absorption SF	22.1 K	4,217	3,758	42,441	2013 Q4	(27,520)	2015 Q2
Deliveries SF	0	0	1,463	0	2018 Q4	0	2018 Q4
Rent Growth	-3.1%	-0.3%	-1.4%	4.3%	2016 Q2	-3.2%	2013 Q4
Sales Volume	£230 K	£570.5K	N/A	£1.2M	2014 Q2	£249.0K	2018 Q3

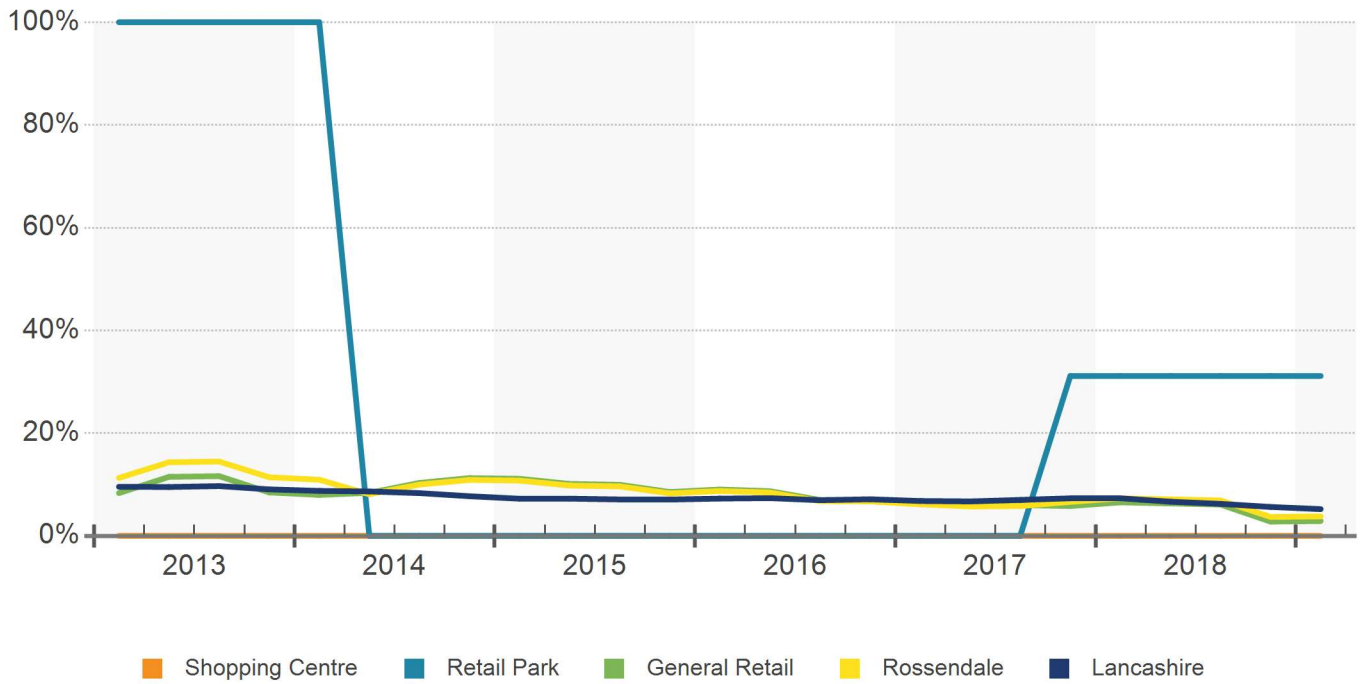
## NET ABSORPTION, NET DELIVERIES & VACANCY



## VACANCY RATE



## AVAILABILITY RATE

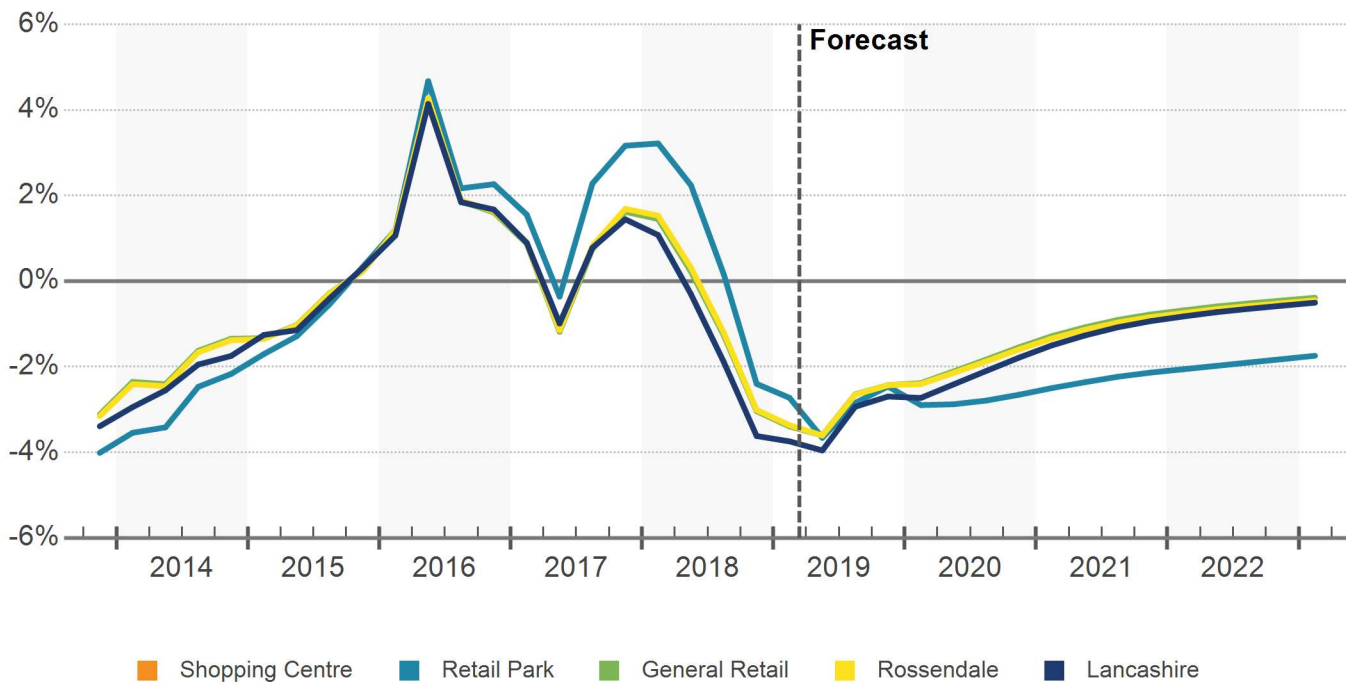


## 4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

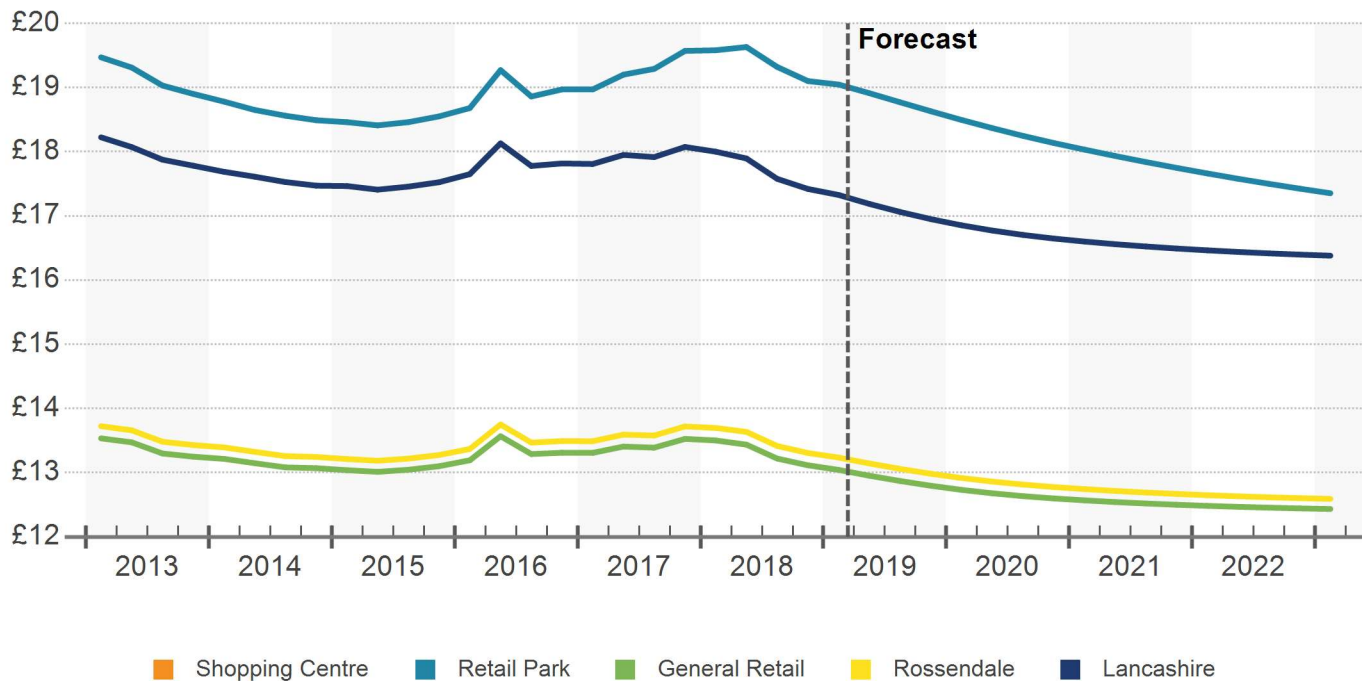
Property Name/Address	Rating	NIA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
Hurstwood House Station Ct	★★★★☆	37,656	1	20,376	0%	0



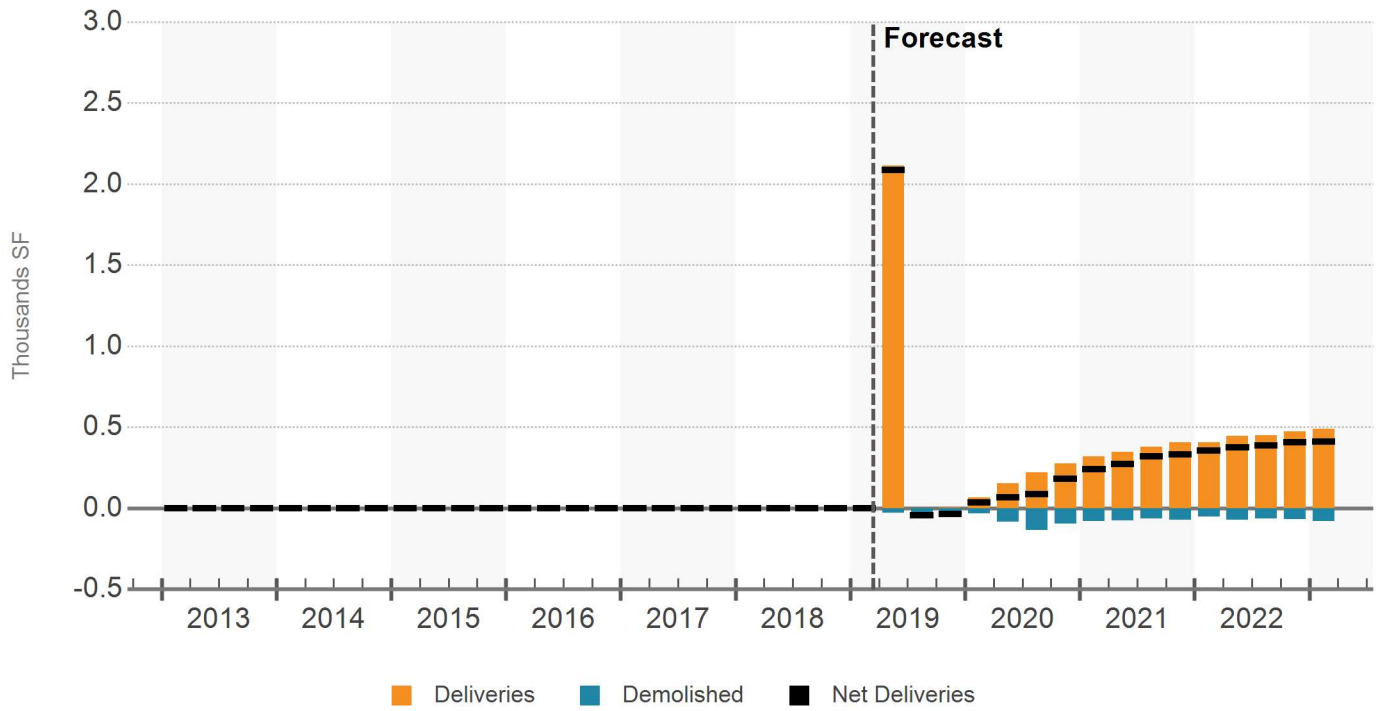
## MARKET RENT GROWTH (YOY)



## MARKET RENT PER SQUARE FOOT



## DELIVERIES & DEMOLITIONS





# Construction

## Rossendale Retail

All-Time Annual Avg. SF

0

Delivered SF Past 4 Qtrs

0

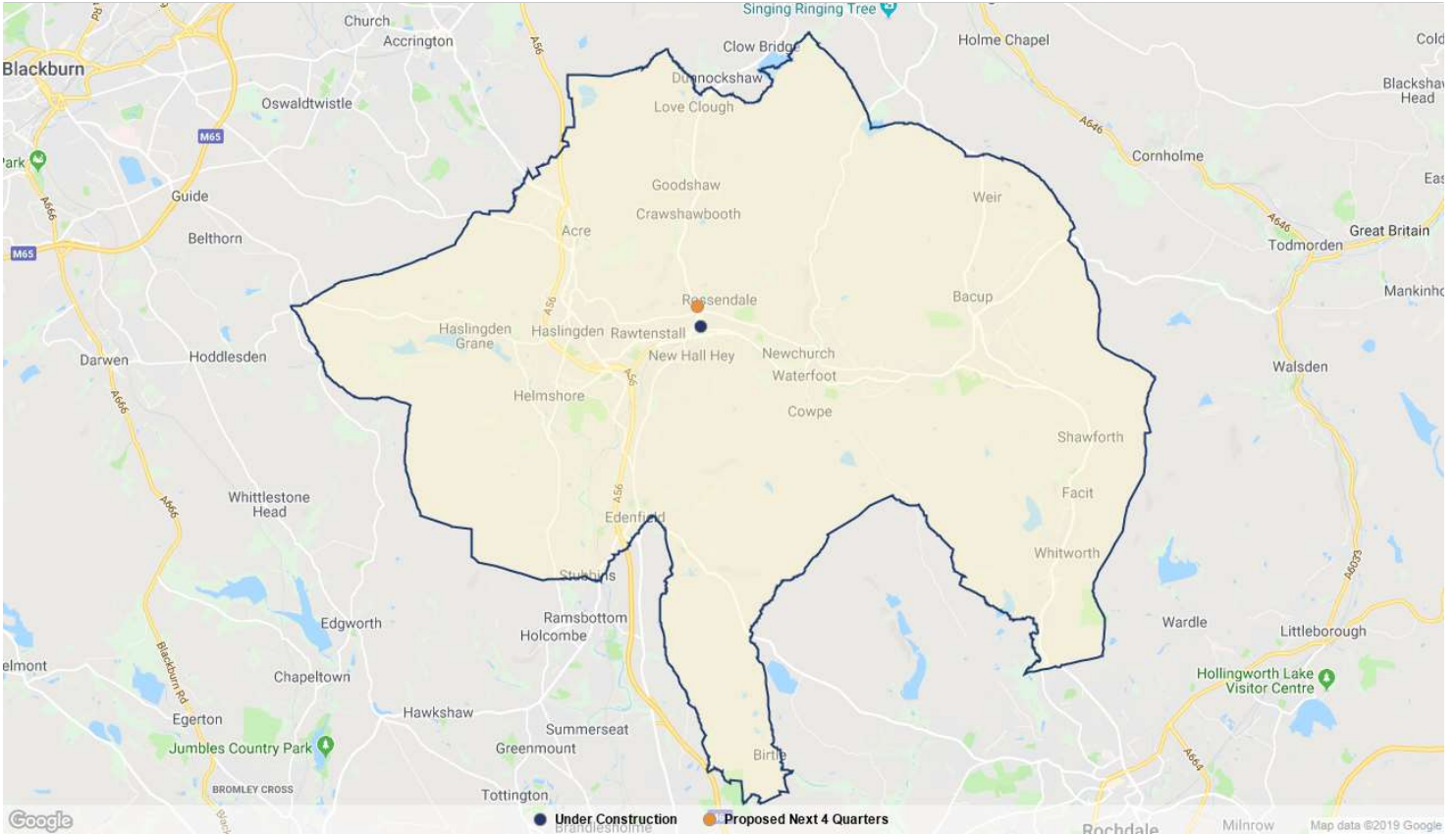
Delivered SF Next 4 Qtrs

2,115

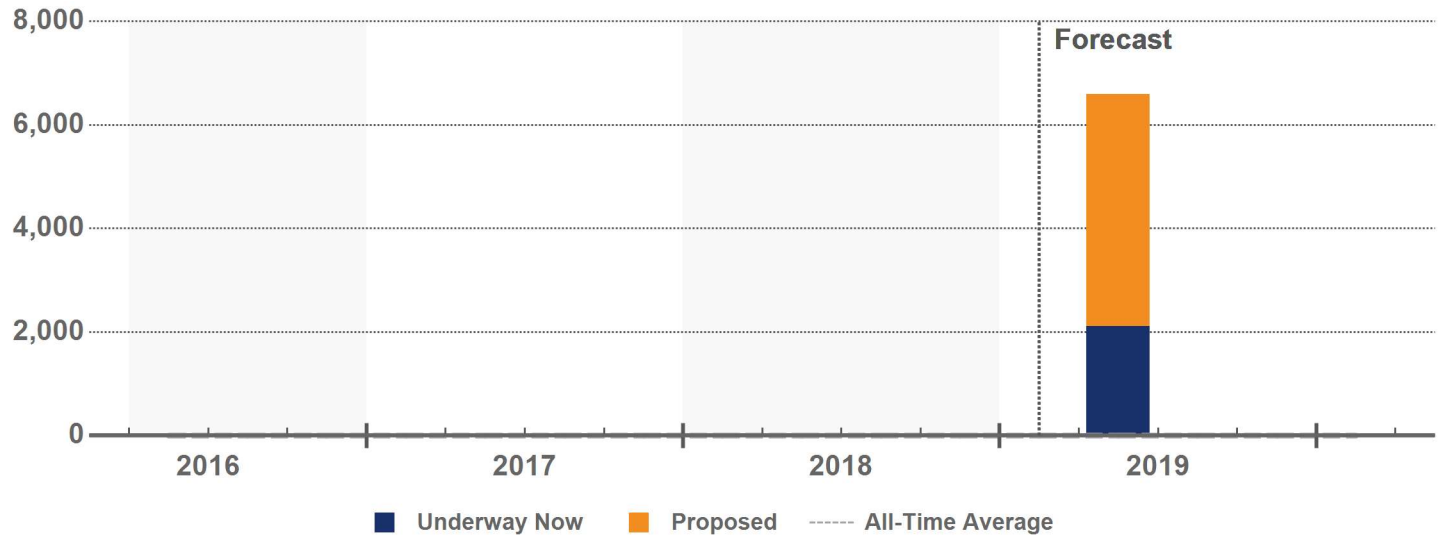
Proposed SF Next 4 Qtrs

4,482

### PAST 4 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



### PAST & FUTURE DELIVERIES IN SQUARE FEET



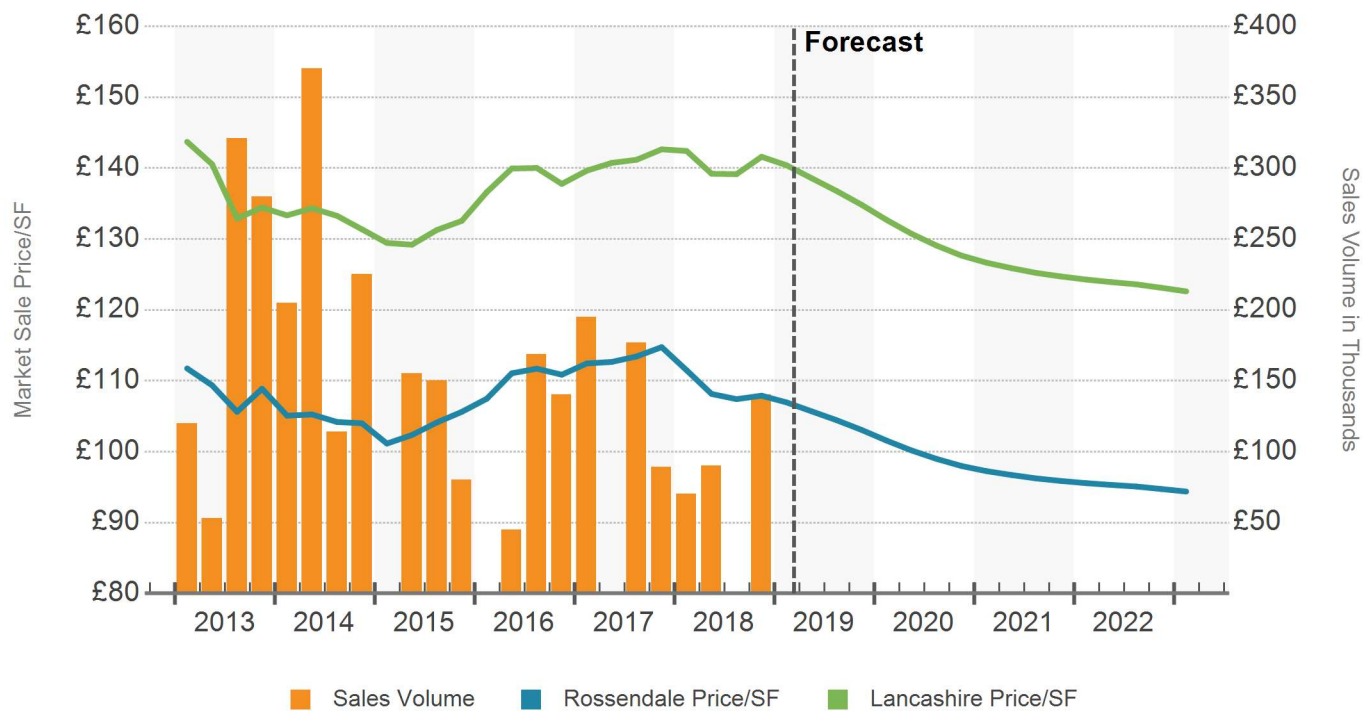
## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Floors	Start	Complete	Developer/Owner
1 <b>Phase One Spinning Point</b> Lord St	★ ★ ★ ★ ★	2,115	1	May-2018	May-2019	-

## PROPOSED

Property Name/Address	Rating	Bldg SF	Floors	Start	Complete	Developer/Owner
1 <b>Design &amp; Build Opportu...</b> Burnley Rd	★ ★ ★ ★ ★	4,482	2	Dec-2016	Dec-2017	-

## SALES VOLUME & MARKET SALE PRICE PER SF



# Sales Past 12 Months

Rossendale Retail

Sale Comparables

9

Avg. Yield

11.5%

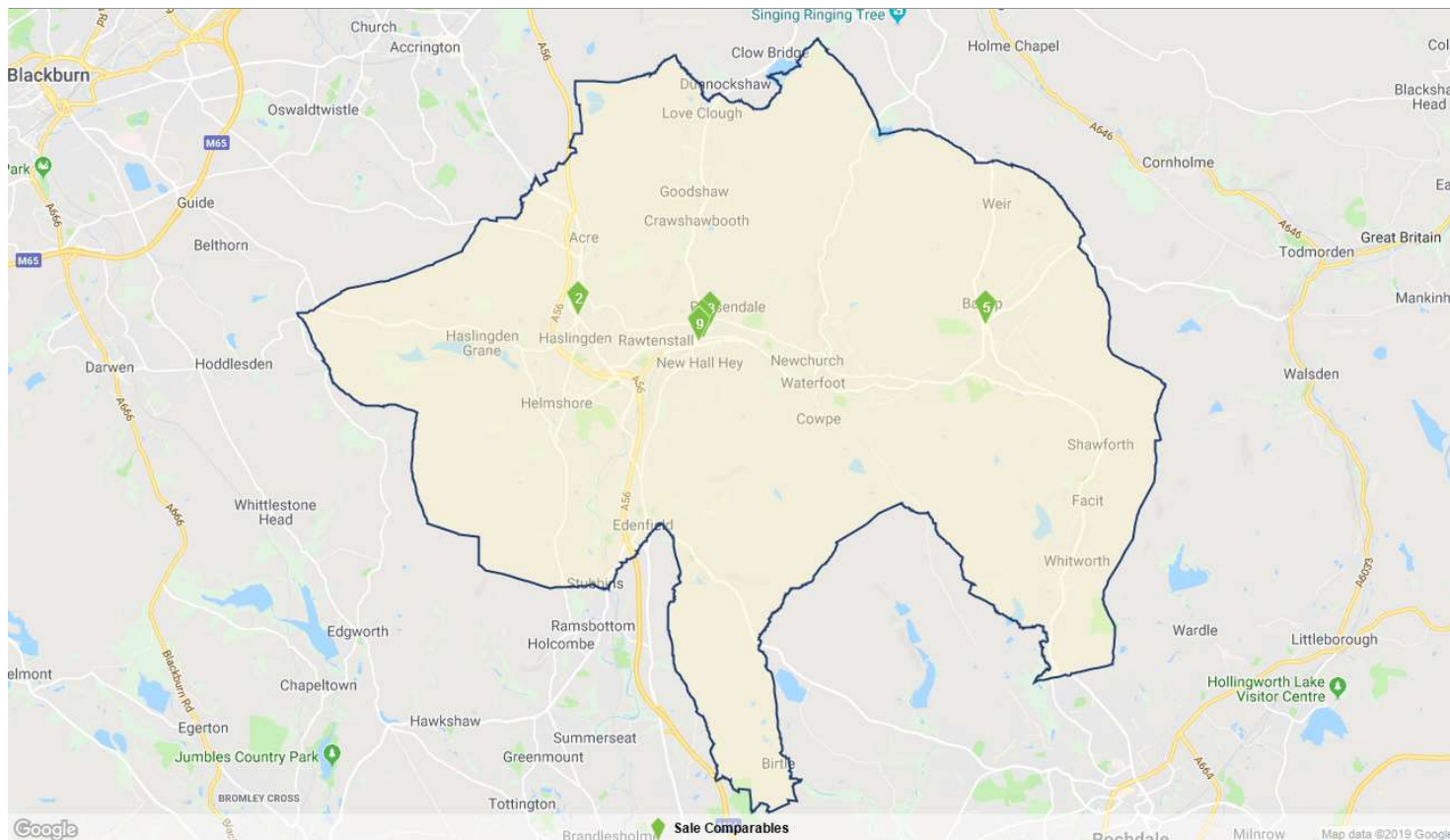
Avg. Price/SF

£64

Avg. Vacancy At Sale

0%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	£90,000	£115,000	£115,000	£140,000
Price Per SF	£49	£64	£86	£122
Net Initial Yield	6.7%	11.5%	13.5%	13.5%
Time Since Sale in Months	0.7	4.9	4.5	11.5
Property Attributes	Low	Average	Median	High
Building SF	735	2,557	2,007	6,379
Floors	2	3	3	4
Typical Floor SF	248	989	584	3,190
Vacancy Rate At Sale	0%	0%	0%	0%
Year Built	1875	1905	1900	1960
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.0	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Rosendale Retail

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	NIY
1 15 Bacup Rd	★★★★☆	1930	2,868	0%	26/10/2018	£140,000	£49	-
2 18 Manchester Rd	★★★☆☆	1900	735	0%	07/06/2018	£90,000	£122	-
3 59-61 Bank St	★★★★☆	-	3,344	0%	30/03/2018	-	-	6.7%
4 9 Bank St	★★★☆☆	1960	6,379	0%	28/03/2018	-	-	8.1%
5 11 St. James Sq	★★★★☆	1900	903	0%	18/10/2018	-	-	-
6 14 Bury Rd	★★★★☆	1875	744	0%	21/02/2019	-	-	13.5%
7 16 Bury Rd	★★★★☆	1875	4,175	0%	21/02/2019	-	-	13.5%
8 18 Bury Rd	★★★★☆	1875	1,146	0%	21/02/2019	-	-	13.5%
9 20 Bury Rd	★★★★☆	1928	3,503	0%	21/02/2019	-	-	13.5%

# Supply & Demand Trends

Rosendale Retail

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	808,843	1,739	0.2%	1,145	0.1%	1.5
2022	807,104	1,527	0.2%	1,028	0.1%	1.5
2021	805,577	1,161	0.1%	660	0.1%	1.8
2020	804,416	371	0%	375	0%	1.0
2019	804,045	2,008	0.3%	(2,663)	-0.3%	-
YTD	802,037	0	0%	(2,816)	-0.4%	-
2018	802,037	0	0%	24,896	3.1%	0
2017	802,037	0	0%	(999)	-0.1%	-
2016	802,037	0	0%	2,432	0.3%	0
2015	802,037	0	0%	17,113	2.1%	0
2014	802,037	0	0%	(5,886)	-0.7%	-
2013	802,037	0	0%	42,441	5.3%	0
2012	802,037	0	0%	(25,619)	-3.2%	-
2011	802,037	-	-	(13,962)	-1.7%	-

## RETAIL PARK SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	25,801	4	0%	557	2.2%	0
2022	25,797	4	0%	561	2.2%	0
2021	25,793	3	0%	560	2.2%	0
2020	25,790	0	0%	551	2.1%	0
2019	25,790	0	0%	516	2.0%	0
YTD	25,790	0	0%	-	-	-
2018	25,790	0	0%	-	-	-
2017	25,790	0	0%	(8,027)	-31.1%	-
2016	25,790	0	0%	-	-	-
2015	25,790	0	0%	-	-	-
2014	25,790	0	0%	25,790	100%	0
2013	25,790	0	0%	-	-	-
2012	25,790	0	0%	-	-	-
2011	25,790	-	-	-	-	-

## GENERAL RETAIL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	783,042	1,735	0.2%	588	0.1%	3.0
2022	781,307	1,523	0.2%	467	0.1%	3.3
2021	779,784	1,158	0.1%	100	0%	11.6
2020	778,626	371	0%	(176)	0%	-
2019	778,255	2,008	0.3%	(3,179)	-0.4%	-
YTD	776,247	0	0%	(2,816)	-0.4%	-
2018	776,247	0	0%	24,896	3.2%	0
2017	776,247	0	0%	7,028	0.9%	0
2016	776,247	0	0%	2,432	0.3%	0
2015	776,247	0	0%	17,113	2.2%	0
2014	776,247	0	0%	(31,676)	-4.1%	-
2013	776,247	0	0%	42,441	5.5%	0
2012	776,247	0	0%	(25,619)	-3.3%	-
2011	776,247	-	-	(13,962)	-1.8%	-

## OVERALL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£12.56	-0.3%	-9.4%	15,748	1.9%	0%
2022	£12.60	-0.5%	-9.1%	15,516	1.9%	0%
2021	£12.67	-0.8%	-8.6%	15,400	1.9%	0%
2020	£12.78	-1.6%	-7.9%	15,212	1.9%	0%
2019	£12.98	-2.4%	-6.4%	15,234	1.9%	0.6%
YTD	£13.27	-0.3%	-4.3%	13,344	1.7%	0.4%
2018	£13.31	-3.0%	-4.0%	10,528	1.3%	-3.1%
2017	£13.72	1.7%	-1.1%	35,424	4.4%	0.1%
2016	£13.49	1.6%	-2.7%	34,425	4.3%	-0.3%
2015	£13.28	0.2%	-4.3%	36,857	4.6%	-2.1%
2014	£13.24	-1.4%	-4.5%	53,970	6.7%	0.7%
2013	£13.43	-3.2%	-3.2%	48,084	6.0%	-5.3%
2012	£13.87	0.6%	0%	90,525	11.3%	3.2%
2011	£13.79	-	-0.6%	64,906	8.1%	-

## RETAIL PARK RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£17.16	-1.5%	-13.1%	5,285	20.5%	-2.2%
2022	£17.42	-1.8%	-11.8%	5,841	22.6%	-2.2%
2021	£17.75	-2.1%	-10.1%	6,401	24.8%	-2.2%
2020	£18.14	-2.7%	-8.2%	6,960	27.0%	-2.1%
2019	£18.63	-2.5%	-5.7%	7,511	29.1%	-2.0%
YTD	£19.09	-0.1%	-3.3%	8,027	31.1%	0%
2018	£19.10	-2.4%	-3.3%	8,027	31.1%	0%
2017	£19.57	3.2%	-0.9%	8,027	31.1%	31.1%
2016	£18.97	2.3%	-3.9%	0	0%	0%
2015	£18.55	0.3%	-6.1%	0	0%	0%
2014	£18.49	-2.2%	-6.4%	0	0%	-100.0%
2013	£18.90	-4.0%	-4.3%	25,790	100%	0%
2012	£19.69	-0.3%	-0.3%	25,790	100%	0%
2011	£19.75	-	0%	25,790	100%	-



## GENERAL RETAIL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	£12.41	-0.3%	-9.2%	10,463	1.3%	0.1%
2022	£12.44	-0.5%	-9.0%	9,675	1.2%	0.1%
2021	£12.50	-0.8%	-8.6%	8,999	1.2%	0.1%
2020	£12.60	-1.5%	-7.9%	8,252	1.1%	0.1%
2019	£12.80	-2.4%	-6.4%	7,723	1.0%	0.7%
YTD	£13.08	-0.3%	-4.3%	5,317	0.7%	0.4%
2018	£13.12	-3.0%	-4.1%	2,501	0.3%	-3.2%
2017	£13.53	1.6%	-1.1%	27,397	3.5%	-0.9%
2016	£13.31	1.6%	-2.7%	34,425	4.4%	-0.3%
2015	£13.10	0.2%	-4.2%	36,857	4.7%	-2.2%
2014	£13.07	-1.3%	-4.4%	53,970	7.0%	4.1%
2013	£13.25	-3.1%	-3.1%	22,294	2.9%	-5.5%
2012	£13.68	0.6%	0%	64,735	8.3%	3.3%
2011	£13.59	-	-0.6%	39,116	5.0%	-

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£93.38	85	9.1%
2022	-	-	-	-	-	-	£94.74	86	9.0%
2021	-	-	-	-	-	-	£95.87	87	9.0%
2020	-	-	-	-	-	-	£97.99	89	8.9%
2019	-	-	-	-	-	-	£103.08	94	8.7%
YTD	4	£0 M	1.2%	-	-	13.5%	£107.44	98	8.5%
2018	6	£0.3 M	1.9%	£100,000	£61.91	7.4%	£107.90	98	8.5%
2017	6	£0.5 M	1.1%	£76,833	£50.63	-	£114.75	104	8.6%
2016	5	£0.4 M	1.1%	£88,375	£66.72	10.8%	£110.86	101	9.0%
2015	6	£0.4 M	2.8%	£96,250	£21.20	14.5%	£105.63	96	9.5%
2014	10	£0.9 M	2.6%	£182,800	£81.23	6.5%	£104.01	94	9.6%
2013	6	£0.8 M	3.8%	£129,000	£25.54	11.1%	£108.87	99	9.5%
2012	7	£0.6 M	3.6%	£145,000	£32.42	-	£112.43	102	9.2%
2011	8	£0.8 M	2.6%	£140,000	£56.83	-	£110.10	100	9.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### GENERAL RETAIL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2023	-	-	-	-	-	-	£92.50	85	9.1%
2022	-	-	-	-	-	-	£93.80	86	9.0%
2021	-	-	-	-	-	-	£94.86	87	9.0%
2020	-	-	-	-	-	-	£96.90	89	9.0%
2019	-	-	-	-	-	-	£101.88	93	8.7%
YTD	4	£0 M	1.2%	-	-	13.5%	£106.16	97	8.6%
2018	6	£0.3 M	2.0%	£100,000	£61.91	7.4%	£106.63	98	8.5%
2017	6	£0.5 M	1.2%	£76,833	£50.63	-	£113.68	104	8.6%
2016	5	£0.4 M	1.1%	£88,375	£66.72	10.8%	£109.80	101	9.0%
2015	6	£0.4 M	2.9%	£96,250	£21.20	14.5%	£104.54	96	9.6%
2014	10	£0.9 M	2.7%	£182,800	£81.23	6.5%	£102.97	94	9.7%
2013	6	£0.8 M	3.9%	£129,000	£25.54	11.1%	£107.84	99	9.5%
2012	7	£0.6 M	3.8%	£145,000	£32.42	-	£111.45	102	9.3%
2011	8	£0.8 M	2.7%	£140,000	£56.83	-	£109.07	100	9.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

**APPENDIX 5**

**QS REPORT**

# **REPORT OF CONSTRUCTION COSTS**

## **ROSSENDALE LOCAL PLAN**

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**Prepared on Behalf of Rossendale Council**

**MARCH | 2019**



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## **1.0 INTRODUCTION**

1.1 This report contains details of the data sources, methodology and construction cost assessments that have been utilised in preparing the Rossendale Local Plan Economic Viability Assessment.

### **Planning Practice Guidance**

1.2 The new Planning Practice Guidance (PPG) suggests that average costs and values can be used in making assumptions about viability. It stresses that comparing data from existing case study sites will help to ensure that assumptions of costs are realistic and broadly accurate. Furthermore the PPG states that any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, infrastructure and affordable housing providers. Over time it stresses that improving the transparency of data associated with viability assessments will improve the data available for future assessment as well as providing more accountability regarding how viability informs decision making.

1.3 In the context of assessing costs for the purpose of viability assessment, the PPG states that these should be based on evidence which is reflective of local market conditions. In the context of assessing construction costs for the purpose of the Rossendale Local Plan Economic Viability Assessment, this report considers, in the context of 'local market conditions' the following elements identified within the PPG:

- Build Costs
- Site Specific Infrastructure Costs
- Abnormal Costs
- Professional Fees
- Contingencies
- Policy costs such as M4(2)

## **Keppie Massie**

- 1.4 The PPG stresses an assessment of costs should be based on evidence which is reflective of Local Market Conditions. In this context Keppie Massie has been retained by Rossendale Borough Council as their Economic Viability Consultants since 2014 and during this time has gained detailed knowledge and practical experience of the costs associated with development in the Borough. In addition we also prepared the Local Plan Development Management DPD Viability Assessment for the neighbouring Authority of Hyndburn (which was found sound at examination) and regularly undertake planning viability assessments on their behalf. To the south of Rossendale, we also provide development management advice to Rochdale Council particularly in the context of reviewing development appraisals for the purpose of the delivery of the housing renewal areas in the Borough.
- 1.5 As a result of preparing these viability assessments we have an extensive database of local construction costs derived from information provided to us by the housebuilders actively undertaking development in the Local Area. This provides extensive evidence of construction costs based on local market conditions and in line with the PPG has been used to inform the construction cost assessments.
- 1.6 As well as Rossendale, we provide planning viability and other development advice to a number of Local Authorities in the wider northwest region across for example the Fylde Coast, West Lancashire, Lancaster City Council, Cheshire East and West, High Peak and for Preston and South Ribble City Deal. Construction cost data from these projects is also utilised in our database and has his been used to inform our cost assessments as appropriate to the scale and type of housing development being considered.

## **2.0 RESIDENTIAL TYPOLOGIES – GENERIC AND ALLOCATIONS**

### **Data Sources**

- 2.1 The PPG notes that build costs should be based on appropriate data sources and gives as just one example of an appropriate data source information from the Building Cost Information Service (BCIS).

- 2.2 If BCIS data is used in an assessment of viability then care is needed in the use of the data. Our experience over many years is that the majority of BCIS data is received from development contracts generally administered on behalf of providers of affordable housing, registered providers or the like. BCIS have informed us that they do receive some cost data from private open market developers however this is when they are in partnership with registered providers. They receive little data from private developers, particularly local, regional and national housebuilders in respect of market developments such as those that need to be assessed in a Local Plan EVA.
- 2.3 The nature and basis of the BCIS costs means that they would not necessarily reflect the same specification as the dwellings that open market developers are likely to build. We have evidence from many Developers and Quantity Surveyors that they would in fact add to their costs for affordable dwellings to meet the higher standards required from for example Homes England.
- 2.4 BCIS costs are historic and thus will include for works such as those needed for Registered Providers to comply with for example Code for Sustainable Homes and before that Ecohomes. Such works are not now required for open market developments but their costs would nonetheless, be included within the costs if BCIS data were to be used.
- 2.5 We have also noted in our consideration of BCIS costs that they will include additional costs for abnormal works within substructures or superstructures, such as costly foundations or the results of specific planning requirements. These are included within costs reported by Consulting Quantity Surveyors when reporting costs to BCIS. Hence the BCIS headline rates invariably include an element of abnormal development costs which in the context of a Local Plan EVA may lead to double counting of abnormals particularly in Boroughs such as Rossendale where dealing with abnormal development costs such as costly foundation solutions due to sloping sites can be significant. The published data is not however sufficiently transparent to enable this element of abnormal costs to be identified and so avoid any double counting.
- 2.6 BCIS costs include for profit and overheads for a Building Contractor. The majority of house builders act as Main Contractor on their own behalf and manage the construction directly. In a viability assessment profit from the development is taken from revenue and hence by using unadjusted BCIS headline costs there is a likelihood in many instances that the construction element of profit will be double counted.



- 2.7 BCIS also publish a sample of the schemes from which they derive costs data. We consider that this sample reasonably reflects the range of schemes used by BCIS to calculate the average price data. In January 2017 in conjunction with WYG Quantity Surveyors we prepared an analysis of these scheme data published since 2011. There were about 160 suitable analyses for houses. The assessment of these 160 schemes showed that the average number of dwellings per scheme was only 18.
- 2.8 Since this time only a limited number (about 20) of further schemes have been published. The average number of dwellings within these is only 10. This suggests that firstly, BCIS are using fewer schemes as a basis for their cost data and, secondly, the schemes that they are using are reducing in size. The specific allocations that are considered for Rossendale have between 45 and 400 dwellings and hence are not comparable with the size and type of schemes that form the basis for the BCIS headline costs. Hence in this context BCIS is not considered 'appropriate data' on which to base a construction cost assessment in this case.
- 2.9 The PPG cites BCIS as one example of an appropriate data source. Given its limitations our construction cost database is considered to provide a more reliable and transparent source of local build cost data for Rossendale particularly as it contains data submitted to us by house builders relating to actual housing developments being undertaken in the Local Area. In addition, it has been used locally to inform the Local Plan Viability Assessments undertaken by us for Hyndburn, High Peak, Wyre, Sefton, Knowsley and Fylde Councils which have been found sound based on this data.

### **Methodology**

- 2.10 Our database includes analysis from approximately 230 schemes in the northwest region. The details of these schemes have been collated into a database by reference to relevant parameters including date, location, dwelling numbers, floor and site area and all cost details. The data is then adjusted as required to make it applicable by reference to date and location, by the use of BCIS Tender Price Index and Location Factors.
- 2.11 The database is based upon information that we consider to be confidential and hence it cannot be published for the purpose of the EVA in its full form. It is possible however to anonymise the data and publish this if required; however its value for analytical purposes would be reduced as a result.
- 2.12 With reference to the appropriate cost data then in assessing the costs of any individual scheme, we allocate a cost/m<sup>2</sup> to the substructures and superstructures of the house, dependent on its size (floor area). We assess the level of preliminaries based on the development size and anticipated construction period.

- 2.13 The cost of external works are then assessed, based on the density of the scheme and further details are provided later in this report.
- 2.14 The costs of drains, including surface water attenuation, and incoming services are assessed based on typical costs per dwelling, again as detailed later in this report.
- 2.15 In relation to the cost assessments prepared for the allocations then where we have been provided with information that supports the inclusion, we have made allowances for abnormal works. These are detailed on the individual sheets of costs for each specific allocation.
- 2.16 Fees and contingencies at 5% are then added as a percentage of the total costs. Further details are again given later in this report.
- 2.17 The totals are then added together to give a total development cost. We then compare the costs with those from the database to ensure that there is reasonable comparability with the costs provided to us by developers.
- 2.18 This comparison is made exclusive of abnormal development costs as these are specific to each site and hence are not strictly comparable.
- 2.19 Further information about our approach to the main cost headings is provided in the following sections.

### **External Works**

- 2.20 The costs of external works are assessed based on the density of the development being tested, which varies typically from 30 to 40 dwellings per hectare, although a number of the allocations are assessed at densities slightly more or less than this range. As density varies then the plot size also varies. For example, the area per plot for a density of 30dph would be 333m<sup>2</sup> while that for a density of 40dph would be 250m<sup>2</sup>. These areas will include the plots themselves as well as areas for roads, footpaths etc, beyond plot curtilages. The areas will not include for Public Open Space, the costs of which are assessed separately.
- 2.21 The methodology in relation to assessing the cost of external works is as follows:
- a) The plot size is calculated based on the density.
  - b) An aspect ratio, that is the ratio of width to depth is adopted and applied to the plot area to give notional plot dimensions. The aspect ratio used is 1.3. It is assumed that the smaller dimension will be plot width and the larger dimension the depth.

- c) From the plot dimensions a length of road for a plot is calculated and to this we add 20% for inefficiency ie. the additional area necessarily required for bends, curves etc.
- d) From this length an area of road and an area for footpaths is calculated, based on a road width of 5.5m and a footpath width of 2m. It is assumed that all roads will be double banked, that is with houses on both sides. It is also assumed that there is a footpath to each side of the road. Single banking, that is houses to one side only, occurs rarely and has not been taken into account beyond the allowance for inefficiency.
- e) The roads are then costed using typical rates for the works to be undertaken, including the surfacing, kerbs, road lighting, drainage and marking, excluding any abnormal costs for capping layers or the like due to poor ground.

2.22 The costs of works to the plot itself are assessed as follows:

- a) Car Parking: The area of 2 car parking spaces is included for all dwellings except 1 bed houses; this is costed assuming tarmacadam surfacing.
- b) Paving: an allowance based on the size of the dwelling; this varies from 13m<sup>2</sup> per dwelling for 1 bed houses to 33m<sup>2</sup> for 5 bed houses.
- c) Grassed area: The area is assessed as the residual area of the plot taking into account all the above and excluding the footprint area of the house itself. This is costed based on 100mm of new topsoil and seeding.
- d) Boundaries: Fencing is costed based on the perimeter of the average plot, assessed from the plot dimensions as detailed above. Allowance is made for the fact that the large proportion of plots will share both side and rear boundaries and that front gardens are open plan. The fencing is then costed using typical rates for timber panel fences on timber posts and are assumed unpainted.
- e) We also include the costs of garages on the following basis:

3B detached dwellings	1 no single integrated garage
4B detached dwellings	1 no single detached garage
5B detached dwellings	1 no double detached garage

2.23 The garages are assumed to be of normal construction. For the purposes of this cost assessment the garages are considered as external works even though they may be integrated into the dwelling.

### **Open Space**

2.24 The costs of Open Space on each site are costed separately from other external works. The area assumed for open space is based on the requirements of Rossendale Council. In relation to each of the allocated sites tested it is shown on the respective cost sheets for the specific site.

2.25 Public open space is also included in the costs for generic sites that have been tested using the same approach. The calculation of the amount of open space is based on the formula contained in the Rossendale SHLAA 2018. An area based on the overall site area is assessed based on the following additions to NDA:

Site Area	POS Requirement	Note
0 – 4000m <sup>2</sup>	0% addition	
4000m <sup>2</sup> - 19999m <sup>2</sup>	11.1% addition	To give 10% of gross area
>19999 m <sup>2</sup>	33.3% addition	To give 25% of gross area

2.26 This area of open space is costed assuming new top soil and seeding, some shrub and tree planting, an area of rolled stone paths (approx 5%) and an allowance for capitalised basic maintenance (principally grass cutting).

2.27 We have not included for play costs as contributions in respect of these are included elsewhere within the Viability Appraisals.

### **Drainage**

2.28 Drainage costs have been included based on typical cost per dwelling. This cost has been based on typical costs from live experience of projects being constructed on site. Although there is data within our database it is unusual that drainage costs are identified separately. However a comparison of the costs used with those from our database are similar and lie within about 5%.

2.29 It has become normal for a development to comply with requirement for SUDS (Sustainable Drainage System). We have included costs for this on the basis that POS will provide some resource for swales and similar surface areas for retainment as well as allowance for subsurface attenuation. This has been assessed on a cost per dwelling basis and the costs included within the stated drainage costs.

### **Incoming Services**

- 2.30 As with drainage costs, incoming services costs have been included based on a typical cost per dwelling, regardless of size, and include the costs of service connections for water, gas, electricity and associated trenching/ducting. A typical cost has been applied based on typical costs from live experience of projects being constructed on site in the past. As with drainage there are data within our database but it is unusual that incoming costs are identified separately. A comparison of the incoming services costs that we have used with those in our database suggests that developer costs are in fact generally lower (with schemes being about 50% lower on average) than our experience would suggest. Hence we consider that the incoming services costs that we have adopted are robust for the purposes of the EVA.

### **Abnormal Development Costs and Opening up Costs**

- 2.31 Abnormal development costs have been included in both the generic cost assessments and those for the allocations. In relation to the later this is based on known information at the present time. Further details about the allowances that have been made are contained in the specific allocations cost sheets.
- 2.32 Abnormal development works are those works that are regarded as additional to an ideal undeveloped 'greenfield site' that has good ground conditions and no other causes for additional costs.
- 2.33 In the case of the cost assessments that have been prepared for the brownfield generic site typologies an allowance is made for additional site clearance costs and for some degree of abnormal foundations. There is no site specific data as these are hypothetical sites however these costs are based on what is considered to be a realistic allowance based on our experience in the Local Area. It is probable that some brownfield sites will require greater works than this and some less.
- 2.34 In relation to the testing of the generic greenfield sites, it is recognised that there may still be some off-site abnormal development works and we have assessed opening up costs to account for the possibility of this. These are included within the overall viability costs and are outside the basic costs per m2 that we have assessed.
- 2.35 These opening-up costs are as follows:

No of Dwellings	Opening Up Cost (per dwelling)
0-14	£0
15-49	£3,000
50-99	£4,500

2.36 They are intended to include for amongst other matters:

- Section 278 works; improvements to local road networks
- Extended service supplies
- Increased foul drainage capacity
- Provision of substations
- Any additional fee and contingency costs

2.37 In the case of the specific sites, we have allowed for abnormal development works costs, based on what is evident from site visits and information, including information and requirements provided by Rossendale Council. Details of the allowances made are shown on the individual cost sheets to which reference should be made. The allowances made are exclusive of fees and contingencies which are added in the cost summaries separately.

### **Professional Fees**

2.38 We have included an appropriate allowance for professional fees to both the generic and the site specific cost assessments. As is usual industry practice the level of fees is calculated on a sliding scale which is follows:

- Small sites (0 - 24 units) 8.0%
- Medium sites (25 - 49 units) 7.0%
- Medium/large sites (50 - 99 units) 6.0%
- Large sites (100 - 250 units) 5.5%
- Very large site (>250 units) 5.0%

2.39 Analysis in our database indicates an average fee level of 5.27% based on an average scheme size of approximately 80 dwellings. This supports the professional fee allowances that we have adopted which in fact are slightly high in the context of the information that we hold regarding typical fee levels.

## **Contingencies**

- 2.40 We have included an allowance for contingencies in all of the cost assessments at 5% of total construction costs including professional fees. A 5% allowance is regarded by many as the 'industry standard' and we have adopted this but we have applied it to all costs not just the dwelling construction costs which is often the normal approach.
- 2.41 The analysis of our database indicates an average contingency level of either 2.81% or 3.89% (depending on how it is assessed) across developments of all sizes. This is lower than we have used and supports our inclusion of a 5% allowance as being robust.

## **Optional Accessibility Standards**

- 2.42 The Local Plan contains a requirement for 20% of dwellings to achieve Part M4 (2) of the Building Regulations.
- 2.43 We have prepared costs for the application of this policy for access, based on the optional requirements of Part M4 (2) of the Building Regulations. These costs have been assessed on a cost per dwelling basis by considering each requirement as stated in the Approved Document and costing that requirement if it will incur a cost.
- 2.44 Details of our costs assessments prepared on this basis are contained in **Appendix A**.

## **Other Local Plan Policy Requirements**

### Electric Vehicle Charging Points

- 2.45 We have assessed a cost of £220 per dwelling for electric vehicle charging points based on a 15 amp (3.7kw) supply using heavy duty cables from the distribution board and located within the walls of the house. This would be switched with a dual pole 'garage unit' in a suitable location. The costs exclude any charging equipment which is assumed to be supplied with the electric vehicle.
- 2.46 No allowance is made for any infrastructure costs that may in the future be needed if the chargers are used on a large scale.

### **Cost Assessment Summaries**

- 2.47 We have provided at **Appendix B** the summary sheets containing details of the construction cost rates including professional fees and contingency that we have assessed for the purpose of the generic viability testing. The rates are based on densities of 30, 35 and 40 dwellings per hectare.
- 2.48 At **Appendix C** we have provided the construction cost assessments for the apartment schemes that have been tested.
- 2.49 **Appendix D** contains the construction cost sheets for the specific allocations that have been tested.

### **3.0 COMMERCIAL TYPOLOGIES – GENERIC**

- 3.1 The costs assessments for the commercial typologies that have been tested have been calculated in the following manner.
- 3.2 Normal substructures and superstructures are based on costs per sq.m from BCIS for buildings of the same type and comparable size. BCIS data have been adjusted for location and brought up to date.
- 3.3 The costs for the external works etc. are based on the Council's parking requirements with allowances for circulation and landscaped areas, footpaths etc. Appropriate allowances are also included for drainage and incoming service supplies.
- 3.4 Preliminaries are costed within the costs per sq.m derived from BCIS published cost data for the buildings. Professional fees for design, planning etc are based on a percentage of the total construction costs. We have also included a contingency allowance at 5% of total costs.
- 3.5 Abnormal works are included for brownfield sites on the basis of cost/m<sup>2</sup> of the building or cost/m<sup>2</sup> of the site. This would include allowances for poor ground conditions or similar.
- 3.6 Full details of the cost assessments for the commercial typologies are contained at **Appendix E**.



**APPENDIX A**

**COST ASSESSMENTS – OPTIONAL STANDARDS M4 (2)**

## APPENDIX A – OPTIONAL ACCESSIBILITY STANDARDS

### M4(2) Requirements

M4(2) ref	M4(2) Page	Description	Qty	Rate	Cost/dwg
		<b>EXTERNAL</b>			
1.7	4	Slope restrictions – general building regulation; not needed additionally for Part 2a			£0
1.8	5	Step free - No cost if ramp is gentle – general building regulation; not needed additionally for Part 2a			£0
3.45	50	Rear paving Minimum width 1050 - Cost over 900 basic	2 m2	£45	£80
2.20c	16	Lighting; automatic PIR/DtD (might be provided anyway - would be for Secured by Design)	1 Nr	£100	£100
2.9f	12	Gates to be 850 clear; no additional cost			£0
3.22a	30	Landings (1500 Square) for ramps - assumed no cost if 1200 wide path; 1m2 if 900 wide path	1 m2	£45	£45
3.22b	30	Canopy to front door; assumed additional	1 Nr	£400	£400
1.14	7	Accessible thresholds to Front and rear (cost is not for level access which is needed any way but for threshold max 15mm projection)	2 Nr	£35	£50
2.12	13	Parking bay to be such as to permit widening to 3.3m in future, not 2.4; needs only be clear - no extra cost but might mean some dwellings cannot comply			£0
		<b>INTERNAL</b>			
2.24c		Living Room window cill height assumed no cost; low cill lines to Living Rooms are normal			£0
2.26	19	Grab rail supports; bathroom; applicable only to stud partitions; 12mm plywood behind plasterboard; will not apply to all locations	4 m2	£30	£120
2.27c	19	Level access shower to GF; future provision; floor gully only costed	1 Nr	£175	£175
					£970
			Design	7%	£68
			Contingencies	5%	£52
					£1,090
			<b>SAY</b>		<b>£1,100</b>

**APPENDIX B**

**GENERIC RESIDENTIAL CONSTRUCTION COSTS**

	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,461	3 Nr	56 m2	n/a	7 Months	1667 m2	0 m2	1667 m2
Scheme 2 10 dwellings	£ 1,409	4 Nr	70 m2	n/a	9 Months	3333 m2	0 m2	3333 m2
Scheme 3 20 dwellings	£ 1,325	8 Nr	140 m2	3/m	15 Months	6667 m2	741 m2	7407 m2
Scheme 4 35 dwellings	£ 1,277	16 Nr	252 m2	3/m	20 Months	11667 m2	1296 m2	12963 m2
Scheme 5 Scheme 50	£ 1,241	24 Nr	378 m2	3/m	25 Months	16667 m2	1852 m2	18519 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

- Remediation of contaminated land in brownfield sites
- VAT excluded from all costs
- Contractor's profit excluded
- No allowance for Code for Sustainable Homes compliance
- No abnormal costs on greenfield sites
- Play area costs

**Summary for density 30 dwellings per hectare - Brown Field**

**12 February 2019**

	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,539	3 Nr	56 m2	n/a	7 Months	1667 m2	0 m2	1667 m2
Scheme 2 10 dwellings	£ 1,488	4 Nr	70 m2	n/a	9 Months	3333 m2	0 m2	3333 m2
Scheme 3 20 dwellings	£ 1,405	8 Nr	140 m2	3/m	15 Months	6667 m2	741 m2	7407 m2
Scheme 4 35 dwellings	£ 1,353	16 Nr	252 m2	3/m	20 Months	11667 m2	1296 m2	12963 m2
Scheme 5 Scheme 50	£ 1,316	24 Nr	378 m2	3/m	25 Months	16667 m2	1852 m2	18519 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

Remediation of contaminated land in brownfield sites  
 VAT excluded from all costs  
 Contractor's profit excluded  
 No allowance for Code for Sustainable Homes compliance  
 No abnormal costs on greenfield sites  
 Play area costs

	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,450	3 Nr	56 m2	n/a	7 Months	1429 m2	0 m2	1429 m2
Scheme 2 10 dwellings	£ 1,396	4 Nr	70 m2	n/a	9 Months	2857 m2	0 m2	2857 m2
Scheme 3 20 dwellings	£ 1,312	8 Nr	140 m2	3/m	15 Months	5714 m2	635 m2	6349 m2
Scheme 4 35 dwellings	£ 1,264	16 Nr	252 m2	3/m	20 Months	10000 m2	1111 m2	11111 m2
Scheme 5 Scheme 50	£ 1,229	24 Nr	378 m2	3/m	25 Months	14286 m2	1587 m2	15873 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

- Remediation of contaminated land in brownfield sites
- VAT excluded from all costs
- Contractor's profit excluded
- No allowance for Code for Sustainable Homes compliance
- No abnormal costs on greenfield sites
- Play area costs

**Summary for density 35 dwellings per hectare - Brown Field**

**12 February 2019**

	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,525	3 Nr	56 m2	n/a	7 Months	1429 m2	0 m2	1429 m2
Scheme 2 10 dwellings	£ 1,472	4 Nr	70 m2	n/a	9 Months	2857 m2	0 m2	2857 m2
Scheme 3 20 dwellings	£ 1,388	8 Nr	140 m2	3/m	15 Months	5714 m2	635 m2	6349 m2
Scheme 4 35 dwellings	£ 1,337	16 Nr	252 m2	3/m	20 Months	10000 m2	1111 m2	11111 m2
Scheme 5 Scheme 50	£ 1,300	24 Nr	378 m2	3/m	25 Months	14286 m2	1587 m2	15873 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

- Remediation of contaminated land in brownfield sites
- VAT excluded from all costs
- Contractor's profit excluded
- No allowance for Code for Sustainable Homes compliance
- No abnormal costs on greenfield sites
- Play area costs

**Summary for density 40 dwellings per hectare - Green Field**

**12 February 2019**

	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,441	3 Nr	56 m2	n/a	7 Months	1250 m2	0 m2	1250 m2
Scheme 2 10 dwellings	£ 1,386	4 Nr	70 m2	n/a	9 Months	2500 m2	0 m2	2500 m2
Scheme 3 20 dwellings	£ 1,302	8 Nr	140 m2	3/m	15 Months	5000 m2	556 m2	5556 m2
Scheme 4 35 dwellings	£ 1,254	16 Nr	252 m2	3/m	20 Months	8750 m2	972 m2	9722 m2
Scheme 5 Scheme 50	£ 1,219	24 Nr	378 m2	3/m	25 Months	12500 m2	1389 m2	13889 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

Remediation of contaminated land in brownfield sites  
 VAT excluded from all costs  
 Contractor's profit excluded  
 No allowance for Code for Sustainable Homes compliance  
 No abnormal costs on greenfield sites  
 Play area costs



	Av cost per m2	Garages (no & Area)		Sales rate and Construction period		Site areas		
						Net	POS	Gross
Scheme 1 5 dwellings	£ 1,514	3 Nr	56 m2	n/a	7 Months	1250 m2	0 m2	1250 m2
Scheme 2 10 dwellings	£ 1,460	4 Nr	70 m2	n/a	9 Months	2500 m2	0 m2	2500 m2
Scheme 3 20 dwellings	£ 1,375	8 Nr	140 m2	3/m	15 Months	5000 m2	556 m2	5556 m2
Scheme 4 35 dwellings	£ 1,325	16 Nr	252 m2	3/m	20 Months	8750 m2	972 m2	9722 m2
Scheme 5 Scheme 50	£ 1,289	24 Nr	378 m2	3/m	25 Months	12500 m2	1389 m2	13889 m2

**Assumptions**

Floor areas and accommodation as follows

1b--terraced	58.00 m2
2b bungalow--Semi	70.00 m2
2b--terraced	0.00 m2
2b--terraced	70.00 m2
3b--Semi	90.00 m2
3b--Detached	90.00 m2
3b--Semi	90.00 m2
4b--Detached	116.00 m2
5b--Detached	146.00 m2

**Exclusions**

- Remediation of contaminated land in brownfield sites
- VAT excluded from all costs
- Contractor's profit excluded
- No allowance for Code for Sustainable Homes compliance
- No abnormal costs on greenfield sites
- Play area costs

**APPENDIX C**

**APARTMENT SCHEMES CONSTRUCTION COSTS**

**ROSSENDALE COUNCIL  
LOCAL PLAN ECONOMIC VIABILITY APPRAISAL**

**TYPICAL COSTS FOR RESIDENTIAL - FLATS**

19 February 2019

**Scheme of 15 units on two floors; infill site off existing roads off; no lift**

1b flat	6 Nr	56.00 m2	336.00 m2
2b flat	9 Nr	70.00 m2	630.00 m2
Average GFA/ unit =			<u>64.40 m2</u>
Addition for common areas			<u>11.00 m2</u>
Total GFA			<u>75.40 m2</u>

Costs for single flat

Substructures	75.40 m2	£ 89.72 /m2	£6,765
Superstructures	75.40 m2	£ 812.13 /m2	£61,235
Total		£ 901.85 /m2	£68,000

External works

Entrance roads	0 m2		
Footpath to entrance road	0 m2		
Road crossing	1 Nr	£3,411	£3,411
Car parking; tarmacadam; 1 space / flat + 60% circulation	21 m2	£ 68.21 /m2	£1,419
Kerbs, lighting and drainage to above	21 m2	£ 25.92 /m2	£539
Paving, paths etc; assumed at 12 m2 / flat	12 m2	£ 43.65 /m2	£524
Grassed area	10 m2	£ 10.91 /m2	£109
Bin stores	1 Nr	£341	£341
Allowance for fences, railings and gates	1 Nr	£682	£682
Site clearance	83 m2	£ 4.77 /m2	£398
Drainage including attenuation	1 Nr	£3,274	£3,274
Incoming services	1 Nr	£5,116	£5,116
Preliminaries (cost per unit per week)	30 weeks	£512	£15,347

**Total Costs of single flat**

**£99,160**

Fees	7.50%	£7,437
Contingencies	5.00%	£5,330

**TOTAL FOR SINGLE FLAT**

**£111,927**

Less Contractor's profit and overheads included	-7.00%	<b>-£7,835</b>
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**TOTAL COSTS FOR SINGLE FLAT**

**£104,092**

**SCHEME COST FOR 10 No FLATS**

**£1,040,919**

**Cost/m2 £1,380.53**

**Site area 976 m2**

**Average site area per flat 108 m2**

**ROSSENDALE COUNCIL  
LOCAL PLAN ECONOMIC VIABILITY APPRAISAL**

**TYPICAL COSTS FOR RESIDENTIAL - FLATS**

19 February 2019

**Scheme of 50 units on three floors including lift; off existing road (no access road included)**

GFA/ unit =

Addition for common areas (inc lift)

**Total GFA for each type**

Costs for single flat

Substructures

Superstructures

Lift

Total

External works

Entrance road

Footpath to entrance road

Road crossing

Car parking; tarmacadam; 1 space / flat + 60%

circulation

Kerbs, lighting and drainage to above

Paving, paths etc; assumed at 12 m2 / flat

Grassed area

Bin stores

Allowance for fences, railings and gates

Site clearance

Drainage including attenuation

Incoming services

Preliminaries (cost per unit per week)

**Total Costs of single flat**

Fees

Contingencies

**TOTAL FOR SINGLE FLAT**

Less Contractor's profit and overheads included

**TOTAL COSTS FOR SINGLE FLAT**

**SCHEME COST FOR 50 No FLATS**

**Cost/m2**

**Site area**

**Average site area per flat**

	<b>1B</b>	<b>20 Nr</b>		<b>2B</b>	<b>30 Nr</b>		<b>TOTALS</b>
	56.00 m2			70.00 m2			
	10.00 m2			12.00 m2			
<b>Total GFA for each type</b>	<b>66.00 m2</b>			<b>82.00 m2</b>			3780 m2
<u>Costs for single flat</u>							
Substructures	66.00 m2	£ 66.09 /m2	£4,362	82.00 m2	£ 66.09 /m2	£5,420	£249,833
Superstructures	66.00 m2	£ 793.14 /m2	£52,347	82.00 m2	£ 793.14 /m2	£65,038	£2,998,081
Lift	66.00 m2	£ 12.28 /m2	£810	82.00 m2	£ 12.28 /m2	£1,007	£46,410
Total		£ 871.51 /m2	£57,520		£ 871.51 /m2	£71,464	£3,294,325
External works							
Entrance road	15 m2	£ 75.03 /m2	£1,125	15 m2	£ 75.03 /m2	£1,125	£56,274
Footpath to entrance road	12 m2	£ 47.75 /m2	£573	12 m2	£ 47.75 /m2	£573	£28,648
Road crossing		£3,410.52	£0		£3,410.52	£0	£0
Car parking; tarmacadam; 1 space / flat + 60% circulation	21 m2	£ 68.21 /m2	£1,419	21 m2	£ 68.21 /m2	£1,419	£70,939
Kerbs, lighting and drainage to above	21 m2	£ 25.92 /m2	£539	21 m2	£ 25.92 /m2	£539	£26,957
Paving, paths etc; assumed at 12 m2 / flat	12 m2	£ 43.65 /m2	£524	12 m2	£ 43.65 /m2	£524	£26,193
Grassed area	10 m2	£ 10.91 /m2	£109	10 m2	£ 10.91 /m2	£109	£5,457
Bin stores	1 Nr	£341.05	£341	1 Nr	£341.05	£341	£17,053
Allowance for fences, railings and gates	1 Nr	£682.10	£682	1 Nr	£682.10	£682	£34,105
Site clearance	118 m2	£ 4.77 /m2	£562	118 m2	£ 4.77 /m2	£562	£28,101
Drainage including attenuation	1 Nr	£3,274.10	£3,274	1 Nr	£3,274.10	£3,274	£163,705
Incoming services	1 Nr	£5,115.78	£5,116	1 Nr	£5,115.78	£5,116	£255,789
Preliminaries (cost per unit per week)	60 weeks	£204.63	£12,278	60 weeks	£204.63	£12,278	£613,893
<b>Total Costs of single flat</b>			<b>£84,062</b>			<b>£98,006</b>	<b>£4,621,437</b>
Fees		7.00%	£5,884		7.00%	£6,860	£323,501
Contingencies		5.00%	£4,497		5.00%	£5,243	£247,247
<b>TOTAL FOR SINGLE FLAT</b>			<b>£94,444</b>			<b>£110,110</b>	<b>£5,192,185</b>
Less Contractor's profit and overheads included		-7.00%	-£6,611		-7.00%	-£7,708	-£363,453
<b>TOTAL COSTS FOR SINGLE FLAT</b>			<b>£87,833</b>			<b>£102,403</b>	
<b>SCHEME COST FOR 50 No FLATS</b>			<b>£1,756,656</b>			<b>£3,072,076</b>	<b>£4,828,732</b>
<b>Cost/m2</b>			<b>£ 1,331 /m2</b>			<b>£ 1,249 /m2</b>	<b>£ 1,277 /m2</b>
<b>Site area</b>			<b>5872 m2</b>				
<b>Average site area per flat</b>			<b>117 m2</b>				

**APPENDIX D**

**CONSTRUCTION COST SHEETS FOR THE SPECIFIC ALLOCATIONS TESTED**

**H5 Swinshaw Hall, Loveclough**

Site area	<b>1.75 ha</b>	
PoS %	<b>11%</b>	<b>14 3 2019</b>
Net Dev area	<b>15750 m2</b>	11970 ft2/ac
PoS Area	<b>1750 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>47 Nr (29.8dph)</b>	

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	2 Nr	58 m2	116 m2
2b bungalow--Semi	4 P	3.00%	1 Nr	70 m2	70 m2
2b--terraced	4 P	23.00%	11 Nr	70 m2	770 m2
3b--Detached	5 P	22.00%	10 Nr	90 m2	900 m2
3b--Semi	5 P	22.00%	<i>11 Nr</i>	90 m2	990 m2
4b--Detached	6 P	20.00%	9 Nr	116 m2	1044 m2
5b--Detached	8 P	6.00%	3 Nr	146 m2	438 m2
	<b>235 P</b>		<b>47 Nr</b>	<b>Av= 92.09 m2</b>	<b>4328 m2</b>

Subs and Superstructures	£3,266,610	£69,502.35
External Works within curtilage costs	£250,192	£5,323.23
Road and footpath works beyond curtilage	£281,025	£5,979.26
Garages	£140,604	£2,991.57
Drainage costs	£270,400	£5,753.19
Inc Services costs	£176,897	£3,763.77
Public Open Space	£28,511	£606.61
Preliminaries for 24 months	£464,557	£9,884.18
<b>SUBTOTAL</b>	<b>£4,878,796</b>	<b>£103,804</b>
Abnormals	£175,500	£3,734.04
Fees	£353,801	£7,527.67
Contingencies	£270,405	£5,753.29
<b>Total</b>	<b>£5,678,501</b>	<b>£120,819</b>

**Abnormals**

Provisonal allowance for slopes; severe	47 Nr	£1,500	£70,500
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for wider access to Burnely Road			£30,000
<b>Total of abnormals</b>			<b>£175,500</b>

<b>H11</b>	<b>The Hollins, Hollin Way</b>		
Site area	<b>2.62 ha</b>		
PoS %	<b>33%</b>		<b>14 3 2019</b>
Net Dev area	<b>19650 m2</b>	14259 ft2/ac	
PoS Area	<b>6550 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>70 Nr (35.6dph)</b>		

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	3 Nr	58 m2	174 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	16 Nr	70 m2	1120 m2
3b--Detached	5 P	22.00%	15 Nr	90 m2	1350 m2
3b--Semi	5 P	22.00%	<i>16 Nr</i>	90 m2	1440 m2
4b--Detached	6 P	20.00%	14 Nr	116 m2	1624 m2
5b--Detached	8 P	6.00%	4 Nr	146 m2	584 m2
	<b>349 P</b>		<b>70 Nr</b>	<b>Av= 91.89 m2</b>	<b>6432 m2</b>

Subs and Superstructures	£4,787,068	£68,386.69
External Works within curtilage costs	£325,901	£4,655.73
Road and footpath works beyond curtilage	£377,324	£5,390.35
Garages	£205,724	£2,938.92
Drainage costs	£396,621	£5,666.02
Inc Services costs	£259,472	£3,706.74
Public Open Space	£105,093	£1,501.33
Preliminaries for 31 months	£640,207	£9,145.82
<b>SUBTOTAL</b>	<b>£7,097,412</b>	<b>£101,392</b>
Abnormals	£180,000	£2,571.43
Fees	£436,645	£6,237.78
Contingencies	£385,703	£5,510.04
<b>Total</b>	<b>£8,099,760</b>	<b>£115,711</b>

### Abnormals

Provisonal allowance for slopes; severe	70 Nr	£1,500	£105,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
<b>Total of abnormals</b>			<b>£180,000</b>

**H13****Loveclough Working Mens Club and land at rear and extension**

Site area	<b>3.15 ha</b>		
PoS %	<b>33%</b>		<b>14 3 2019</b>
Net Dev area	<b>23625 m2</b>	16137 ft2/ac	
PoS Area	<b>7875 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>95 Nr (40.2dph)</b>		

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	4 Nr	58 m2	232 m2
2b bungalow--Semi	4 P	3.00%	3 Nr	70 m2	210 m2
2b--terraced	4 P	23.00%	22 Nr	70 m2	1540 m2
3b--Detached	5 P	22.00%	20 Nr	90 m2	1800 m2
3b--Semi	5 P	22.00%	21 Nr	90 m2	1890 m2
4b--Detached	6 P	20.00%	19 Nr	116 m2	2204 m2
5b--Detached	8 P	6.00%	6 Nr	146 m2	876 m2
	<b>475 P</b>		<b>95 Nr</b>	<b>Av= 92.13 m2</b>	<b>8752 m2</b>

Subs and Superstructures	£6,450,749	£67,902.62
External Works within curtilage costs	£404,882	£4,261.92
Road and footpath works beyond curtilage	£476,931	£5,020.33
Garages	£281,706	£2,965.32
Drainage costs	£532,751	£5,607.91
Inc Services costs	£348,529	£3,668.72
Public Open Space	£125,057	£1,316.39
Preliminaries for 40 months	£817,601	£8,606.33
<b>SUBTOTAL</b>	<b>£9,438,206</b>	<b>£99,350</b>
Abnormals	£218,371	£2,298.65
Fees	£579,395	£6,098.89
Contingencies	£511,799	£5,387.35
<b>Total</b>	<b>£10,747,771</b>	<b>£113,134</b>

**Abnormals**

Provisonal allowance for slopes; medium	95 Nr	£1,000	£95,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for Demolition working men's club	500 m2	£ 50 /m2	£25,000
Provisonal allowance for removal of WMC hard surfaces	1400 m2	£ 6 /m2	£8,400
Provisonal allowance for gas protection to 25% of units	1152 m2	£ 13 /m2	£14,971
<b>Total of abnormals</b>			<b>£218,371</b>



**H28****Sheephouse Reservoir, Britannia**

Site area	<b>2.68 ha</b>		
PoS %	<b>33%</b>		<b>14 3 2019</b>
Net Dev area	<b>20150 m2</b>	12573 ft2/ac	
PoS Area	<b>6650 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>63 Nr (31.3dph)</b>		

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	3 Nr	58 m2	174 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	14 Nr	70 m2	980 m2
3b--Detached	5 P	22.00%	14 Nr	90 m2	1260 m2
3b--Semi	5 P	22.00%	13 Nr	90 m2	1170 m2
4b--Detached	6 P	20.00%	13 Nr	116 m2	1508 m2
5b--Detached	8 P	6.00%	4 Nr	146 m2	584 m2
	<b>315 P</b>		<b>63 Nr</b>	<b>Av= 92.32 m2</b>	<b>5816 m2</b>

Subs and Superstructures		£4,378,831	£69,505.25
External Works within curtilage costs		£323,412	£5,133.53
Road and footpath works beyond curtilage		£366,090	£5,810.95
Garages		£196,600	£3,120.63
Drainage costs		£360,620	£5,724.13
Inc Services costs		£235,920	£3,744.76
Public Open Space	6650 m2	£ 17.51 /m2	£1,710.90
Preliminaries for 29 months		£605,046	£9,603.91
<b>SUBTOTAL</b>		<b>£6,574,306</b>	<b>£104,354</b>
Abnormals		£133,050	£2,111.90
Fees		£402,441	£6,387.96
Contingencies		£355,490	£5,642.70
<b>Total</b>		<b>£7,465,287</b>	<b>£118,497</b>

**Abnormals**

Provisonal allowance for slopes; minor	63 Nr	£250	£15,750
Provisonal allowance for works to non-developed area surrounding the site	14100 m2	£ 3/m2	£42,300
Provisonal allowance for tree clearance	Item		£25,000
Provisonal allowance for Substation	1 Nr	£75,000 H 28 only	
Provisonal allowance for Access	Item		£50,000

**Total of abnormals** **£133,050**

<b>H30</b>	<b>Tong Farm, Bacup</b>		
Site area	<b>1.89 ha</b>		
PoS %	<b>11%</b>		<b>14 3 2019</b>
Net Dev area	<b>17010 m2</b>	11970 ft2/ac	
PoS Area	<b>1890 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>51 Nr (30.0dph)</b>		

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	2 Nr	58 m2	116 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	12 Nr	70 m2	840 m2
3b--Detached	5 P	22.00%	11 Nr	90 m2	990 m2
3b--Semi	5 P	22.00%	11 Nr	90 m2	990 m2
4b--Detached	6 P	20.00%	10 Nr	116 m2	1160 m2
5b--Detached	8 P	6.00%	3 Nr	146 m2	438 m2
	<b>254 P</b>		<b>51 Nr</b>	<b>Av= 91.65 m2</b>	<b>4674 m2</b>

Subs and Superstructures	£3,537,050	£69,353.92
External Works within curtilage costs	£270,762	£5,309.06
Road and footpath works beyond curtilage	£304,235	£5,965.39
Garages	£151,895	£2,978.33
Drainage costs	£293,413	£5,753.19
Inc Services costs	£191,952	£3,763.77
Public Open Space	£30,791	£603.75
Preliminaries for 25 months	£524,239	£10,279.20
<b>SUBTOTAL</b>	<b>£5,304,338</b>	<b>£104,007</b>
Abnormals	£151,500	£2,970.59
Fees	£327,350	£6,418.63
Contingencies	£289,159	£5,669.79
<b>Total</b>	<b>£6,072,347</b>	<b>£119,066</b>

### Abnormals

Provisonal allowance for slopes; severe	51 Nr	£1,500	£76,500
Provisonal allowance for Substation	1 Nr	£75,000	£75,000

**Total of abnormals** **£151,500**

**H37****Land off Gladstone Street, Bacup**

Site area	<b>2.22 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>16650 m2</b>	15216 ft2/ac
PoS Area	<b>5550 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>63 Nr (37.8dph)</b>	

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	3 Nr	58 m2	174 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	14 Nr	70 m2	980 m2
3b--Detached	5 P	22.00%	14 Nr	90 m2	1260 m2
3b--Semi	5 P	22.00%	13 Nr	90 m2	1170 m2
4b--Detached	6 P	20.00%	13 Nr	116 m2	1508 m2
5b--Detached	8 P	6.00%	4 Nr	146 m2	584 m2
	<b>315 P</b>		<b>63 Nr</b>	<b>Av= 92.32 m2</b>	<b>5816 m2</b>

Subs and Superstructures	£4,378,831	£69,505.25
External Works within curtilage costs	£285,016	£4,524.06
Road and footpath works beyond curtilage	£332,777	£5,282.18
Garages	£196,600	£3,120.63
Drainage costs	£360,620	£5,724.13
Inc Services costs	£235,920	£3,744.76
Public Open Space	£89,962	£1,427.97
Preliminaries for 29 months	£605,046	£9,603.91
<b>SUBTOTAL</b>	<b>£6,484,772</b>	<b>£102,933</b>
Abnormals	£229,750	£3,646.83
Fees	£402,871	£6,394.78
Contingencies	£355,870	£5,648.73
<b>Total</b>	<b>£7,473,263</b>	<b>£118,623</b>

**Abnormals**

Provisonal allowance for slopes; very severe	63 Nr	£2,000	£126,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for allowance for minor clearance	Item		£20,000
Provisonal allowance for allowance for cycle/pedestrian access to Industrial St (exc land purchase)	70 m	£ 125/m	£8,750

**Total of abnormals** **£229,750**

**H40 Land off Todmorden Road, Bacup**

Site area	<b>2.36 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>17700 m2</b>	12010 ft2/ac
PoS Area	<b>5900 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>53 Nr (29.9dph)</b>	

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	2 Nr	58 m2	116 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	12 Nr	70 m2	840 m2
3b--Detached	5 P	22.00%	11 Nr	90 m2	990 m2
3b--Semi	5 P	22.00%	12 Nr	90 m2	1080 m2
4b--Detached	6 P	20.00%	11 Nr	116 m2	1276 m2
5b--Detached	8 P	6.00%	3 Nr	146 m2	438 m2
	<b>265 P</b>		<b>53 Nr</b>	<b>Av= 92.08 m2</b>	<b>4880 m2</b>

Subs and Superstructures	£3,692,599	£69,671.67
External Works within curtilage costs	£281,788	£5,316.75
Road and footpath works beyond curtilage	£316,409	£5,969.97
Garages	£159,691	£3,013.04
Drainage costs	£304,919	£5,753.19
Inc Services costs	£199,480	£3,763.77
Public Open Space	£96,121	£1,813.60
Preliminaries for 26 months	£545,209	£10,286.96
<b>SUBTOTAL</b>	<b>£5,596,214</b>	<b>£105,589</b>
Abnormals	£173,250	£3,268.87
Fees	£346,168	£6,531.47
Contingencies	£305,782	£5,769.46
<b>Total</b>	<b>£6,421,414</b>	<b>£121,159</b>

**Abnormals**

Provisonal allowance for slopes; severe	53 Nr	£1,500	£79,500
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for access from Moorside Crescent (exc land purchase)	15 m	£1,250	£18,750
<b>Total of abnormals</b>			<b>£173,250</b>

**H42****Land south of The Weir Public House**

Site area	<b>2.02 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>15188 m2</b>	13664 ft2/ac
PoS Area	<b>5012 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>52 Nr (34.2dph)</b>	

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	2 Nr	58 m2	116 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	12 Nr	70 m2	840 m2
3b--Detached	5 P	22.00%	11 Nr	90 m2	990 m2
3b--Semi	5 P	22.00%	12 Nr	90 m2	1080 m2
4b--Detached	6 P	20.00%	10 Nr	116 m2	1160 m2
5b--Detached	8 P	6.00%	3 Nr	146 m2	438 m2
	<b>259 P</b>		<b>52 Nr</b>	<b>Av= 91.62 m2</b>	<b>4764 m2</b>

Subs and Superstructures	£3,602,883	£69,286.21
External Works within curtilage costs	£252,404	£4,853.92
Road and footpath works beyond curtilage	£290,321	£5,583.09
Garages	£151,895	£2,921.06
Drainage costs	£299,166	£5,753.19
Inc Services costs	£195,716	£3,763.77
Public Open Space	£81,655	£1,570.28
Preliminaries for 25 months	£524,239	£10,081.52
<b>SUBTOTAL</b>	<b>£5,398,278</b>	<b>£103,813</b>
Abnormals	£179,000	£3,442.31
Fees	£334,637	£6,435.32
Contingencies	£295,596	£5,684.53
<b>Total</b>	<b>£6,207,510</b>	<b>£119,375</b>

**Abnormals**

Provisonal allowance for slopes; very severe	52 Nr	£2,000	£104,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000

**Total of abnormals** **£179,000**

**H59****Land Adjacent Dark Lane Football Ground**

Site area	<b>2.62 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>19699 m2</b>	16363 ft2/ac
PoS Area	<b>6501 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>80 Nr (40.6dph)</b>	

	<b>Mix Data</b>			<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	3 Nr	58 m2	174 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	18 Nr	70 m2	1260 m2
3b--Detached	5 P	22.00%	18 Nr	90 m2	1620 m2
3b--Semi	5 P	22.00%	18 Nr	90 m2	1620 m2
4b--Detached	6 P	20.00%	16 Nr	116 m2	1856 m2
5b--Detached	8 P	6.00%	5 Nr	146 m2	730 m2
	<b>402 P</b>		<b>80 Nr</b>	<b>Av= 92.50 m2</b>	<b>7400 m2</b>

Subs and Superstructures	£5,505,082	£68,813.52
External Works within curtilage costs	£342,815	£4,285.19
Road and footpath works beyond curtilage	£403,888	£5,048.60
Garages	£243,056	£3,038.20
Drainage costs	£453,282	£5,666.02
Inc Services costs	£296,539	£3,706.74
Public Open Space	£104,304	£1,303.80
Preliminaries for 35 months	£722,815	£9,035.18
<b>SUBTOTAL</b>	<b>£8,071,781</b>	<b>£100,897</b>
Abnormals	£195,000	£2,437.50
Fees	£496,007	£6,200.09
Contingencies	£438,139	£5,476.74
<b>Total</b>	<b>£9,200,927</b>	<b>£115,012</b>

**Abnormals**

Provisonal allowance for slopes; severe	80 Nr	£1,500	£120,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000

**Total of abnormals** **£195,000**

**H60****Johnny Barn Farm and land to the east, Cloughfold**

Site area	<b>3.59 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>26925 m2</b>	11972 ft2/ac
PoS Area	<b>8975 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>80 Nr (29.7dph)</b>	

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	3 Nr	58 m2	174 m2
2b bungalow--Semi	4 P	3.00%	2 Nr	70 m2	140 m2
2b--terraced	4 P	23.00%	18 Nr	70 m2	1260 m2
3b--Detached	5 P	22.00%	18 Nr	90 m2	1620 m2
3b--Semi	5 P	22.00%	18 Nr	90 m2	1620 m2
4b--Detached	6 P	20.00%	16 Nr	116 m2	1856 m2
5b--Detached	8 P	6.00%	5 Nr	146 m2	730 m2
	<b>402 P</b>		<b>80 Nr</b>	<b>Av= 92.50 m2</b>	<b>7400 m2</b>

Subs and Superstructures	£5,505,082	£68,813.52
External Works within curtilage costs	£421,305	£5,266.32
Road and footpath works beyond curtilage	£472,187	£5,902.34
Garages	£243,056	£3,038.20
Drainage costs	£453,282	£5,666.02
Inc Services costs	£296,539	£3,706.74
Public Open Space	£144,002	£1,800.02
Preliminaries for 35 months	£722,815	£9,035.18
<b>SUBTOTAL</b>	<b>£8,258,269</b>	<b>£103,228</b>
Abnormals	£195,000	£2,437.50
Fees	£507,196	£6,339.95
Contingencies	£448,023	£5,600.29
<b>Total</b>	<b>£9,408,488</b>	<b>£117,606</b>

**Abnormals**

Provisonal allowance for slopes; severe	80 Nr	£1,500	£120,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000

**Total of abnormals** **£195,000**

<b>H70</b>	<b>Irwell Vale Mill</b>		
Site area	<b>1.36 ha</b>		
PoS %	<b>11%</b>		<b>14 3 2019</b>
Net Dev area	<b>12240 m2</b>	14833 ft2/ac	
PoS Area	<b>1360 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>45 Nr (36.8dph)</b>		

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	2 Nr	58 m2	116 m2
2b bungalow--Semi	4 P	3.00%	1 Nr	70 m2	70 m2
2b--terraced	4 P	23.00%	10 Nr	70 m2	700 m2
3b--Detached	5 P	22.00%	10 Nr	90 m2	900 m2
3b--Semi	5 P	22.00%	10 Nr	90 m2	900 m2
4b--Detached	6 P	20.00%	9 Nr	116 m2	1044 m2
5b--Detached	8 P	6.00%	3 Nr	146 m2	438 m2
	<b>226 P</b>		<b>45 Nr</b>	<b>Av= 92.62 m2</b>	<b>4168 m2</b>

Subs and Superstructures	£3,148,295	£69,962.11
External Works within curtilage costs	£208,508	£4,633.52
Road and footpath works beyond curtilage	£242,391	£5,386.46
Garages	£140,604	£3,124.53
Drainage costs	£258,894	£5,753.19
Inc Services costs	£169,370	£3,763.77
Public Open Space	£22,157	£492.37
Preliminaries for 23 months	£445,200	£9,893.34
<b>SUBTOTAL</b>	<b>£4,635,417</b>	<b>£103,009</b>
Abnormals	£346,608	£7,702.40
Fees	£348,742	£7,749.82
Contingencies	£266,538	£5,923.07
<b>Total</b>	<b>£5,597,306</b>	<b>£124,385</b>

### Abnormals

Provisonal allowance for Demolitions	4209 m2	£ 80/m2	£336,720
Provisonal allowance for Clearance of hard surfaces	1648 m2	£ 6/m2	£9,888
Provisonal allowance for slopes; negligible	45 Nr	£0	£0
Provisonal allowance for Substation; asumed not required		£75,000	£0

**Total of abnormals** **£346,608**



**H72****Land west of Market Street, Edenfield**

Site area	<b>20.38 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>152850 m2</b>	10497 ft2/ac
PoS Area	<b>50950 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>400 Nr (26.2dph)</b>	

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	16 Nr	58 m2	928 m2
2b bungalow--Semi	4 P	3.00%	12 Nr	70 m2	840 m2
2b--terraced	4 P	23.00%	92 Nr	70 m2	6440 m2
3b--Detached	5 P	22.00%	88 Nr	90 m2	7920 m2
3b--Semi	5 P	22.00%	88 Nr	90 m2	7920 m2
4b--Detached	6 P	20.00%	80 Nr	116 m2	9280 m2
5b--Detached	8 P	6.00%	24 Nr	146 m2	3504 m2
	<b>2000 P</b>		<b>400 Nr</b>	<b>Av= 92.08 m2</b>	<b>36832 m2</b>

Subs and Superstructures	£26,015,314	£65,038.29
External Works within curtilage costs	£2,182,676	£5,456.69
Road and footpath works beyond curtilage	£2,386,501	£5,966.25
Garages	£1,135,377	£2,838.44
Drainage costs	£2,150,182	£5,375.46
Inc Services costs	£1,406,661	£3,516.65
Public Open Space	£775,559	£1,938.90
Preliminaries for 141 months	£3,187,595	£7,968.99
<b>SUBTOTAL</b>	<b>£39,239,864</b>	<b>£98,100</b>
Abnormals	£550,000	£1,375.00
Fees	£1,989,493	£4,973.73
Contingencies	£2,088,968	£5,222.42
<b>Total</b>	<b>£43,868,325</b>	<b>£109,671</b>

**Abnormals**

Provisonal allowance for slopes; medium.	400 Nr	£1,000	£400,000
Provisonal allowance for Substation	2 Nr	£75,000	£150,000
NO allowance of provision of school			£0
<b>Total of abnormals</b>			<b>£550,000</b>

<b>H73</b>	<b>Edenwood Mill, Edenfield</b>	Changed mix	
Site area	<b>1.23 ha</b>		
PoS %	<b>11%</b>		<b>14 3 2019</b>
Net Dev area	<b>11070 m2</b>	15449 ft2/ac	
PoS Area	<b>1230 m2</b>		
Sales rate	<b>3.0 per month</b>		
No of dwellings	<b>47 Nr (42.5dph)</b>		

	Mix Data		GFA/unit	Total GFA
1b--terraced	2 P	4 Nr	58 m2	232 m2
2b bungalow--Semi	4 P	1 Nr	70 m2	70 m2
2b--terraced	4 P	13 Nr	70 m2	910 m2
3b--Detached	5 P	12 Nr	90 m2	1080 m2
3b--Semi	5 P	13 Nr	90 m2	1170 m2
4b--Detached	6 P	4 Nr	116 m2	464 m2
5b--Detached	8 P		0 m2	0 m2
	<b>213 P</b>	<b>47 Nr</b>	<b>Av= 83.53 m2</b>	<b>3926 m2</b>

Subs and Superstructures		£2,948,392	£62,731.75
External Works within curtilage costs		£195,983	£4,169.85
Road and footpath works beyond curtilage		£236,224	£5,026.04
Garages		£73,125	£1,555.84
Drainage costs		£270,400	£5,753.19
Inc Services costs		£176,897	£3,763.77
Public Open Space		£20,039	£426.36
Preliminaries for 24 months		£464,557	£9,884.18
<b>SUBTOTAL</b>		<b>£4,385,616</b>	<b>£93,311</b>
Abnormals		£391,000	£8,319.15
Fees		£334,363	£7,114.11
Contingencies		£255,549	£5,437.21
<b>Total</b>		<b>£5,366,528</b>	<b>£114,181</b>

### Abnormals

Provisonal allowance for slopes; medium.	47 Nr	£1,000	£47,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for demoltions of existing mill buildings	1900 m2	£ 80/m2	£152,000
Provisonal allowance for additional foundation costs for dwellings affected by existing mill demolition	20 Nr	£1,000	£20,000
Provisonal allowance for acoustic requirements due to proximity to M66.	47 Nr	£1,000	£47,000
Provisonal allowance for flood risk	Item		£15,000
Provisonal allowance for access splay to Wood Lane	Item		£35,000
<b>Total of abnormals</b>			<b>£391,000</b>

**H74 Grane Village, Helmshore**

Site area	<b>6.63 ha</b>	
PoS %	<b>33%</b>	<b>14 3 2019</b>
Net Dev area	<b>49725 m2</b>	14022 ft2/ac
PoS Area	<b>16575 m2</b>	
Sales rate	<b>3.0 per month</b>	
No of dwellings	<b>174 Nr (35.0dph)</b>	

		<b>Mix Data</b>		<b>GFA/unit</b>	<b>Total GFA</b>
1b--terraced	2 P	4.00%	7 Nr	58 m2	406 m2
2b bungalow--Semi	4 P	3.00%	5 Nr	70 m2	350 m2
2b--terraced	4 P	23.00%	40 Nr	70 m2	2800 m2
3b--Detached	5 P	22.00%	39 Nr	90 m2	3510 m2
3b--Semi	5 P	22.00%	38 Nr	90 m2	3420 m2
4b--Detached	6 P	20.00%	35 Nr	116 m2	4060 m2
5b--Detached	8 P	6.00%	10 Nr	146 m2	1460 m2
	<b>869 P</b>		<b>174 Nr</b>	<b>Av= 91.99 m2</b>	<b>16006 m2</b>

Subs and Superstructures		£11,609,887	£66,723.49
External Works within curtilage costs		£799,177	£4,592.97
Road and footpath works beyond curtilage		£922,099	£5,299.42
Garages		£506,154	£2,908.93
Drainage costs		£960,608	£5,520.74
Inc Services costs		£628,435	£3,611.70
Public Open Space		£259,123	£1,489.21
Preliminaries for 66 months		£1,430,232	£8,219.73
<b>SUBTOTAL</b>		<b>£17,115,716</b>	<b>£98,366</b>
Abnormals		£399,000	£2,293.10
Fees		£963,309	£5,536.26
Contingencies		£923,901	£5,309.78
<b>Total</b>		<b>£19,401,926</b>	<b>£111,505</b>

**Abnormals**

Provisonal allowance for slopes; medium.	174 Nr	£1,000	£174,000
Provisonal allowance for Substation	1 Nr	£75,000	£75,000
Provisonal allowance for minor demolitons / clearance	Item		£20,000
Provisonal allowance for acoustic requirements (20% assumed)	35 Nr	£1,000	£35,000
Provisonal allowance for remediation to former gas works area	Item		£75,000
Provisonal allowance for habitat survey	Item		£20,000
<b>Total of abnormals</b>			<b>£399,000</b>

**APPENDIX E**

**COST ASSESSMENTS FOR THE COMMERCIAL TYPOLOGIES**

**ROSSENDALE COUNCIL - SUMMARY OF CONSTRUCTION COSTS FOR NON-RESIDENTIAL DEVELOPMENTS**

**Issue 25.2.19**

Type	TOTAL COST	No flrs	Floor area (ft2)	Floor area (m2)	Site areas (m2)	Base cost	Extra cost for Brownfield site	Total for Brownfield site	Const period	Fee %
Offices	<b>£875,136</b>	2 Nr	5,000 ft2	464 m2	569 m2	£ 1,836 /m2	£ 49 /m2	£ 1,885 /m2	8 months	14%
Offices	<b>£3,335,250</b>	2 Nr	20,000 ft2	1,857 m2	2,313 m2	£ 1,747 /m2	£ 49 /m2	£ 1,796 /m2	14 months	14%
Industrial B2/B8	<b>£578,774</b>	1 Nr	5,000 ft2	464 m2	995 m2	£ 1,192 /m2	£ 54 /m2	£ 1,246 /m2	6 months	10%
Industrial B2/B8	<b>£1,647,446</b>	1 Nr	20,000 ft2	1,857 m2	4,015 m2	£ 833 /m2	£ 54 /m2	£ 887 /m2	10 months	8%
Industrial B2/B8	<b>£3,904,004</b>	1 Nr	50,000 ft2	4,645 m2	10,200 m2	£ 787 /m2	£ 54 /m2	£ 840 /m2	12 months	8%
Industrial B8	<b>£7,118,515</b>	1 Nr	100,000 ft2	9,290 m2	19,250 m2	£ 713 /m2	£ 54 /m2	£ 766 /m2	15 months	9%
Industrial B8	<b>£23,090,969</b>	1 Nr	350,000 ft2	32,516 m2	71,000 m2	£ 656 /m2	£ 54 /m2	£ 710 /m2	18 months	9%
Retail (Foodstore - Convenience)	<b>£363,835</b>	1 Nr	3,000 ft2	279 m2	708 m2	£ 1,252 /m2	£ 53 /m2	£ 1,306 /m2	7 months	9%
Retail (Foodstore - Convenience)	<b>£1,153,361</b>	1 Nr	10,000 ft2	929 m2	2,583 m2	£ 1,188 /m2	£ 53 /m2	£ 1,242 /m2	10 months	8%
Retail (Foodstore - Convenience)	<b>£2,897,666</b>	1 Nr	30,000 ft2	2,786 m2	7,699 m2	£ 987 /m2	£ 53 /m2	£ 1,040 /m2	12 months	7%
Retail (Foodstore - Convenience)	<b>£4,755,899</b>	1 Nr	50,000 ft2	4,643 m2	12,807 m2	£ 971 /m2	£ 53 /m2	£ 1,024 /m2	14 months	7%
Non food retail (comparison)	<b>£1,152,554</b>	1 Nr	10,000 ft2	929 m2	2,583 m2	£ 1,188 /m2	£ 53 /m2	£ 1,241 /m2	10 months	8%
Non food retail (comparison)	<b>£2,895,083</b>	1 Nr	30,000 ft2	2,786 m2	7,699 m2	£ 987 /m2	£ 53 /m2	£ 1,039 /m2	12 months	7%

## **APPENDIX 6**

### **ALLOCATIONS ASSUMPTIONS AND RESULTS**

**Appendix 6 - Site Allocations Assumptions and Results**

**Rosendale Local Plan Results - 14 March 2019**

**Allocations**

**Rawtenstall, Crawshawbooth, Goodshaw and Loveclough**

Sales Rate	Ref	Address	Area	Size (ha)	No Dwellings	Density	Net Developable (ha)	Net Developable (acres)	Gross/Ratio	Land Type	Value Zone	Benchmark Land Value (per hect)	Housing (sq.m)	Total Housing (sq.m)	Benchmark Land Value	0% AH Surplus (sq.m)	10% AH Surplus (sq.m)	20% AH Surplus (sq.m)	30% AH Surplus (sq.m)
3	H5	Swinshaw Hall, Loveclough	Loveclough	1.75	47	30	1.57	3.9	90%	GF	3	£555,750	4,328	4,328	£870,675	£187	£149	£97	£23
3	H11	The Hollins, Hollin Way	Rawtenstall	2.62	70	36	1.97	4.9	75%	GF	3	£555,750	6,432	6,432	£1,092,049	£258	£223	£161	£95
3	H13	Loveclough Working Mens Club and land at rear and extension	Loveclough	3.17	95	40	2.38	5.9	75%	GF/BF	3	£648,375	8,752	8,752	£1,541,512	£274	£243	£176	£114

Policy Impact (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£10	-£2
-£13	-£5	-£9	-£2
-£13	-£5	-£9	-£2

**Bacup, Stacksteads, Britannia and Weir**

Sales Rate	Ref	Address	Area	Size (ha)	No Dwellings	Density	Net Developable (ha)	Net Developable (acres)	Gross/Ratio	Land Type	Value Zone	Benchmark Land Value (per hect)	Housing (sq.m)	Total Housing (sq.m)	Benchmark Land Value	0% AH Surplus (sq.m)	10% AH Surplus (sq.m)	20% AH Surplus (sq.m)	30% AH Surplus (sq.m)
3	H28	Sheephouse Reservoir, Britannia	Britannia	2.68	63	31	2.01	5.0	75%	GF	2	£432,250	5,816	5,816	£868,823	£107	£78	£12	-£46
3	H30	Tong Farm, Bacup	Bacup	1.89	51	30	1.7	4.2	90%	GF	1	£370,500	4,674	4,674	£630,221	-£20	-£48	-£101	-£157
3	H37	Land off Gladstone Street, Bacup	Bacup	2.22	63	38	1.7	4.1	75%	GF/BF	1	£370,500	5,816	5,816	£616,883	£20	-£7	-£65	-£120
3	H40	Land off Todmorden Road, Bacup	Bacup	2.36	53	30	1.77	4.4	75%	GF	2	£432,250	4,880	4,880	£763,642	£86	£56	-£10	-£69
3	H42	Land south of The Weir Public House	Weir	2.02	52	34	1.52	3.7	75%	GF	2	£432,250	4,764	4,764	£654,859	£117	£86	£32	-£43

Policy Impact (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£9	-£2
-£14	-£6	-£10	-£2
-£14	-£6	-£10	-£2
-£13	-£5	-£9	-£2
-£13	-£5	-£10	-£2

**Waterfoot, Lumb, Cowpe and Water**

Sales Rate	Ref	Address	Area	Size (ha)	No Dwellings	Density	Net Developable (ha)	Net Developable (acres)	Gross/Ratio	Land Type	Value Zone	Benchmark Land Value (per hect)	Housing (sq.m)	Total Housing (sq.m)	Benchmark Land Value	0% AH Surplus (sq.m)	10% AH Surplus (sq.m)	20% AH Surplus (sq.m)	30% AH Surplus (sq.m)
3	H59	Land Adjacent Dark Lane Football Ground	Newchurch	2.62	80	41	1.97	4.9	75%	GF/BF	2	£463,125	7,400	7,400	£910,041	£178	£147	£89	£30
3	H60	Johnny Barn Farm and land to the east, Cloughfold	Cloughfold	3.6	80	30	2.67	6.6	75%	GF	3	£555,750	7,400	7,400	£1,482,000	£216	£182	£119	£54

Policy Impact (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£9	-£11
-£13	-£5	-£9	-£11

**Edenfield, Helmshore, Irwell Vale and Ewood Bridge**

Sales Rate	Ref	Address	Area	Size (ha)	No Dwellings	Density	Net Developable (ha)	Net Developable (acres)	Gross/Ratio	Land Type	Value Zone	Benchmark Land Value (per hect)	Housing (sq.m)	Total Housing (sq.m)	Benchmark Land Value	0% AH Surplus (sq.m)	10% AH Surplus (sq.m)	20% AH Surplus (sq.m)	30% AH Surplus (sq.m)
3	H70	Irwell Vale Mill	Irwell Vale	1.36	45	37	1.22	3.0	90%	BF/GF	4	£741,000	4,168	4,168	£906,984	£323	£289	£209	£139
3	H72	Land west of Market Street, Edenfield	Edenfield	20.38	400	26	15.3	37.8	75%	GF	4	£617,500	36,832	36,832	£9,438,488	£357	£324	£260	£193
3	H73	Edenwood Mill, Edenfield	Edenfield	1.23	47	42	1.11	2.7	90%	BF/GF	4	£741,000	3,926	3,926	£820,287	£310	£266	£202	£106
3	H74	Grane Village, Helmshore	Helmshore	6.63	174	35	4.97	12.3	75%	GF	4	£617,500	16,006	16,006	£3,069,857	£417	£382	£314	£246

Policy Impact (per sq.m)			
POS	Playing Pitch	S106	M4 (2)
-£13	-£5	-£9	-£12
-£11	-£5	-£8	-£10
-£14	-£6	-£11	-£13
-£12	-£5	-£9	-£11