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Local Plan Viability Assessment

July 2020

On behalf of

Blackpool Borough Council

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1 Introduction

Lambert Smith Hampton

- 1.1 LSH is a fully integrated commercial property services consultancy with more than 30 offices across the UK and Ireland. LSH works with investors, developers and occupiers from across the public and private sector, managing some of the country's most complex commercial property portfolios. LSH's planning and development consultancy team has considerable experience in developing evidence base documents for local planning authorities ('LPAs') and the planning process, including Local Plan Viability Assessments. LSH is also currently retained by a number of LPAs across the North West region to provide independent site-specific viability analysis.

Background to Commission

- 1.2 Lambert Smith Hampton ('LSH') was appointed by Blackpool Council ('the Council') in June 2019 to advise on and prepare a Local Plan Viability Assessment ('LPVA') to undertake an economic viability assessment of the emerging Blackpool Local Plan Part 2: Site Allocations and Development Management Policies (LP Part 2) including the draft requirements set out in the emerging Affordable Housing Supplementary Planning Document (SPD) and Greening Blackpool SPD in conjunction with adopted policy set out in the Blackpool Local Plan Part 1: Core Strategy and guidance set out in adopted SPD's. This LPVA will form part of the evidence base for the emerging Blackpool Local Plan Part 2: Site Allocations and Development Management Policies Documents.
- 1.3 The Council adopted its Local Plan Part 1 Core Strategy in January 2016. The Core Strategy includes a spatial portrait highlighting the priority issues facing the Borough and sets out a vision underpinned by four goals and 22 objectives. The Core Strategy provides for the delivery of 4,200 new homes and 31.5 hectares of employment land over the period 2012 to 2027. As Blackpool is intensely developed and has highly constrained boundaries, through the duty to cooperate, Fylde Borough Council is accommodating 14 hectares of Blackpool's 31.5 hectares of employment land need.
- 1.4 The Core Strategy was informed by the 2014 Viability Assessment carried out by URS Consultants.
- 1.5 The Blackpool Local Plan Part 2 – Site Allocations and Development Management Policies document is in preparation and was subject to public consultation in early 2019. The informal consultation paper sets out proposed allocations for housing (22 sites); Travellers and Travelling Showpersons (2 pitches and 5 plots respectively on one site); a new Enterprise Zone designation and a new allotment site, alongside 40 draft development management policies.
- 1.6 Following and informed by the consultation, the Council has prepared the Publication version of the Plan which amends the housing allocations without planning permission to 14 sites; proposes a new mixed use site suitable for a convenience retail store in the town centre and excludes the Traveller and Travelling Showperson site allocation, the need having now been met through subsequent planning permissions. Some of the development management

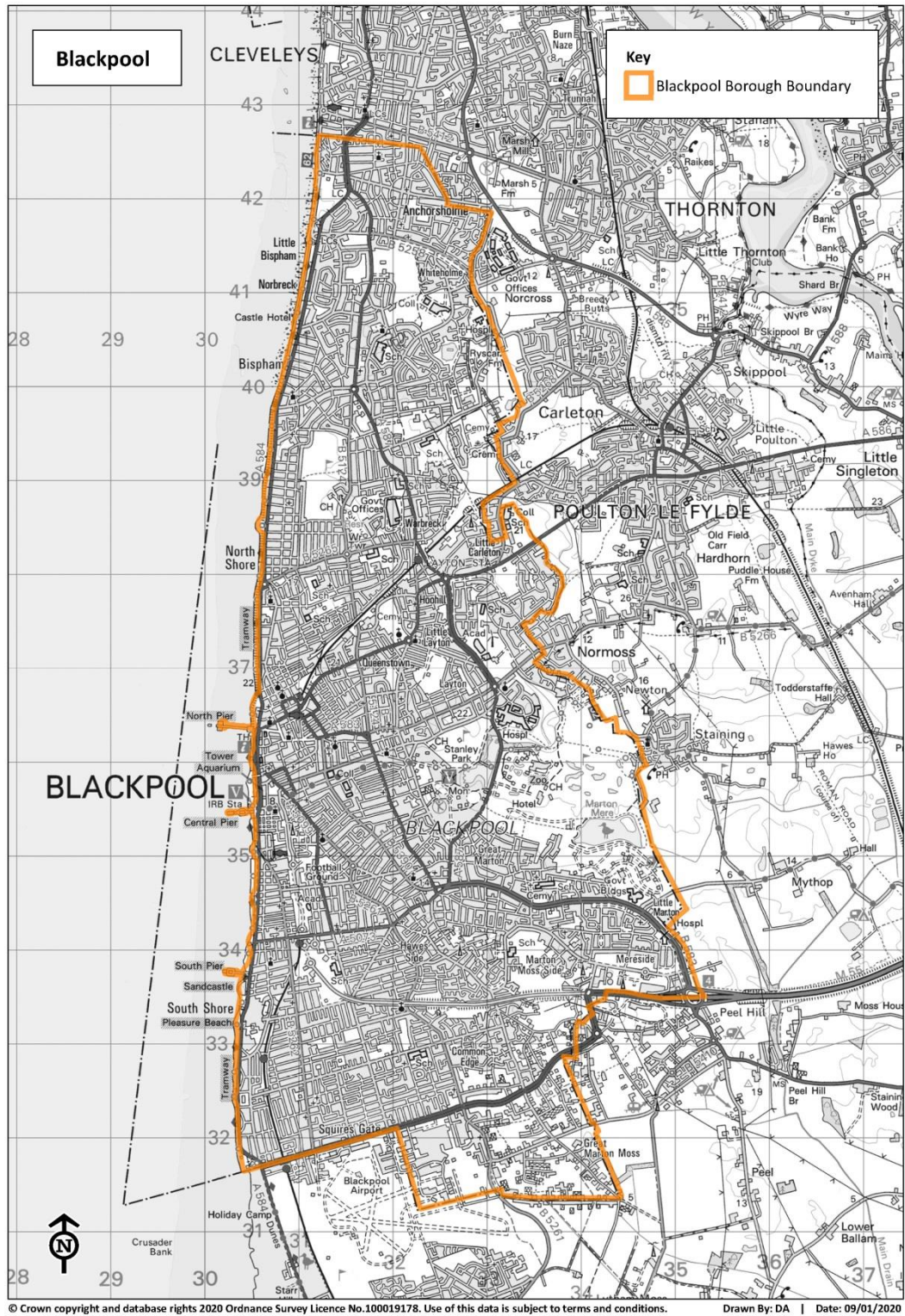
policies have been amended/amalgamated and an additional three policies added to bring the total to 43.

- 1.7 This LPVA will form part of the evidence base to support the preparation of the emerging Local Plan Part 2 (Site Allocations and Development Management Policies) and test the cumulative viability impact of the adopted and emerging Local Plan policies.
- 1.8 The primary objectives of this exercise are to provide an information base to enable Council Officers to make broad brush assumptions on whether genres of sites are likely to be deliverable and to support the progression of the Local Plan towards the examination process.
- 1.9 The information, commentary, findings and advice contained in this LPVA are considered appropriate for a 'high-level' plan-wide evidence-based study and will provide a benchmark for future site specific viability analysis.
- 1.10 The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change.

Blackpool Borough – Overview

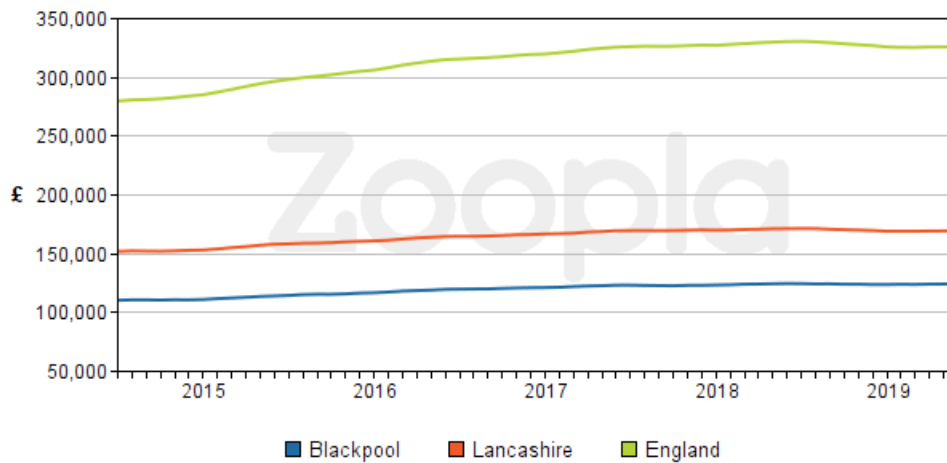
- 1.11 With a resident population of 139,720, Blackpool is the third most densely populated Borough in North West England behind authorities covering the central area of Manchester and Liverpool. The Borough covers an area of approximately 13.5 square miles. Approximately 80% of the urban area is developed, with limited open space particularly in the intensely built up inner area. Beyond the built-up area, approximately 56% (240 hectares of land) is protected by Green Belt, Open Space or SSSI/Reserve. These characteristics provide a real challenge for accommodating new development in the Borough.

Fig 1.1. Blackpool Borough administrative area



1.12 Over the past year Blackpool's residential property market attracted positive headlines, with the town identified as the hottest property market in the UK. In the first half of 2018 pricegrowth topped 17%, the highest growth for any large town or city in the UK. However, house prices in Blackpool remain amongst the cheapest in the UK and average values also lag behind the Lancashire average.

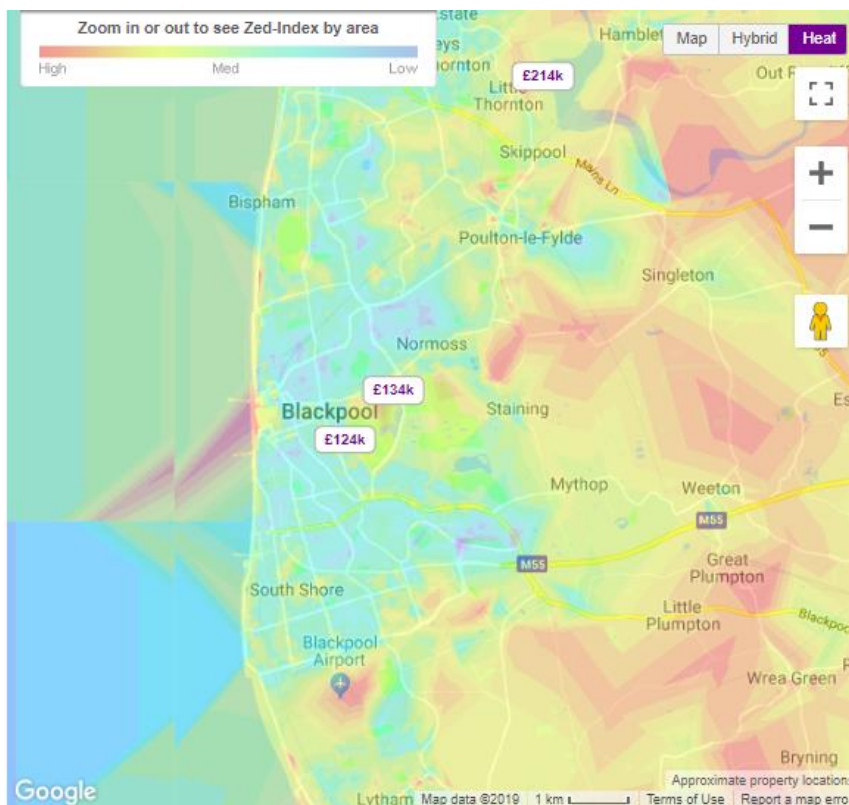
Fig. 1.2. Value Trends Graph – Blackpool, Lancashire, UK (past 5 years)
Value trends



Source: Zoopla 2019 ¹

1.13 Prices to the east and south of the Borough tend to jump significantly, as illustrated by the heatmap below. Cooler colours (blues) illustrate relatively lower values and warmer colours (reds) relatively higher values:

Fig. 1.3. Blackpool Borough house price heatmap



Source: www.zoopla.co.uk (July 2019) ¹

- 1.14 The public sector, retail and accommodation/food and drink are the key sources for employment in Blackpool with manufacturing also playing an important role. Recent development in the town has focused on the Talbot Gateway (a million sq ft mixed-use scheme to regenerate the area around the Blackpool North Station and Talbot Road, being delivered in a partnership between Blackpool Borough Council and Muse Developments) and the Blackpool Airport Enterprise Zone which was incepted in March 2016 and has since generated more than 1,000 jobs, attracted 55 new companies and investment with seven developments complete, two currently under construction and two at the planning stage.

¹ *Zoopla* Area guide for Lancashire: <https://www.zoopla.co.uk/market/lancashire/>

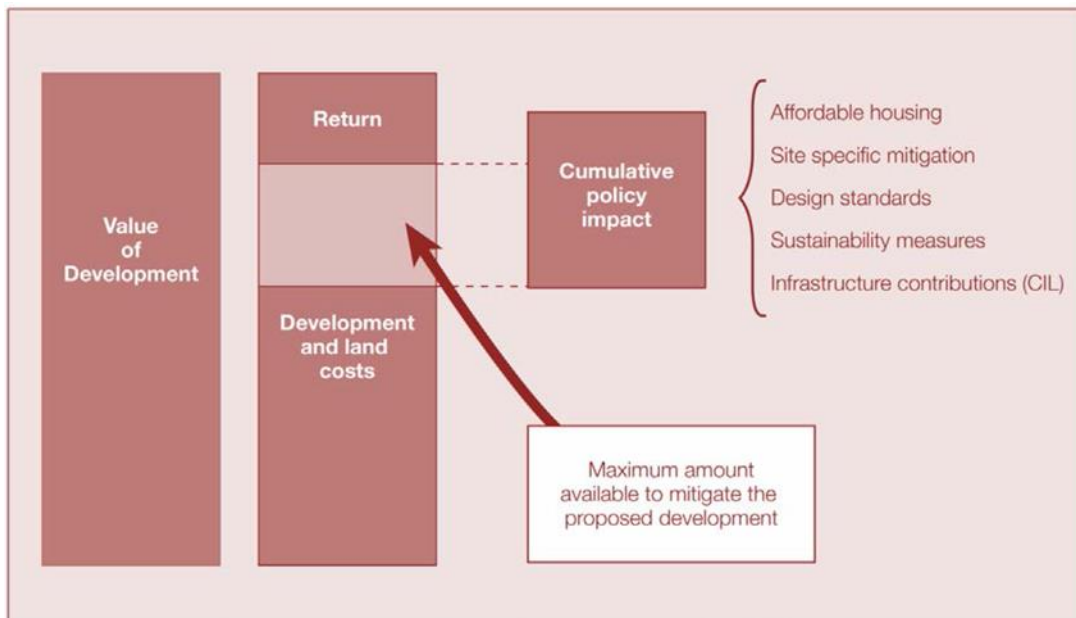
2 National Planning Policy Context

- 2.1 Viability testing in order to objectively assess deliverability has become a key part of the plan-making process. This LPVA has been prepared in this context and takes full account of all relevant primary legislation, statutory regulations, mandatory planning guidance and policy, best practice and potential public policy changes.
- 2.2 This section of the LPVA provides an overview of relevant national policy and guidance.

National Planning Policy Framework

- 2.3 The *National Planning Policy Framework* ('NPPF')², originally published in March 2012 introduced a requirement to assess the viability of the Local Plan. The NPPF was revised in July 2018 and further revised in February 2019. Whilst the fundamental approach to viability has shifted the requirement to assess the viability of emerging Local Plans remains.

Fig 2.1. Cumulative policy impact viability threshold



- 2.4 The NPPF (para 16) sets the broad requirements for plan making. It states that plans should:
- a) *be prepared with the objective of contributing to the achievement of sustainable development;*
 - b) *be prepared positively, in a way that is aspirational but deliverable;***

² 'National Planning Policy Framework' - Ministry of Housing, Communities and Local Government ('MHCLG') (ISBN 978-1-5286-1033-9), February 2019: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NP_PF_Feb_2019_revised.pdf

c) be shaped by early, proportionate and effective engagement between planmakers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;

d) contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;

e) be accessible through the use of digital tools to assist public involvement and policy presentation; and

f) serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area.

- 2.5 The NPPF ² (para 31) requires that preparation and review of ‘all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals’.
- 2.6 With regard to development contributions, the NPPF ² (para 34) 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 that needed for education, health, transport, flood and water management, green and digital infrastructure). **Such policies should not undermine the deliverability of the plan**’ (our emphasis).
- 2.7 Viability testing for deliverability in the context of a Local Plan does not necessarily envisage every emerging allocated site to be capable of delivering all of the LPAs requirements. Indeed some sites will be unviable, for example brownfield sites with a high level of site-specific abnormal costs, even with no planning policies imposed upon them. The NPPF ² envisages that a significant majority of sites put forward for allocation within a Local Plan should be able to viably bear the cumulative impact of policies put forward by the LPA. The ultimate objective in the Local Plan process is to assemble and present the necessary evidence base to an Inspector in order to facilitate the firm conclusion that a Development Plan is deliverable.

National Planning Practice Guidance – Overview

- 2.8 The Government published the ‘National Planning Practice Guidance’ (‘NPPG’) ³ in March 2014 as a live web-based resource which is subject to regular updating. Regular updates are made to the NPPG ³, with most recent updates in July and September 2019. The NPPG ³ replaced over 7,000 pages of planning guidance that was previously published in separate documents. The NPPG ³ adds further context to the NPPF ² and it is intended that the two should be read together. The NPPF ² and NPPG ³ cumulatively set out what the Government expects of LPAs, the overall aim being to ensure that the planning system allows

³ ‘Planning Practice Guidance’ - MHCLG, March 2014 (re-published November 2016, most recent updated October 2019):
<https://www.gov.uk/government/collections/planning-practice-guidance#planning-practice-guidance-categories>

land to deliver new homes and employment whilst protecting valuable natural and historic environments.

2.9 The NPPG³ currently contains guidance on 50 separate topic areas. We will comment specifically on guidance provided on four topic areas of particular relevance to this LPVA:

- Viability
- Housing and economic land availability assessment
- Planning obligations (including guidance the '10 unit threshold')

NPPG – Viability in Plan-making

2.10 A summary of paragraphs within the 'viability'⁴ topic area of relevance to 'viability in plan-making' is set out in the table below:

Table 2.1: Summary of NPPG relating to 'Viability in plan-making'⁴

Paragraph heading	Guidance contained within
Para 001: How should plan makers set policy requirements for contributions from development? (Reference ID: 10-001-20190509)	Plans should set out the contributions expected from development. This should include setting out the types and levels of affordable housing provision required and the cost implications of the Community Infrastructure Levy (CIL) and Section 106.
Para 002: How should plan makers and site promoters ensure that policy requirements for contributions from developments for contributions from development are deliverable? (Reference ID: 10-002-20190509)	Viability assessments should be completed at the plan making stage which should be used to ensure that policies are realistic. It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders to create realistic and deliverable policies. It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks.
Para 003: Should every site be tested? (Reference ID: 10-003-20180724)	Not necessary. Site typologies used to determine viability at policy level. Assessment of samples of sites helpful to support evidence. More detailed assessment may be necessary for key sites on which delivery of plan particularly relies.
Para 004: What is meant by a topology approach to viability? (Reference ID: 10-004-20190509)	A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward. This process, plan makers can group sites by shared characteristics such as location, brownfield or greenfield, size of the site and current and proposed use or type of development. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.

⁴ 'National Planning Practice Guidance - Viability' – Ministry of Housing, Communities and Local Government (online), November 2014 (last updated 1 September 2019)
<https://www.gov.uk/guidance/viability>

Paragraph heading	Guidance contained within
Para 005: Why should strategic sites be assessed for viability in plan making? (Reference ID: 10-005-20180724)	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.
Para 006: How should site promoters engage in viability assessment in plan making? (Reference ID: 10-006-20190509)	Plan makers should engage with landowners, developers and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.
Para 029: how should viability for education provision be addressed? (Reference ID: 10-029-20190509)	When considering viability it is recommended that plan markers and local authorities for education work together to identify which schools are likely to expand and where new schools will be needed as a result of planned growth.

NPPG – Housing and economic land availability assessment

2.11 This topic section of the NPPG ⁵ contains one paragraph of particular relevance to this LPVA:

‘A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site and the capacity of the developer to complete and let or sell the development over a certain period’ (Para 020 Reference ID: 3-020-20190722).

NPPG – Planning Obligations

2.12 Both Section 122 of the Community Infrastructure Levy Regulations 2010 and Paragraph 56 of the NPPF ² stipulate that planning obligations must be:

- necessary to make the development acceptable in planning terms;
- fairly and reasonably related in scale and kind to the development.

2.13 The NPPG ³ contains a specific topic section which provides further detailed guidance on the implementation of planning obligations ⁶. Paragraphs of particular relevance to viability and assumptions to be made within this LPVA are set out below:

⁵ *‘National Planning Practice Guidance – Housing and economic land viability assessment’* – Ministry of Housing, Communities and Local Government (online), March 2014 (last updated 22 July 2019)
<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

⁶ *‘National Planning Practice Guidance – Planning obligations’* – Ministry of Housing, Communities and Local Government (online), March 2016 (last updated 1 September 2019)
<https://www.gov.uk/guidance/planning-obligations>

*'Developers may be asked to provide contributions for infrastructure in several ways. This may be by way of the Community Infrastructure Levy and planning obligations in the form of section 106 (Town and County Planning Act 1990) agreements and section 278 (Highways Act 1980) agreements. Developers will also have to comply with any conditions attached to their planning permission. **Local authorities should ensure that the combined total impact of such requests does not threaten the viability of the sites and scale of development identified in the development plan** (our emphasis)' (Para 003 Reference ID: 23b-003-20190901).*

'Plans should set out policies for the contributions expected from development to enable fair and open testing of the policy at examination. Planning obligations assist in mitigating the impact of development which benefits local communities and supports the provisions of local infrastructure' (Para 004 Reference ID: 23b-004-20190315).

3 Local Planning Policy Context

Local Plan Part 1 – Core Strategy

- 3.1 The Council adopted its Core Strategy in January 2016. The Core Strategy includes a spatial portrait highlighting the priority issues facing the Borough and sets out a vision underpinned by four goals and 22 objectives. The Core Strategy provides for the delivery of 4,200 new homes and 31.5 hectares of employment land over the period 2012 to 2027. As Blackpool is intensely developed and has highly constrained boundaries, through the duty to cooperate, Fylde Borough Council is accommodating 14 ha of Blackpool’s 31.5 hectares of employment land need. The adopted Core Strategy policies and their implications for viability is set out in Appendix 1 with further detail in Section 7 of this assessment.
- 3.2 The Core strategy was informed by the 2014 Viability Assessment carried out by URS Consultants. We have reviewed the URS viability work as part of the subject LPVA commission.
- 3.3 The Local Plan Part 1 – Core Strategy is built on four goals and 21 strategic objectives:

Table 3.1: Local Plan Part 1 – Goals and Strategic Objectives

GOAL 1: Sustainable regeneration, diversification and growth

1. Ensure a balanced approach to regeneration and growth with sustainable development which meets needs of people now and into the future
2. Support new housing provision to deliver a choice of quality homes across Borough for new and existing residents
3. Strengthen local economy through sustainable investment in new enterprise, entrepreneurship and business start-ups, creating better paid jobs and wider choice of employment
4. Enable easier and sustainable journeys within Blackpool and Fylde Coast by integrating transport systems and promoting sustainable modes of travel
5. Create well-designed places for people to enjoy with high quality buildings, streets and spaces, whilst conserving and enhancing Blackpool’s rich heritage and natural environment
6. Address climate change issues by managing flood risk, protecting water quality, reducing energy use and encouraging renewable energy sources
7. Ensure sufficient and appropriate infrastructure to meet future needs

GOAL 2: Strengthen community wellbeing to create sustainable communities and reduce inequalities in deprived areas

8. Develop sustainable and safer neighbourhoods that are socially cohesive and well connected to jobs, shops, local community services including health and education, culture and leisure facilities
9. Achieve housing densities that respect local surroundings whilst making efficient use of land, ensure new homes are of a high quality design, and require a mix of house types, sizes and tenures suitable to the location to re-balance housing market
10. Meet residents’ needs for affordable housing to provide people with a choice of homes they can afford in places they want to live
11. Improve health and well-being of Blackpool’s residents and reduce health inequalities by maintaining good access to health care and encouraging healthy active lifestyles, including access to open spaces, the coast, countryside, sport and recreation facilities
12. Increase access to quality education facilities to improve educational achievement, skills and aspirations
13. Guide provision of traveller sites in appropriate locations where there is an identified need

GOAL 3: Regeneration of town centre, resort core and inner areas to address economic, social and physical decline

14. Sustain a high quality, year-round visitor offer by growing and promoting our tourism, arts, heritage and cultural offer including new high quality attractions, accommodation and conferencing facilities and an exciting programme of national events and festivals

15. Secure investment in retail, leisure and other town centre uses in Blackpool Town Centre to strengthen offer with high quality shopping, restaurants, leisure, entertainment and offices, making the town centre the first choice shopping destination for Fylde Coast residents and an attractive place to visit and do business

16. Establish balanced and stable communities in the inner areas with sustainable housing regeneration and new landmark residential development which improves housing quality and choice

GOAL 4: Supporting growth and enhancement in South Blackpool to meet future housing and employment needs for town and wider area

17. Support economic growth along Airport Corridor and on land close to Junction 4, M55

18. Link the delivery of new housing development in South Blackpool with resort regeneration, for example through New Homes Bonus and commuted sum payments, to create more sustainable housing markets

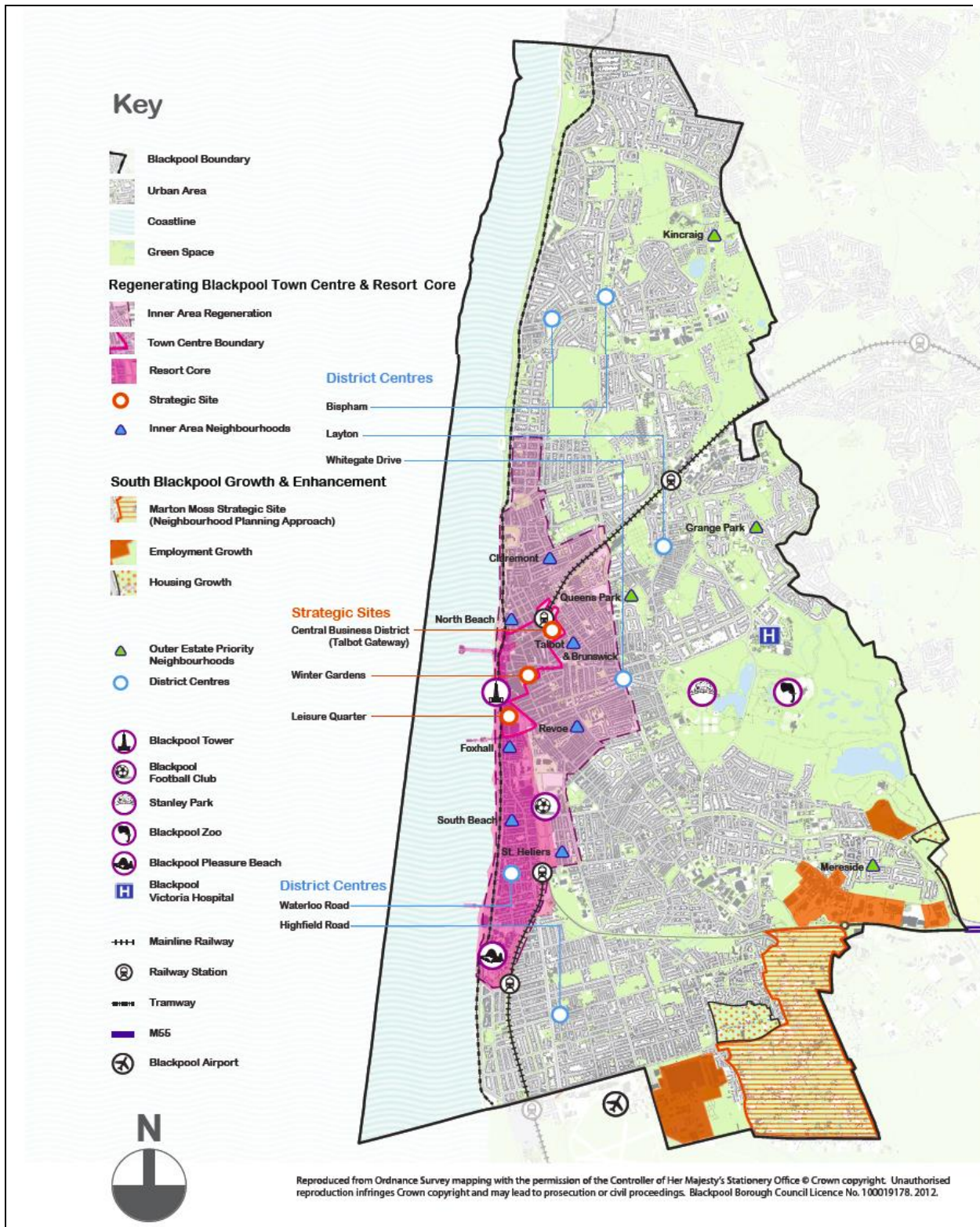
19. Provide a complementary housing offer between new homes in South Blackpool and those delivered through regeneration in inner areas to avoid competition within housing market

20. Balance requirement for new development in South Blackpool whilst recognising distinctive character of remaining lands on Marton Moss

21. Secure necessary infrastructure to enable new sustainable development which integrates with its surroundings, providing choice and convenient access to employment, services and community facilities

3.4 The Key Diagram illustrates the broad locations that will be the main strategic focus for development, investment and growth in Blackpool over the 15 year plan period.

Fig 3.2. Key Diagram of Blackpool Borough Future Development Objectives



Local Plan Part 2 – Site Allocations and Development Management Policies

- 3.5 The Blackpool Local Plan Part 2 – Site Allocations and Development Management Policies document is in preparation and was subject to public consultation in early 2019. The informal consultation paper sets out proposed allocations for housing (22 sites); Travellers and Travelling Showpersons (2 pitches and 5 plots respectively on one site); a new Enterprise Zone designation and a new allotment site, alongside 40 draft development management policies.
- 3.6 Following and informed by the consultation, the Council has prepared the Publication version of the Plan which amends the housing allocations without planning permission to 14 sites; proposes a new mixed use site suitable for convenience retail and multi-storey car park use in the town centre and excludes the Traveller and Travelling Showperson site allocation, the need having now been met through subsequent planning permissions. Some of the development management policies have been amended/amalgamated and an additional three policies added to bring the total to 43.
- 3.7 Good progress has been made in assembling and updating the evidence base to support the preparation of the Local Plan Part 2. The collation of evidence will be an ongoing process to ensure that the Council's understanding of key issues (such as housing and economic development) remains up-to-date. The Local Plan evidence base includes:

Table 3.2: Local Plan Part 2 – Evidence Base

Available Evidence
<ul style="list-style-type: none"> • Housing Monitoring Report (2018-2019) • Blackpool Housing Affordability Study (2019) • Blackpool Retail, Leisure and Hotel Study Final Report (June 2018) • Appendices to the Blackpool Retail, Leisure and Hotel Study (June 2018) • Blackpool Enterprise Zone Masterplan (January 2018) • Fylde Coast GTAA Final Report (October 2016) • Fylde Coast Highways and Transport Masterplan - Consultation Draft (December 2014) • Built Heritage Strategy for Blackpool Consultation Draft (November 2014) • Analysis of Housing Need in light of the 2012 Sub-National Population Projections - SHMA Addendum (November 2014) • Council Response to SHMA Addendum Report (November 2014) • Blackpool Open Space, Sport, Recreation Audit and Position Statement (November 2014) • Blackpool Level 1 Strategic Flood Risk Assessment (November 2014) • Blackpool Playing Pitch Strategy - Draft Update (November 2014) • Blackpool Surface Water Management Plan - Assessment of Options (October 2014) • Housing Requirement Technical Paper (June 2014) • Blackpool Strategic Housing Land Availability Study (SHLAA) 2013 Update (June 2014) • Blackpool Employment Land Study (June 2014) • Employment Land Technical Paper (June 2014)
Available Evidence (continued)
<ul style="list-style-type: none"> • Towards an Objective Assessment of Housing Need in Blackpool - Analysis of Economic and

Housing Forecasts (May 2014)

- Lancashire Enterprise Partnership Strategic Economic Plan (March 2014)
- Blackpool Local Plan and Community Infrastructure Levy Viability Study Report (February 2014)
- Lancashire and Blackpool Local Flood Risk Management Strategy 2014-2017 (2014)
- Fylde Coast Strategic Housing Market Assessment (December 2013)
- Fylde Peninsular SUDS Study (Atkins July 2013)
- Lancashire Enterprise Partnership Growth Plan 2013/14 (April 2013)
- Blackpool Surface Water Management Plan - Modelling Report (March 2013)
- Blackpool Surface Water Management Plan - Risk Assessment (March 2013)
- Action Plan to Improve Bathing Water Across the Fylde Peninsula (Draft 2013)
- Blackpool Nature and Conservation Statement (May 2012)
- Blackpool Local Economy Baseline Study (November 2011)
- Marton Moss/M55 Hub Traffic Impact Assessment (July 2011)
- Local Transport Plan Strategy (April 2011)
- Central Lancashire and Blackpool Outline Water Cycle Study (April 2011)
- Blackpool Climate Change and Renewable Energy Study (February 2010)
- Blackpool Heritage Characterisation Studies (August 2009)
- M55 Hub Habitats Survey (July 2009)
- Marton Moss Characterisation Study (June 2009)
- Marton Moss Background Paper (June 2009)

Evidence Under Preparation

- Housing Topic Paper
- Strategic Housing Land Availability Assessment update
- Gypsy, Traveller and Travelling Showpersons Topic Paper
- Hot Food Takeaways Topic Paper
- Local Centres Assessment Review
- Local Green Belt Review Topic Paper
- Betting Shops, Amusement Centres and Pawnbrokers Topic Paper
- Infrastructure Delivery Plan Update
- Strategic Flood risk Assessment Update
- Open Space Assessment update
- Green and Blue Infrastructure Technical Reports
- Green Infrastructure Topic Paper
- Playing Pitch Strategy Update
- Built Indoor Sports Facilities Topic Paper
- Employment Land Update
- Space Standards Topic Paper
- Authority Monitoring report

3.8 LSH has reviewed the adopted Core Strategy and the emerging Site Allocations and Development Management Policies to identify whether adopted and emerging policies will have a direct, indirect or no impact on development viability. The viability impact matrix is

included at Appendix 1. The viability of Core Strategy policies was previously assessed by URS/HDH in the Blackpool Local Plan and Community Infrastructure Levy Viability Study Report (2014).

3.9 This LPVA reflects the adopted Core Strategy Policies (and these are included in the viability impact matrix at Appendix 1, but focuses on an assessment of the emerging Site Allocation and Development Management Policies. LSH has determined the following policies will have a direct viability impact:

- DM1: Design Requirements for New Build Housing Development
- DM17: Design Principle
- DM21: Landscaping
- DM25: Public Art
- DM41: Transport Requirements for New Development

3.10 A number of these policy requirements are long standing obligations of the planning system (i.e. design and development quality, landscaping and transport requirements) and the costs associated will be factored into existing development costs. Other elements (i.e public art and new policy requirements such as nationally described space standards) will have additional cost either through development or s106 contribution and will be assessed through this LPVA.

3.11 In addition, Policy HSA1: Housing Sites Allocations has been determined to have an indirect impact on development viability. The impact of this is assessed through the identification of sub-market areas and assessment of development viability within these market areas.

3.12 The Council has procured this LPVA to assist and inform the preparation of the updated Local Plan, including the following emerging policy documents:

- Local Plan Part 2 – Site Allocations and Development Management Policies
- Draft Affordable Housing SPD
- Draft Greening Blackpool SPD
- Draft Education Contributions Guidance Document

3.13 The viability impact matrix also identifies the viability impact of the emerging SPDs and Education Contributions Guidance Document.

4 Viability Assessment Professional Guidance

- 4.1 In this Section of the LPVA we detail the professional guidance we have used to establish our method to assess the viability of the various land uses and development typologies described in Chapter 7.

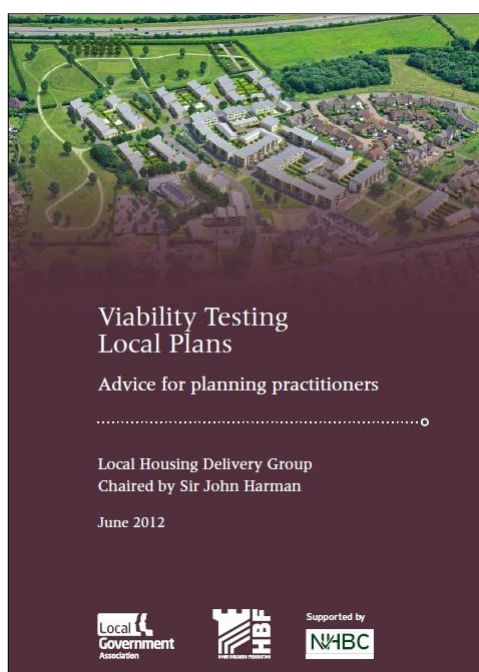
Professional Guidance and Viability

- 4.2 Our LPVA has regard to national planning policy guidance (see Chapter 2) and relevant professional guidance and reports published by various bodies to facilitate this process.
- 4.3 An important source of guidance is ‘Viability Testing in Local Plans – Advice for planning practitioners’ (known as the ‘Harman Report’) ⁷, which provides practical advice for planning practitioners on developing viable local plans and viability testing. The following definition of viability is provided (at page 14):
‘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.’
- 4.4 Royal Institution of Chartered Surveyors (‘RICS’) guidance (Financial Viability in Planning) (known as the ‘RICS Viability Guidance’) ⁸ provides a methodology framework and guiding principles for financial viability in the planning context. It defines ‘financial viability for planning purposes’ as being:
‘An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the Applicant delivering the project.’
- 4.5 The Harman Report ⁷ and the RICS Viability Guidance ⁸ provide useful guidance on key aspects of both plan-wide and site-specific viability testing, including the above definitions of ‘viability’ and the inclusion of detailed commentary on the land value assumption.

⁷ *Viability Testing in Local Plans – Advice for planning practitioners*: LGA/HBF – Sir John Harman (June 2012):
<http://www.nhbc.co.uk/NewsandComment/Documents/filedownload,47339,en.pdf>

⁸ *Financial Viability in Planning* - RICS Guidance Note 1st Edition (GN 94/2012) (RICS, Aug 2012):
http://www.rics.org/Documents/Financial_viability_in_planning_1st_edition_PGguidance_2012.pdf

The Harman Report – Overview



- 4.6 The Harman Report ⁷ was produced in 2012 in the wake of the launch of the NPPF ² and was the culmination of the work of an independent cross-industry steering group featuring stakeholders from across the housebuilding industry convened the previous year by the then Housing Minister (Grant Shapps). This steering group, chaired by Sir John Harman, was charged with supporting the Government's objective to increase housing supply with the production of practical advice for local authorities and planning practitioners on developing viable Local Plans underpinned by a commitments from the Home Builders Federation ('HBF') to engage their members in applying this advice.
- 4.7 The Harman Report ⁷ provides guidance on the task of viability testing in relation to a whole plan and the policies that are being developed as part of plan making. The advice is aimed at those responsible for Local Plans and plan policy making, as well as those with whom planners will work and engage to produce deliverable and sustainable plans. The primary role of a Local Plan LPVA is stated to be *'to provide evidence to show that the [viability and deliverability] requirements set out within the NPPF are met. That is, that the policy requirements for development set out within the plan do not threaten the ability of the sites and scale of that development to be developed viably. Demonstrably failing to consider this issue will place the Local Plan at risk of not being found sound.'* (Page 14).
- 4.8 The Harman Report ⁷ identifies that the most important function of a Local Plan viability assessment is to consider the cumulative impact of policies. This means *'taking account of the range of local requirements such as design standards, community infrastructure and services, affordable housing, local transport policies and sustainability measures, as well as the cost impact of national policy and regulatory requirements. The test should include both existing policies that the planning authority intends to retain and the new policy requirements that it is seeking to introduce.'* (Page 15).
- 4.9 The fact that some of these policy requirements may not be straightforward to cost is highlighted, with the accompanying advice that attempts must be made to *'consider the*

impact of all policies that may result in a development cost or benefit. (Page 15). The challenges that developers and housebuilders face in working with a large number of complex and overlapping standards, many of which are applied at local level are recognised. It is acknowledged that achieving compliance with these standards in combination presents a significant challenge to the industry, as *'the costs of achieving compliance and the burden and costs of demonstrating compliance can...be significant, and in some circumstances can have an impact on viability'* (Page 8).

- 4.10 The Harman Report ⁷ advises that *'The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period ... Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'* (Page 15)...*Because of the potentially widely different economic profiles of sites within a local area...a more proportionate and practical approach [is suggested to be that]...local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies'*. (Page 11).
- 4.11 It is pointed out that 'a plan-wide test will only ever provide evidence of policies being 'broadly viable'. The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is why our advice advocates a 'viability cushion' to manage these risks' (Page 18).
- 4.12 The Harman Report ⁷ sets out the following recommended steps for assessing *'the viability of Local Plans'* (Part Two):

Step 1: Review existing evidence and consider scope for alignment of assessments

- Existing evidence

- *Review existing assessments and their evidence bases [e.g. site specific planning viability audits; viability and market evidence within recent Strategic Housing Land Availability Assessments ('SHLAA's)] to determine what can be used or developed further as part of the plan-wide viability assessment...This will help to reduce the burden and is in line with guidance to consider appropriate and available evidence. Particular consideration should be given to approaches that have been used in the past that have found good levels of support from local stakeholders* (Page 22).
 - In 2014 the Council appointed URS Consultants to prepare a Plan-Wide Viability Study to understand the implications arising from affordable housing requirements and a range of proposed off-site development contributions on the viability of development. The evidence prepared from this viability work assisted in the preparation of the Local Plan, Part 1 'Core Strategy'.
 - We have reviewed this 2014 viability assessment work as part of the subject LPVA commission.

- Alignment of assessments
 - *While considering the potential for other exercises to inform the evidence for a plan viability test, it is also important to explore the potential for aligning or combining future assessments (Page 232).*
 - *This aspect relates particularly to situations where a LPA envisages the foreseeable introduction of a CIL charging regime, where it would be good practice to combine viability testing for the Local Plan and in respect of CIL.*
 - The Council is not currently considering the introduction of CIL and LSH have not therefore been appointed to provide viability testing in this regard.

Step 2: Agree the appraisal methodology, assumptions and information to be used

Consultation with appropriate stakeholders is advocated in order to ‘sense-check’ assumptions and maximise the likelihood of industry ‘buy-in’ to the viability testing process and the subsequent delivery of development in accordance with the policies of a Local Plan. As part of the formulation of this LPVA we have consulted with relevant stakeholders. A register of consultees that attended the stakeholder consultation workshop is included at Appendix 2.

- Existing models and methodologies
 - *The local planning authority should be in a position to make a well-informed judgement as to the merits of any given approach to the viability assessment. Critically, it should make every effort to get stakeholders to agree on the approach and to ensure that the assumptions used are transparent and available to all parties. Most existing models use a residual land value methodology to assess viability. Here, the difference between the value and costs of development are compared with land values to determine whether development will be viable. We recommend that the residual land value approach is taken when assessing the viability of plan-level policies (Page 25).*
 - Further detail on the methodology and modelling that has been utilised in the preparation of this LPVA is detailed at 7.2 to 7.9 below.

- Treatment of viability over time
 - *...it is sensible for the assessment of plan viability similarly to adopt a slightly different approach for the first five years from that taken for the longer term period covered by the plan. The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values...The one exception...should be recognition of significant national regulatory changes to be implemented, particularly during the first five years, where these will bring a change to current costs over which the developer or local planning authority has little or no control...For the period beyond the first five years (i.e. the 6-15 year period), it is suggested that a more*

flexible approach may be taken, recognising the impact of economic cycles and policy changes over time...Inevitably, this will require predicting some key variables...The best a council can realistically seek to do is to make some very cautious and transparent assumptions with sensitivity testing of the robustness of those assumptions...albeit that it should be recognised that the forecasts for the latter part of the plan period are unlikely to be proved accurate and will need review (Pages 26 and 27).

- Sensitivity testing has been adopted within this LPVA. Sensitivity analysis within the viability model assess the impact of increasing and decreasing market values and construction costs.
- Treatment of Threshold Land Value – see 4.13 to 4.20 below.
- Consideration of types of site
 - *...partners should...consider the types of site that are likely to form the supply for development over the plan period. 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. In either case, a reasonably wide variety of sites has to be considered (Pages 31 and 32).*
 - This LPVA has adopted the second approach of viability testing a range of hypothetical sites agreed with the Council and ‘sense-checked’ through consultation with relevant stakeholders. These sites are taken to represent a realistic range of site typologies likely to come forward for development in the emerging Local Plan. Further detail on the nature of the hypothetical sites we have tested is set out in Chapter 7 below.
- Policy requirements
 - *the scoping exercise must also include a thorough consideration of the potential policy requirements within the emerging Local Plan that are to be costed and included within the assessment – that is, requirements that are likely to give rise to added costs of development, and therefore have an impact on viability...Here is a range of requirements that planning authorities may consider:*
 - *Site-specific Sustainability.*
 - *Site-specific Design Demands.*
 - *Community Infrastructure and Services (s106 and CIL).*
 - *Affordable Housing.*
 - *Adoption Costs, Bonding, etc.*
 - *Transport Policies.*
 - *Where these are proposed, their cost impact should be included within the viability assessment (Page 33).*
 - We are aware of typical ranges of affordable housing and s106 contributions agreed in respect of approved schemes within the Borough over the past

three years. In our experience it is unlikely that an LPVA will reveal significant changes in the viability of potential schemes within a specific LPA area. Even if an LPVA did reveal such viability changes it is unlikely the market would tolerate extreme shifts in planning policy on issues of relevance to viability from one Local Plan period to the next. Consequently we take the view that the Council's recent 'track record' in respect of affordable housing and s106 contributions is of direct relevance to this LPVA. This has influenced the parameters we have viability tested within and the range over which specific assumptions have been sensitivity tested.

- We also hold data, which has been 'sense-checked' with stakeholders, on the cost effect of sustainability and design demands. This cost information has been built into the assumptions we have adopted.

Step 3: Information gathering and viability modelling

Consultation with appropriate stakeholders with knowledge of the local market (*'estate agents, developers, registered providers, land agents and local surveyors and valuers'* Page 34) is again advocated in order to 'sense-check' assumptions. As part of the formulation of this LPVA we have consulted with relevant stakeholders. A register of attendees at the stakeholder consultation workshop is included at *Appendix 2*. The specific assumptions we have adopted within this LPVA in respect of development revenues, costs, developer return and land values are set out in Chapter 7 below.

- *Development revenues and costs*
 - *Revenue*
 - Average figures for types of development envisaged, based on local housing net sales values
 - Value received by developer for affordable housing
 - *Build costs*
 - *Based on BCIS or other appropriate data, adjusted only where good evidence for doing so based on specific local conditions and policies including low quantities of data (Page 34)*
 - *External works, infrastructure and site specific abnormal costs*
 - *...likely to vary significantly from site to site. [LPA] should include appropriate average levels for each type of site unless more specific information is available. Local developers should provide information to assist in this area where they can, taking into account commercial sensitivity. (Page 35)*
 - *Site acquisition costs*
 - *Site specific mitigation*
 - Average figures for types of development envisaged for infrastructure items such as flood protection, sustainable urban drainage schemes (SUDS), ecological considerations, and off-site highways works. Where possible,

engagement with utility providers, Highways England, Environment Agency, land owners and site promoters is encouraged.

- *Fees*
 - Will vary with the changing complexity of sites and should reflect likely nature of sites coming forward for development.
- *Sales and marketing costs*
- *Finance costs*
- *Common viability testing problems to be avoided:*
 - Overlooking the distinction between the gross site area and the net developable area (the gross to net ratio can often be circa 50% on larger sites).
 - Use of BCIS build cost data and failure to include an additional allowance for external site and infrastructure costs
 - Application of finance costs to only build costs and not purchase and infrastructure costs.
 - Overlooking the cost of promoting schemes and associated fees, over and above planning fees.
- *Return on development and overhead*
 - *The level of overhead will differ according to the size of developer and the nature and scale of the development. A 'normal' level of developer's profit margin, adjusted for development risk, can be determined from market evidence and having regard to the profit requirements of the providers of development finance...Smaller scale, urban infill sites will generally be regarded as lower risk investments when compared with complex urban regeneration schemes or large scale urban extensions (Page 36).*
- *Land values*
 - *In order to determine an appropriate 'current use value', planning authorities should take up-to-date advice from local agents and valuers. This is likely to give a more locally accurate picture than relying on nationally available datasets...What ultimately matters for housing delivery is whether the value received by the land owner is sufficient to persuade him or her to sell their land for development (Page 37).*

Step 4: Viability appraisal and tests

Once assumptions have been agreed an initial viability assessment can be carried out, initially on a high-level basis. Subsequent detailed analysis can follow, where appropriate. *The appraisal should be able to provide a profile of viability across a geographical range and/or range of different types of site. This will be far more informative than blanket averages for the whole area...Once this profile is established, it may also help to include some tests of...actual sites likely to come forward for development if this information is available. This will allow a sense check of the profile. (Page 38).*

Step 5: Review outputs, refine and revise the modelling

The LPA should share initial outputs from viability modelling with relevant stakeholders for comment. Consultants (where utilised) should be on hand to explain technical detail. Initial outputs may lead to the need to change some assumptions to more closely achieve a balance between community aspirations and viability. Alternatively it may be that alternative policy options can be suitably illustrated by sensitivity testing. Local members and relevant stakeholders should be fully briefed on the purpose and outcome of any revised modelling. Where the assessment indicates significant risk to delivery there may be the need to lower or revise policy aspirations and/or allocate a greater quantity or a different mix of land.

Keeping the viability of plan policies under review

Once the Local Plan has been adopted further supplementary policies directly affecting costs and viability should not be introduced without an appropriate and robust viability review. Where plan-wide viability testing evidence is found sound it is easier to proceed with periodic 'refreshes' of assumptions and testing using the same methodology. Where policies have been set with a 'viability cushion', modest changes in development variables should not overly affect viability and deliverability. Where the rate of delivery meets plan's delivery assumptions it is unlikely that a specific review will be necessary. This should be monitored on an annual basis, potentially alongside key variables such as house prices, finance costs, build costs and land values.

The Harman Report – Threshold Land Value

- 4.13 One of the key issues for plan wide viability analysis is the Threshold Land Value ('TLV') – defined in the Harman Report ⁷ as *'the value at which a typical willing landowner is likely to release land for development.'* (Page 28)
- 4.14 The Harman Report ⁷ recommends that when considering the appropriate TLV, account needs be given to *'the fact that future plan policy requirements will have an impact on land values and owners' expectations'*. Concern is expressed that *'using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy'* (Page 29).
- 4.15 The Harman Report ⁷ recommends that *'the (TLV) is based on a premium over current use values and 'credible' alternative use values'*. However, it is accepted that *'alternative use values are most likely to be relevant in cases where the Local Plan is reliant on sites coming forward in areas (such as town and city centres) where there is competition for land among a range of alternative uses'* (Page 29).
- 4.16 The Harman Report ⁷ does not prescribe what the premium over existing use value should be, but proposes that this should be *'determined locally (and) it is important that there is evidence that (the ratio utilised) represents a sufficient premium to persuade landowners to sell'* It is

further recognised that in certain circumstances, particularly in areas where landowners have *'long investment horizons'* (e.g. family trusts, Crown Estate, Oxbridge Colleges, Financial Institutions), *'the premium will be higher than in those areas where key landowners are more minded to sell'* (Page 30).

- 4.17 The Harman Report ⁷ states that reference to market values can provide a useful *'sense check'* to the assumed TLV used in the viability model, but *'it is not recommended that [this is] used as a basis for the input to a model'* (Page 29). *'Local sources should be used to provide a view on market values (the 'going rate'), as a means of giving a further sense check on the outcome of the current use plus premium calculation'* (Page 30).
- 4.18 This section of the Harman Report ⁷ also highlights a range of specific circumstances where any perceived *'premium'* over existing (current) use value is likely to vary significantly, for example;
- Urban sites with alternative potential uses
 - Large greenfield sites (*'where a prospective seller is potentially making a once in a lifetime decision over whether to sell an asset that may have been in [the same] ownership for many generations. Accordingly, the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context'*, Page 30).
 - Smaller, edge-of-settlement greenfield sites (*where 'landowners' required returns are likely to be higher than those associated with larger greenfield sites'*, Page 31).
- 4.19 Based upon our considerable experience of the property market the approach advocated in the Harman Report ⁷ risks ignoring the workings of the property market, where almost all willing landowners are driven by achieving the best return for land sales. Judgements on the potential return will in the vast majority of circumstances be based on market evidence of what has been achieved in other recent sales.
- 4.20 We would advocate a land value assumption based on an appropriate reduction to historic market values, reflecting potential emerging / proposed planning policies. It is, however, important for planners and viability consultants to appreciate that the market will generally only tolerate an increase to the perceived policy burden by a certain degree. For example, if a LPA had an existing policy regime which required the provision of 10% on-site affordable housing on sites of more than ten units, if sales or land value evidence showed little recent change, a proposed increase in an emerging Local Plan to 50% on-site affordable housing would be unlikely to be conducive to the ongoing delivery of residential development at the same rate as the existing policy regime.

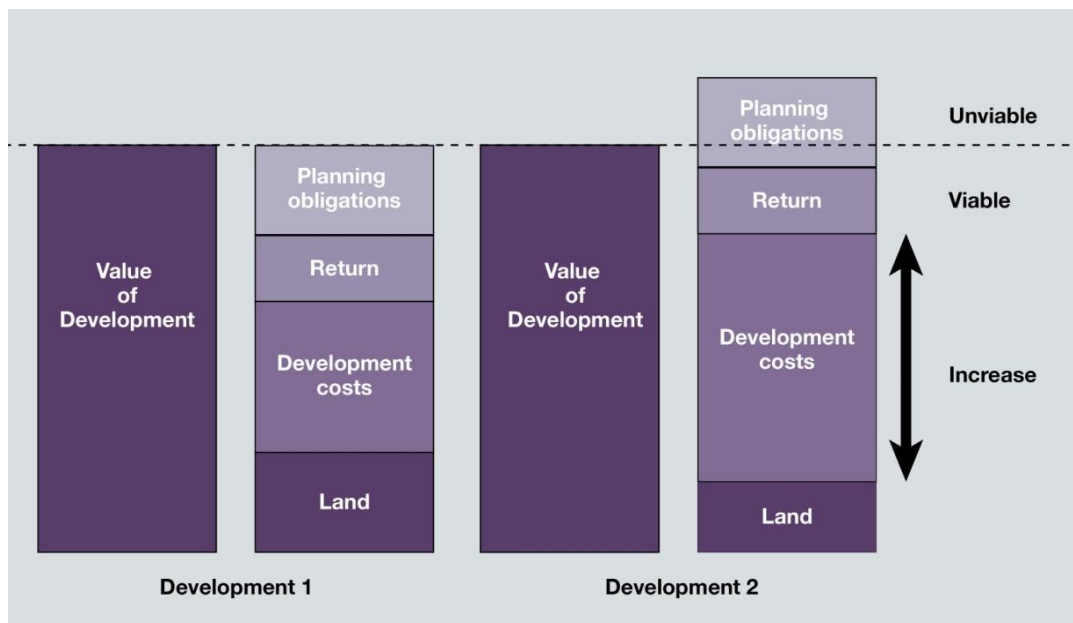
RICS Viability Guidance – Overview



- 4.21 The RICS Viability Guidance ⁸ was published shortly after the Harman Report in August 2012 to provide RICS accredited viability practitioners with guidance on how the viability test required by the NPPF ² can be satisfied. It is less academic and much more ‘market facing’ in its approach and includes technical guidance on determining an appropriate site / benchmark value. The RICS Viability Guidance ⁸ *‘provides all those involved in financial viability in planning and related matters with a definitive and objective methodology framework and set of principles that can be applied mainly to development management. The principles are however applicable to the plan making and CIL (area wide) viability testing.’* (Page 4)
- 4.22 Whilst in some respects the RICS Viability Guidance ⁸ and the Harman Report ⁷ can be seen as complimentary, there are contradictions between the two papers, particularly insofar as the determination of an appropriate benchmark or TLV.
- 4.23 When undertaking a viability assessment for planning purposes, LSH takes full consideration of the RICS Viability Guidance ⁸, which provides a definitive and objective methodology framework to support plan wide and affordable housing viability assessments. It is grounded in the statutory and regulatory planning regime that currently operates in England, consistent with the Localism Act 2011, the NPPF and Community Infrastructure Levy (CIL) Regulations 2010.
- 4.24 The RICS Viability Guidance ⁸ identifies that the fundamental issue in considering viability assessments in a ‘planning context is whether an otherwise viable development is made unviable by the extent of planning obligations or other requirements’ (Page 10, Para 2.1.2).

4.25 The RICS Viability Guidance⁸ illustrates this issue through an illustrative diagram (see Fig 4.1 below). The development economics of Development 1 is such that policy requirements can be met whilst also meeting a reasonable site value, development costs and a market risk adjusted return for the development. Under Development 2, costs have increased, while development values have remained static and the proposed site value is slightly reduced. The impact of this is that Development 2 is potentially unviable.

Fig 4.1. RICS Viability Guidance – Comparative development viability



Source: RICS Financial Viability in Planning – RICS Guidance Note 1st Edition

4.26 In general circumstances, the RICS Viability Guidance⁸ proposes the use of a residual appraisal methodology for financial viability testing. The residual method:

recognises that the value of a development scheme is a function of a number of elements: the value of the completed development (gross development value (GDV)); the direct costs of developing the property (gross development cost (GDC)); the return to the developer for taking the development risk and delivering the scheme; the cost of any planning obligations, and the cost or value of the site. The residual approach is used for development situations where the direct comparison with other transactions is not possible due to the individuality of development projects. However, practitioners will seek to check residual development appraisals with market evidence (Page 11, Para 2.2.1).

4.28 A residual appraisal facilitates an assessment of the impact of planning obligations or policy implications on viability. This method allows for either the level of developer return or site value to be inputted with the consequential output (either a residual land value or return respectively) being used to compare to a target return or value, known as a benchmark, having regard to the market.

4.29 Fig 4.2 (below) shows the key elements in a development / residual appraisal model:

Fig 4.2. The Residual Appraisal Method

<p style="text-align: center;">Residual Value approach with land value as output Gross Development Value (The combined value of the complete development) LESS Gross Development Cost (Cost of creating the asset, including a profit margin) (i.e. Construction + fees + finance charges + profit) = RESIDUAL LAND VALUE <i>(which is then compared with acceptable competitive return for willing landowner)</i></p>
<p style="text-align: center;">Residual Value approach with developer profit as output Gross Development Value (The combined value of the complete development) LESS Gross Development Cost (Cost of creating the asset, including a purchase of land) (i.e. Land + Construction + fees + finance charges) = RESIDUAL PROFIT (RETURN) <i>(which is then compared with acceptable competitive return for willing developer)</i></p>

4.30 If the residual appraisal output (residual land value or residual profit) is above the target benchmark, in the context of a set of reasonable and realistic development assumptions, then a scheme is considered to be viable. If the residual output is close to or slightly below the benchmark then the scheme is likely to be of marginal viability. If the residual output is significantly below the benchmark the scheme will be considered to be unviable and one or more costs of the scheme (land value, planning contributions development costs or profit) will need to be reduced in order for the scheme to proceed.

4.31 The RICS Viability Guidance ⁸ provides the following definition of Site Value:

Site value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan' (Page 12, Para 2.3.1).

4.32 Any assessment of Site Value will also have regard to prospective planning obligations while also having regard to the prevailing property market.

4.33 In the context of plan-wide viability testing the RICS Viability Guidance ⁸ puts forward a second assumption that needs to be applied to the definition of Site Value:

'Site value (as defined above) may need to be further adjusted to reflect the emerging policy...The level of the adjustment assumes that site delivery would not be prejudiced. Where an adjustment is made, the practitioner should set out their professional opinion underlying the assumptions adopted. These include, as a minimum, comments on the state of the market and delivery targets as at the date of assessment' (Page 12, Para 2.3.3)

4.34 The RICS Viability Guidance ⁸ adopts the RICS definition of market value as the appropriate basis to assess site value (see 4.31 above). This is consistent with NPPF ², which

acknowledges that 'willing sellers' of land should receive 'competitive returns'. Competitive returns can only be achieved in a market context (i.e. market value) not one which is hypothetically based with an arbitrary mark-up applied, as in the case of existing use value (or current use value) plus a premium.

Existing Use Value Plus

- 4.35 The RICS Viability Guidance ⁸ provides specific commentary on the issues that can arise where viability testing is undertaken with assumed site value based on 'EUV plus a premium', rather than on the basis of market value adjusted to take account of existing and emerging development plan policies:
- One approach has been to adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does not reflect the workings of the market as land may not be released at CUV or CUV plus a margin (EUV plus). It is possible, however, that current use represents market value, providing that the CUV is in excess of the residual value produced by a proposed development (Page 17, Para 3.4.1).*
- Once a Site Value...has been established, and therefore has regard to the market, it is of course possible to show ('back out') how this can be disaggregated in terms of EUV plus the premium element. Practitioners and users will see the significant variance that can occur between different schemes in respect of the 'premium' element. This is why the practice of applying a singular approach, i.e. in the absence of market testing, of so called standard mark ups (the 'premium') to EUV is arbitrary, does not reflect the market, and can result in the over or under valuing of the site in question (Page 17, Para E.1.11).*
- 4.36 Whilst 'EUV plus a premium' can be useful to help 'triangulate' the market value for a particular site, the emphasis does have to be on property market evidence if the scheme is to be grounded in reality and therefore deliverable.
- 4.37 The revised NPPG ⁴ states that *'benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)' (Paragraph: 013 Reference ID: 10-013-20190509).*
- 4.38 The NPPG ⁴ goes on to advise that *'In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and*

provide evidence to inform this iterative and collaborative process’.

- 4.39 Consequently, we take the view that the NPPG ⁴ is effectively advocating the approach commended by LSH and the RICS Viability Guidance ⁸ that the emphasis does have to be on property market evidence and stakeholder engagement if the scheme is to be grounded in reality and therefore shown to be deliverable.

5 Residential Market Context

Residential Market Context – National

- 5.1 According to the *Rightmove* House Price Index ⁶ for June 2019, the average price of UK property coming to the market increased by 0.3% (+£1,058) compared to the previous month at £309,348. This represents an annual increase of 0.0%.
- 5.2 RICS publish a monthly UK residential market survey which provides an indication of current and future conditions in the UK residential sales and lettings market. This survey is published monthly⁷ and provides the following headline findings:
- New buyer enquiries steady over the month (first time since June 2018 in which survey participants did not cite decline in buyer demand)
 - Indicators on sales, prices and new instructions remain slightly negative, albeit less so than previously
 - Expectations point to a gradual improvement in activity over the next twelve months
- 5.3 The surveys highlight that sales activity continues to lack momentum and price growth is reported to have come to a standstill at the national level, with regional patterns displaying a mixed picture and London and the South East displaying the most negative trends. The number of recorded transactions picked up modestly in Wales and Northern England. Price growth is noted in Scotland, the North West and North East, with the North West returning the strongest expectations of growth for the coming year.
- 5.4 Reference is made to the political and economic uncertainty arising from the ongoing Brexit process, causing hesitancy from both buyers and vendors.
- 5.5 The survey notes that there continues to be a lack of supply, with new instructions falling for the eleventh consecutive month during May. Consequently, average stock levels on estate agents' books remain close to record lows, limiting choice for potential home buyers. The lettings market has shown similar trends, with landlord instructions continuing to decline. With tenant demand increasing modestly for a fifth month in a row, near term rental growth expectations are now more elevated than at any point since May 2016, with rent expected to rise across all regions.
- 5.6 It is the view of LSH, that over the longer term, Brexit's potential to reduce net migration levels teamed with slowing population growth is also likely to weaken the under-supply pressures. These pressures have in part, contributed to increases in house prices seen over the past

⁶ *Rightmove* House Price Index: <http://www.rightmove.co.uk/news/house-price-index/>

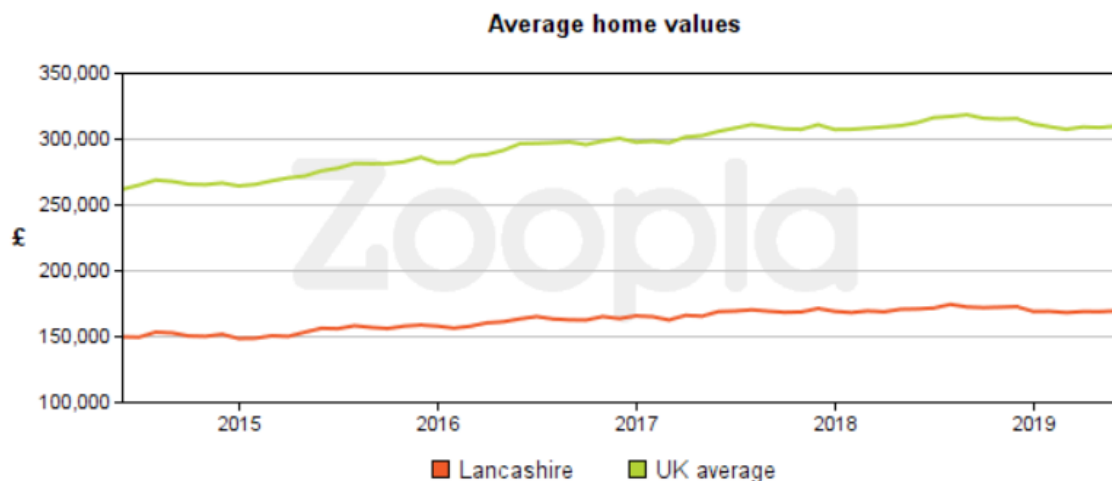
⁷ *RICS UK Residential Market Survey (May 2019)*: <https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-residential-market-survey-may-2019-rics.pdf> decade.

- 5.7 2019 is likely to be important for the housing market with much of the immediate focus on what impact Brexit may have. However, more fundamentally it is key underlying factors of supply and demand that will ultimately shape the market.
- 5.8 Nationally, on the supply side the most constraining factor to the health of the market is the shortage of stock for sale, although this does support price levels. On the demand side we see very high employment levels, improving real wage growth, low inflation and low mortgage rates. All positive drivers tempered by the challenges of raising deposits.
- 5.9 It is widely believed that interest rates will rise to 2.25% by 2022, ending the record low rates enjoyed by borrowers over recent years. Increased rates of borrowing will have a direct impact on households and puts an end to the loose monetary policy which was another contributing factor to rapid house price growth.

Residential Market Context – Regional

- 5.10 The graph below compares national home value trends in the County of Lancashire and the UK. The county's average home value over the last 12 months is in the region of £170,000, which is approximately 55% of the UK average. It should be pointed out that this average house price is, in part, reflective of the nature of housing stock in the key settlements of the County, comprising a predominance of small terraced properties.

Fig. 5.1. Value Trends Graph – Lancashire, UK (past 5 years)



Source: Zoopla 2019 ¹

- 5.11 The table below shows average prices paid for different property types across the county of Lancashire over the past 12 months. The table also sets out current estimates of value made by Zoopla ¹ for each of these property types:

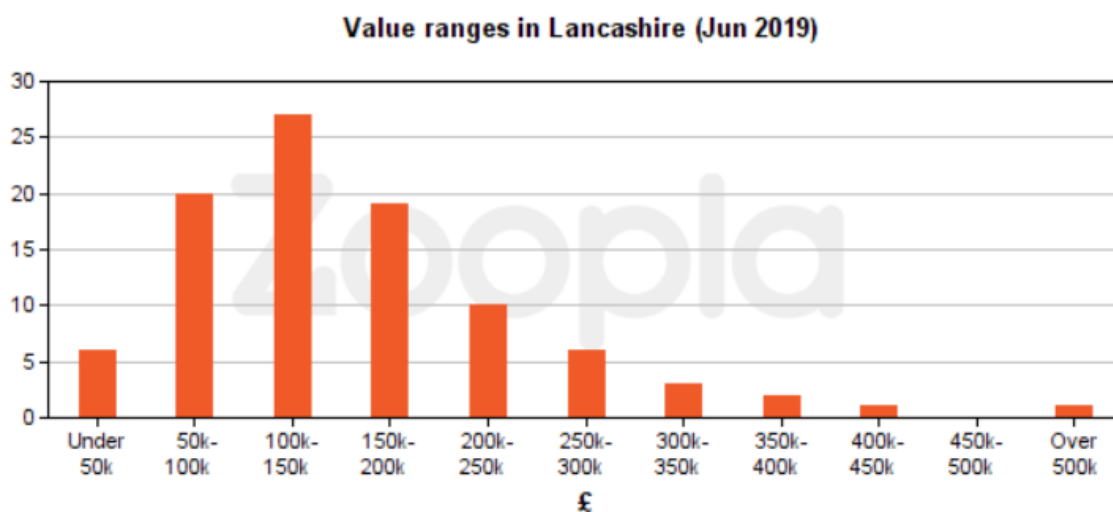
Fig. 5.2. Lancashire current average values and price paid (over past 12 months)

House Type	Average Price Paid	Current Average Value	Average £/sq ft
Detached	£279,090	£293,510	£211
Semi-detached	£160,641	£164,217	£182
Terraced	£106,310	£107,394	£148
Flats	£115,266	£121,473	£175

Source: www.zoopla.co.uk (June 2019)

- 5.12 The table below illustrates current average value ranges as a percentage of total housing stock within the county, as estimated by Zoopla¹:

Fig. 5.3. Lancashire current average value ranges (June 2019)



Source: www.zoopla.com (June 2019)¹

Geographical and Economic Overview – Blackpool Borough

- 5.13 The wider urban area of the Fylde Coast encompasses Blackpool and adjoining settlements of Fleetwood, Cleveleys, Thornton, Poulton-le-Fylde and Lytham St Annes.
- 5.14 The administrative area of Blackpool Borough covers an area of approximately 13.5 square miles, with the Borough boundary wrapped tightly to the urban edge. In fact recent development allocations by neighbouring authorities have arguably led to the formation of suburbs of the town outside of its administrative area.
- 5.15 The Borough of Blackpool was given unitary status in 1998 and separated, for all but ceremonial purposes, from the county of Lancashire. The Borough lies on the Irish Sea between the Ribble estuary to the south and the Wyre estuary to the north, 15 miles west of Preston and 40 miles north-west of Manchester. The Borough adjoins the Lancashire boroughs of Wyre to the north and north-east and Fylde to the south and south-east.
- 5.16 The population of the Borough grew rapidly during the industrial revolution of the nineteenth century as a result of connection to the railway network in 1846 which facilitated the

subsequent rise of mass seaside tourism. This was particularly fuelled by the advent of 'wakes weeks' within the Lancashire and West Riding textile industries, whereby each town would close its mills on different weeks during the summer, to facilitate maintenance of machinery, whilst workers and their families were transported to Blackpool by railway.

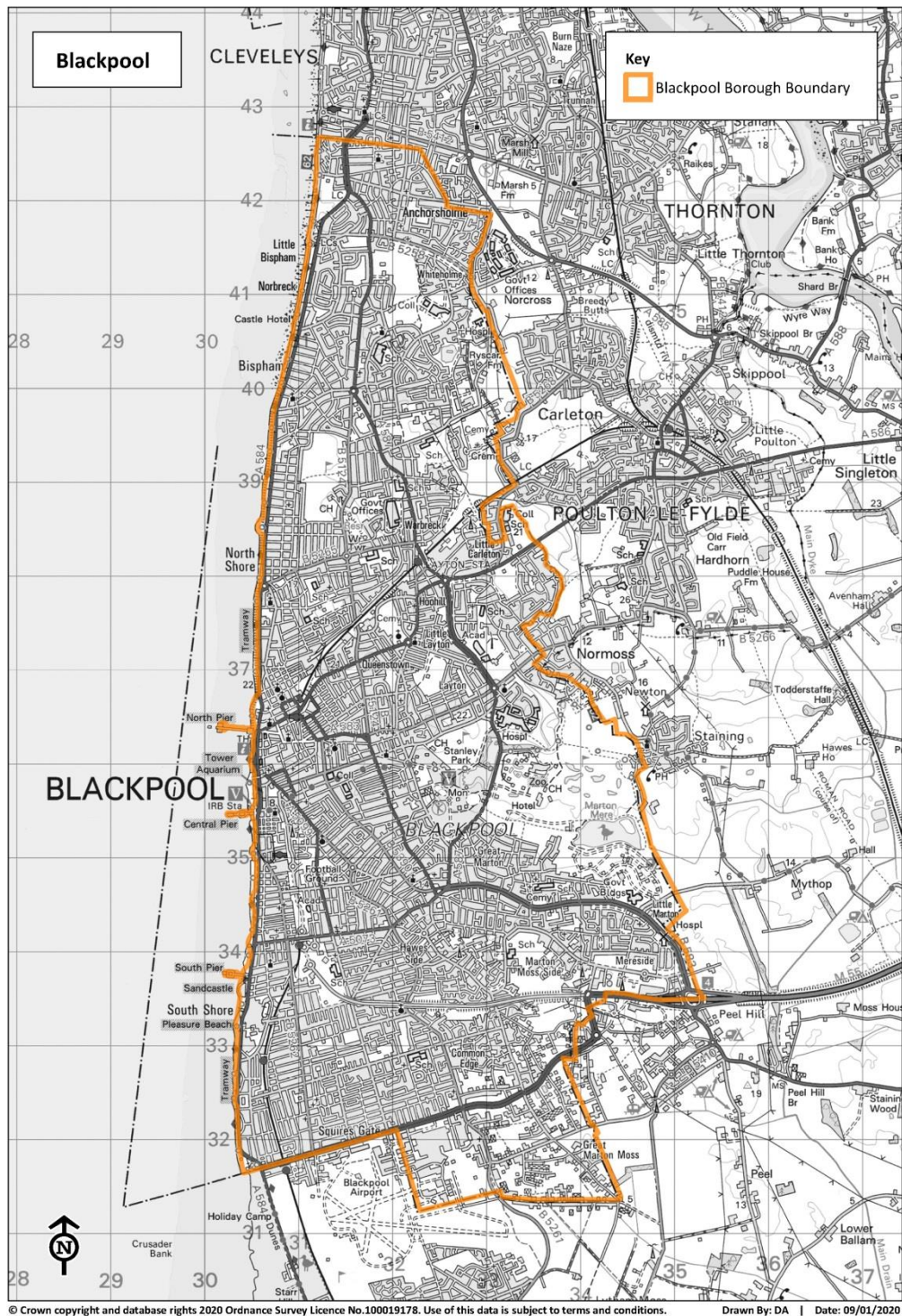
- 5.17 By the 1880s, Blackpool was a booming seaside resort with a promenade featuring piers (North Pier 1863; Central Pier 1868; South Pier 1893), trams (1885), public houses and theatres (Winter Gardens 1878; Opera House 1888). By this time the recently incorporated Borough had a population of around 20,000 and was capable of accommodating 250,000 holidaymakers. The 1890s saw the estimated number of annual visitors reach three million and the construction of two of the town's most prominent buildings – Blackpool Tower and the Grand Theatre (both 1894). By 1901 the population was 47,000 and by 1951 the population had grown to 147,000. The number of tourists visiting the town reached a peak of 17 million during the 1950s.
- 5.18 Blackpool's tourism sector property offering came to be dominated by a mix of large seafront hotels and a plethora of small hotels and bed and breakfast premises within the inner core area of the town.
- 5.19 During the late 20th century the decline of the textile industry and the advent of cheap foreign package holiday travel led to a significant reduction in the numbers of tourists visiting Blackpool. The town was linked to the national motorway network by the M55 in 1975 which has resulted in a greater proportion of day-trip visitors. The local economy and urban fabric, however, remains relatively undiversified and predominantly geared towards the past overnight accommodation requirements of the tourism sector.
- 5.20 In response to the town's challenges, the Local Authority has taken a pro-active approach to the comprehensive regeneration of the resort and the diversification of the local economy. Considerable public sector investment has already taken place in the resort including the Resort Core and adjacent Town Centre. Over £300m has been invested in the promenade upgrade including the Tower Festival Headland Comedy Carpet, sea defences and tramway upgrade. Around £26m has helped to secure a portfolio of key assets in the Town Centre including the Tower, Winter Gardens and property purchases on the Leisure Quarter site through ERDF, NWDA/HCA funding and prudential borrowing by the Council. Further investment in the town centre public realm has taken place through the Brilliance and St. John's Square projects. Current and future investment continues to support the Town Centre and Resort Core to underpin and capitalise on past public investment to ensure the development of a sustainable visitor economy. In addition, to support the diversification of the economy the Council successfully bid for Enterprise zone status at Blackpool Airport which became operable in 2016.

Fig. 5.4. Blackpool Borough within context of Lancashire and England



Source: Ordnance Survey / Wikipedia

Fig. 5.5. Blackpool Borough administrative area



5.21 The 2018 mid-year population estimate total for the authority was 139,305⁸, this can be compared to a 2011 census figure of 142,100⁹. In contrast to regional and national predictions of population growth, it is estimated that between 2016 and 2025 the population of Blackpool will decrease by 2.5%, but will then stabilise until 2041⁸. As a coastal seaside resort Blackpool is home to a higher than average proportion of older people. It is projected

that the number of households in Blackpool will increase by 0.4% between 2016 and 2041, compared to a forecast of 23.1% for England as a whole ⁸. The median house price to earnings ratio of 4.84 in the authority is amongst the lowest in the north-west (overall average for region is 5.82). In comparison the ratio for England is 8.00 ¹⁰.

5.22 The table below gives further economic statistics for Blackpool Borough compared with the wider North West area and Great Britain, as a percentage of the population:

Fig. 5.6. Percentage of population economically active in context

Category	Blackpool	North West	Great Britain
Population aged 16-64	60.9%	62.3%	62.7%
Economically Active	77.2%	77.1%	78.9%
Unemployment	6.1%	4.0%	4.1%

Source: NOMIS, Labour Market Profile – Blackpool (2018) ¹⁰

5.23 In 2018 66,300 people within the Borough were in employment. The sectors employing the highest number of people in Blackpool during 2018 were Human Health and Social Work Activities (22.2%; which can be compared to the North-West average of 13.4%); Wholesale and Retail Trade and Repair of Motor Vehicles (15.9%) and Accommodation and Food Service Activities (12.7%; which can be compared to the North-West average of 7.1%). The much higher than average proportion of employment within ‘Human Health and Social Work’ is due in part to the presence of the regionally important Blackpool Victoria Hospital within the Borough. The number of people employed in this sector is also indicative of the extent of social and health deprivation within the Borough. The Blackpool Health Profile, published by Public Health England, reveals that life expectancy at birth in Blackpool was the lowest for males (74.2) and females (79.6) in England (79.6 and 83.1 respectively) for the 2015-17 period ¹².

⁸ Lancashire County Council – ‘Blackpool Unitary’ Snapshot

<https://www.lancashire.gov.uk/lancashire-insight/area-profiles/local-authority-profiles/blackpool-unitary/>

⁹ ONS – 2011 Census of Population

¹⁰ Lancashire County Council – House price to earning ratios

<https://www.lancashire.gov.uk/lancashire-insight/population-and-households/households-and-housing/house-price-to-earnings-ratios/>

¹¹ NOMIS official labour market statistics, Labour Market Profile – Blackpool:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157096/report.aspx>

¹² Public Health England, Local Authority Profiles – Blackpool:

<https://fingertips.phe.org.uk/profile/health-profiles/data#page/0/qid/1938132696/pat/6/par/E12000002/ati/102/are/E06000009>

Blackpool Borough – House Price Trends

5.24 The tables below set out house price data for Blackpool 2018 and 2019 (to date):

Fig. 5.7. Blackpool Borough house price and sales volume data – (2018)¹³

2018 – All house sales		
House Type	Average Price Paid	Number of Sales
Detached	£226,005	234
Semi-detached	£128,946	955
Terraced	£91,874	698
Flats	£81,373	235
All	£122,186	2,122 (176.8 sales per month)
2018 – New house sales only		
Detached	£268,843	46
Semi-detached	£151,138	18
Terraced	£139,781	8
Flats	£91,350	16
All	£200,763	88 (7.33 sales per month)

Fig. 5.8. Blackpool Borough house price and sales volume data – (Jan to Aug 2019)¹³

2019 – All house sales		
House Type	Average Price Paid	Number of Sales
Detached	£219,591	136
Semi-detached	£130,406	572
Terraced	£92,092	448
Flats	£69,989	98
All	£121,669 (equates to a 0.42% fall on 2018)	1,254 (104.5 sales per month) (equates to a 40.89% fall on 2018)
2019 – New house sales only		
Detached	£249,517	24
Semi-detached	£158,499	11
Terraced	£105,444	16
Flats	£51,750	1
All	£182,130	52 (6.5 sales per month *)

Source: Land Registry Price Paid Data¹³

¹³ HM Land Registry Price Paid Data: <http://landregistry.data.gov.uk/app/standard-reports>

5.25 To put house prices in Blackpool in context, we have also sourced average price data for neighbouring authorities and for the county of Lancashire for 2018. The overall average house price information has been sorted so that the respective authorities are ranked in descending order of average prices:

Fig. 5.9. Blackpool and neighbouring authorities house price data – (2018)

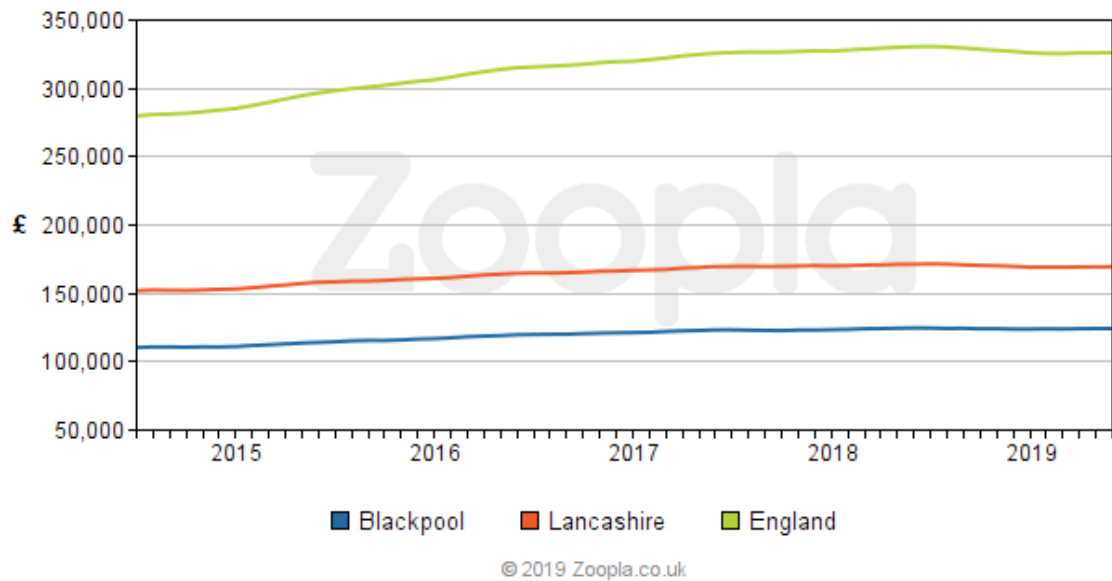
Authority	Overall (£)	Detached (£)	Semi (£)	Terraced (£)	Flat (£)	Number of Sales
Fylde	£227,542	£317,112	£195,284	£174,862	£148,828	1,589
Wyre	£181,697	£267,580	£151,643	£119,619	£132,562	1,984
Blackpool	£122,186	£226,005	£128,946	£91,874	£81,373	2,122
Lancashire	£177,679	£289,918	£165,268	£111,056	£123,025	19,891

Source: Land Registry Price Paid Data¹³

5.26 Over the past year Blackpool's residential property market attracted positive headlines, with the town identified as the hottest property market in the UK. In the first half of 2018 price growth topped 17%, the highest growth for any large town or city in the UK. However, house prices in Blackpool remain amongst the cheapest in the UK and average values also continue to lag behind the Lancashire average. Average residential values in the Town range between £113 per sqft for terraced houses up to £162 per sqft for detached houses. These values are at the margins of values that housebuilders will typically consider viable for new build development.

5.27 The Council continues to grant planning consents for housing development. As at 31st March 2019 there were 1508 outstanding dwellings with planning permission yet to be constructed. Developers therefore exert considerable control over the development and release of houses, which reflects market demand and the potential viability issues of many schemes, particularly within the inner area of the Borough.

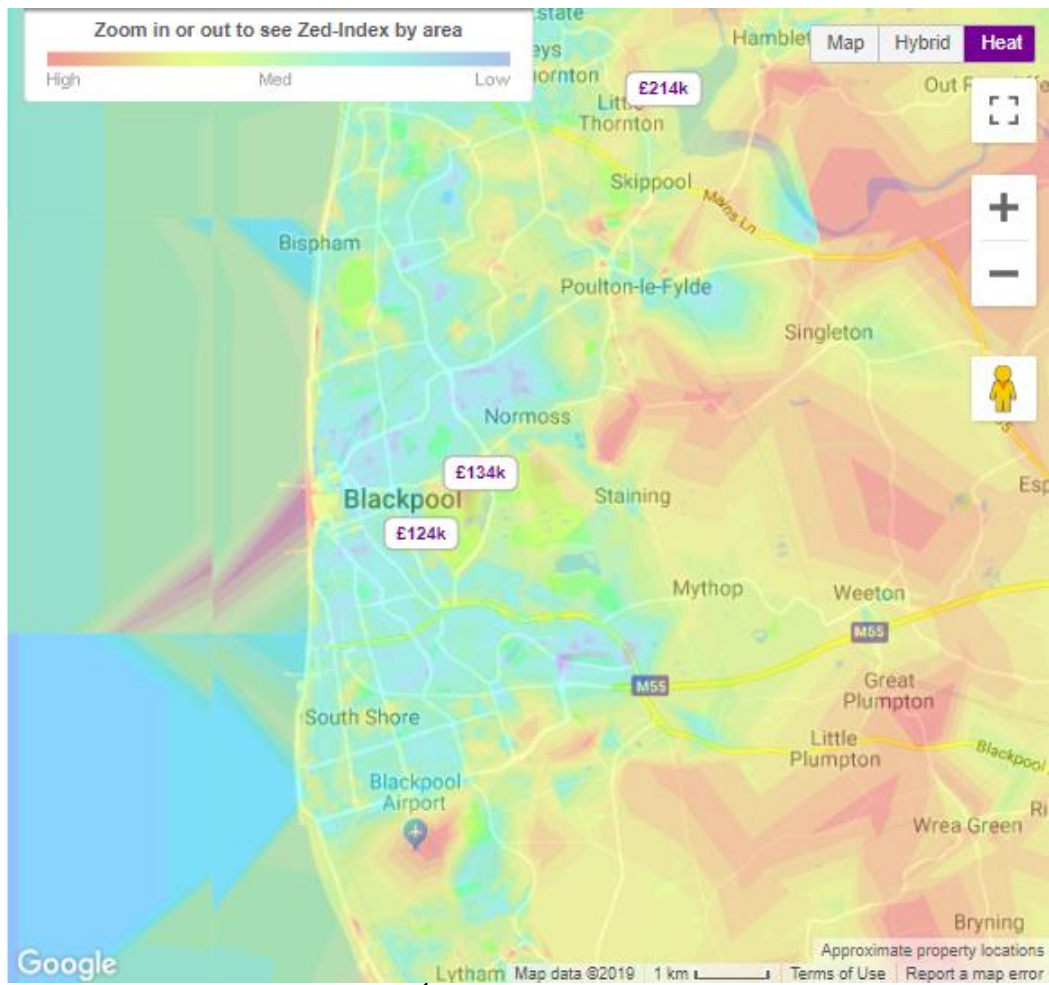
Fig. 5.10. Value Trends Graph – Blackpool, Lancashire, England (past 5 years)
Value trends



Source: Zoopla 2019 ¹

5.28 Although Blackpool Borough is small, in terms of land area, House price data does show fluctuations in residential market values. Prices to the east and south of the Borough tend to jump significantly, as illustrated by the heatmap below. Cooler colours (blues) illustrate relatively lower values and warmer colours (reds) relatively higher values. These lower values are, in part, reflective of the nature of housing stock, closer to the town centre comprising a predominance of smaller terraced properties. In contrast, in higher value areas closer to urban edge properties are generally larger and set within plots with garden areas:

Fig. 5.11. Blackpool Borough house price heatmap



Source: www.zoopla.co.uk (July 2019)¹

Blackpool Borough – Overview of New Build Residential Market Evidence

- 5.27 The data contained in the preceding paragraphs provides a useful context of relative house prices in Blackpool and underlying house price trends. As demonstrated in *Figs 5.7 and 5.8* new houses will typically sell for more than existing stock. The prices paid for existing houses will reflect the size, condition, characteristics and setting of such properties. To fully inform this LPVA we need to also understand the prices that are likely to be achieved for the sale of newly constructed dwellings. The best evidence of house prices for the purpose of this LPVA comes from recent sales of new dwellings within the Borough.
- 5.28 We have carried out a review of current new build asking prices and a market review of new build sales values recently achieved within Blackpool Borough. This is based on a detailed analysis of HM Land Registry new-build price paid data¹³, cross-referenced to floor area data held on the EPC (Energy Performance Certificate) database¹⁴ in order to derive achieved

¹⁴ Domestic energy performance certificate register (DCLG): <https://www.epcregister.com/>

values on a £ per square metre / foot basis. This provides a good baseline for forming a professional view on assumed new build values likely to be achieved on hypothetical future sites across the Borough, as to be modelled within this LPVA.

5.29 We have analysed new build sales values achieved within Blackpool for the period since January 2017.

Blackpool – New Build Residential Market Activity and Evidence

5.30 There were 160 new build market sales within Blackpool in the period between January 2017 and April 2019. Further detailed analysis of each individual sale is set out at *Appendix 3*. For consistency and in order to allow some comparison between schemes the table below relates to market sales of two storey dwellings only, with schemes arranged in order of average gross sale price per unit area:

Fig. 5.12. Summary of new build market evidence (two storey dwellings) – Blackpool (Jan 2017 to April 2019)^{13 14}

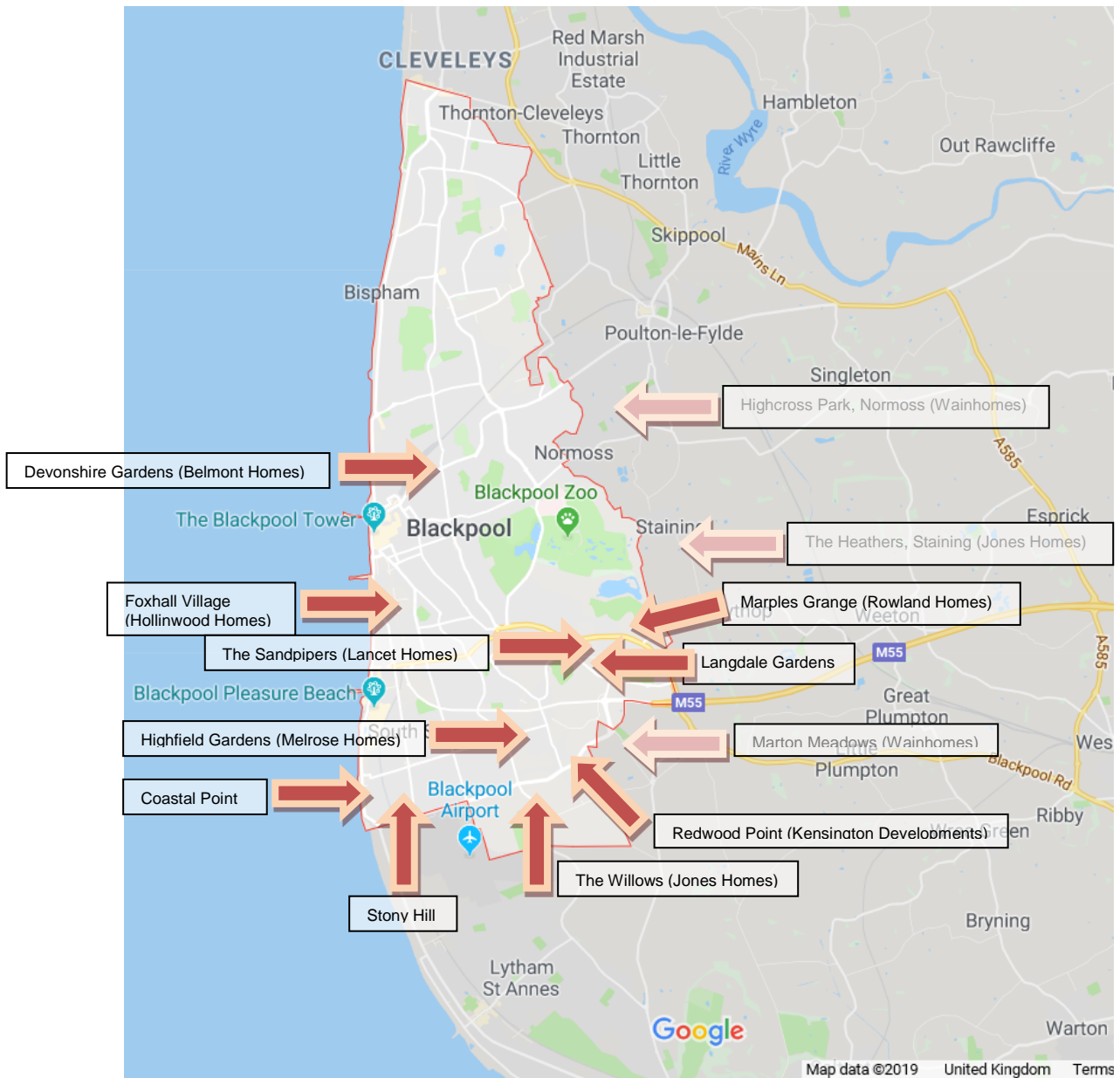
<i>Address</i>	<i>Ave floor area (m²)</i>	<i>Market sales in period</i>	<i>Ave sale price per unit</i>	<i>Ave £/m²</i>	<i>Ave £/sq ft</i>
Highfield Gardens, FY4 (<i>Melrose Homes</i>)	91	9	£196,111	£2,155	£200
Redwood Point, Progress Way, FY4 (<i>Kensington Developments</i>)	127	60	£259,387	£2,043	£190
Langdale Gardens, FY4 **	76	14	£146,643	£1,934	£180
Magnolia Point, Midgeland Road, FY4 (<i>Kensington Developments</i>) *	114	31	£208,319	£1,834	£170
Foxhall Village, FY1 (<i>Hollinwood Homes / Blackpool Council</i>)	74	14	£121,607	£1,650	£153

* - Final sale was in September 2017

* - Final sale was in May 2018

5.31 Further details of selected currently or recently active residential development sites within Blackpool are set out below:

Fig. 5.13. Residential developments within and close to Blackpool Borough



Source: Google maps

Blackpool Suburban and Urban Edge Sites (outside of FY1 Postcode area)

5.32 Recent and current new homes development activity in the area has tended to focus on sites on southern or eastern fringes of the Borough. Such locations are capable of generating higher values than sites closer to the Town Centre.

Highfield Gardens (Melrose Homes)

5.33 Highfield Gardens is a now completed development of 26 two (Ascot house type), three (Windsor house type) and four bedroom homes (Camberley and Esher house types). This scheme is situated within a suburban setting off Highfield Road close to the southern edge of

the Borough. This was a brownfield development site, comprising the site of a former Booths Supermarket. The scheme features a replacement convenience retail offering in the form of a small Co-operative store. Highfield Gardens has achieved the highest average gross sales values per unit area within the Borough over the 28 month period up to April 2019 (£200 per sq ft) (see Fig 5.12 above and Appendix 3):

Fig. 5.14. Site layout – Highfield Gardens, Blackpool



Source: Melrose Homes – Highfield Gardens Brochure



Source: LSH

Redwood Point, Progress Way (Kensington Developments)

- 5.34 Redwood Point is a strategic 422 unit scheme at Marton Moss, with frontage onto Progress Way and close to the south-eastern edge of the Borough, currently being developed by Kensington Developments. The current phase features a range of large three, four and five bedroomed houses, plus landscaped areas including open attenuation ponds at the entrance to the development. The total number of units within this scheme was reduced from original proposal for 579 houses.
- 5.35 When launched in July 2017 house prices at this scheme started at £174,995 (£139,996 under the government's Help To Buy scheme) and went up to £574,995. Sale prices achieved from the 60 sales to date (commencing December 2017; an average of 3.5 house sales per month) have all fallen within this range with an average sale price of £259,387 (£190 per sq ft) (see Fig 5.12 above and Appendix 3). Asking prices for seven units currently being marketed at this scheme are set out below with our analysis:



Source: LSH

Fig. 5.15. Asking Prices – Redwood Point, Blackpool (September 2019)

<i>Unit type</i>	<i>Floor area (m²)</i>	<i>Floor area (sq ft)</i>	<i>Asking price</i>	<i>Asking price (£/m²)</i>	<i>Asking price (£/sq ft)</i>
<i>Springfield – 3 storey 5 bed detached with detached double garage (3 storey)</i>	271	2,917	£579,995	£2,140	£198.8
<i>(Plot 74) Baltimore – 4 bed detached house with detached double garage [Show home]</i>	171	1,841	£389,995	£2,281	£211.8
<i>(Plot 73) Mayfair – 4 bed detached house with detached double garage [Show home]</i>	134	1,442	£319,995	£2,388	£221.9
<i>Mayfair – 4 bed detached house with single and detached double garage options</i>	134	1,442	£285,995	£2,134	£198.2

Unit type	Floor area (m ²)	Floor area (sq ft)	Asking price	Asking price (£/m ²)	Asking price (£/sq ft)
<i>Buckingham</i> – 4 bed detached house with single and detached double garage options	144	1,550	£297,995	£2,069	£192.2
<i>Tennessee</i> – 4 bed detached house with single detached garage	118	1,270	£238,995	£2,025	£188.1
<i>Charleston</i> – 3 bed detached house with single detached garage	113	1,216	£232,995	£2,062	£191.6
Average Asking Price (currently released units)			£335,138	£2,162	£200.9
Average assumed Net Price (5% assumed discount on asking price)			£318,381	£2,054	£190.8
Average assumed Net Price (disregarding show homes) (5% assumed discount on asking price)			£310,835	£1,992	£185.1



Source: Kensington Developments – Redwood Point Brochure / Rightmove ⁶

Magnolia Point, Midgeland Road (Kensington Developments)

5.36 Magnolia Point is a now completed 83 unit scheme at Marton Moss close to the south-eastern edge of the Borough, which was developed by Kensington Developments. Like Redwood Point, the scheme features a range of large three, four and five bedroomed houses and the last house on the scheme was sold in September 2017. Sale prices achieved from 31 sales between January and September 2017 (an average of 3.4 house sales per month) produced an average of £208,319 (£170 per sq ft) (see Fig 5.12 above and Appendix 3):



Source: LSH

Langdale Gardens, Langdale Road (Kensington Developments)

- 5.37 Langdale Gardens is a now completed 29 unit scheme on a brownfield site in the Mereside and Clifton area of Blackpool, which was developed by Kensington Developments. The scheme features 14 terraced and semi-detached dwellings with an average floor area of 76m², which achieved an average sale price of £146,643 (£180 per sq ft) with all units sold between August 2017 and April 2018. The scheme also features a three storey block of 15 flats with an average floor area of 62m², which achieved an average sale price of £93,990 (£141 per sq ft) with all units sold between January and May 2018.



Source: LSH

Marples Grange, Preston New Road (Rowland Homes)

- 5.38 **Marples Grange** is a scheme being developed by Rowland Homes on the eastern edge of the Borough at Mythorp Road / Preston New Road, on land to the immediate south of the Haven Holidays Marton Mere site. Asking prices for 19 units currently being marketed at this scheme are set out below with our analysis:

Fig. 5.16. Site layout – Marples Grange, Blackpool



Source: LSH

Fig. 5.17. Asking Prices – Marples Grange, Blackpool (September 2019)

Unit type	Floor area (m ²)	Floor area (sq ft)	Asking price	Asking price (£/m ²)	Asking price (£/sq ft)
(Plot 29) <i>Hatton</i> – 4 bed detached; integral single garage	116	1,249	£273,995	£2,362	£219.4
(Plot 35) <i>Hatton</i> – 4 bed detached; integral single garage	116	1,249	£273,995	£2,362	£219.4
(Plot 76) <i>Brantwood</i> – 4 bed detached house; detached garage	118	1,270	£256,995	£2,178	£202.3
(Plot 36) <i>Renishaw</i> – 4 bed detached; integral single garage	108	1,163	£251,995	£2,333	£216.8

<i>Unit type</i>	<i>Floor area (m²)</i>	<i>Floor area (sq ft)</i>	<i>Asking price</i>	<i>Asking price (£/m²)</i>	<i>Asking price (£/sq ft)</i>
(Plot 72) <i>Renishaw</i> – 4 bed detached; integral single garage	108	1,163	£251,995	£2,333	£216.8
(Plot 26) <i>Bonnington</i> – 4 bed detached house; detached garage	116	1,244	£251,995	£2,180	£202.5
(Plot 34) <i>Holbrook</i> – 4 bed detached house; integral single garage	97	1,047	£231,495	£2,377	£220.8
(Plot 37) <i>Holbrook</i> – 4 bed detached house; integral single garage	97	1,047	£231,495	£2,377	£220.8
(Plot 49) <i>Holbrook</i> – 4 bed detached house; integral single garage	97	1,047	£231,495	£2,377	£220.8
(Plot 77) <i>Holbrook</i> – 4 bed detached house; integral single garage	97	1,047	£230,495	£2,370	£220.1
(Plot 24) <i>Bowes</i> – 4 bed detached house; integral single garage	96	1,033	£230,495	£2,401	£223.1
(Plot 73) <i>Bowes</i> – 4 bed detached house; integral single garage	96	1,033	£230,495	£2,401	£223.1
(Plot 79) <i>Bowes</i> – 4 bed detached house; integral single garage	96	1,033	£230,495	£2,401	£223.1
(Plot 11) <i>Bowes</i> – 4 bed detached house; integral single garage	96	1,033	£229,995	£2,396	£222.6
(Plot 53) <i>Townley</i> – 4 bed semi-detached 3 storey house with detached single garage	105	1,130	£193,995	£1,848	£171.7
(Plot 54) <i>Townley</i> – 4 bed semi-detached 3 storey house with detached single garage	105	1,130	£193,995	£1,848	£171.7
(Plot 71) <i>Burlington</i> – 3 bed semi-detached house; off-road parking	73	786	£163,995	£2,247	£208.8
(Plot 69) <i>Burlington</i> – 3 bed semi-detached house; off-road parking	73	786	£162,495	£2,226	£206.8
(Plot 70) <i>Burlington</i> – 3 bed semi-detached house; off-road parking	73	786	£162,495	£2,226	£206.8
Average Asking Price (currently released units)			£225,495	£2,275	£211.4
Average assumed Net Price (5% assumed discount on asking price)			£214,220	£2,162	£200.8
Average assumed Net Price (2 storey homes only) (5% assumed discount on asking price)			£217,740	£2,212	£205.6



Source: Rowland Homes – Marples Grange Brochure / Rightmove ⁶

The Sandpipers, Preston New Road (Lancet Homes)

5.39 **The Sandpipers** is a 53 unit scheme of two, three and four bedroomed dwellings currently being developed by Lancet Homes close to the eastern edge of the Borough off Preston New Road, on the site of the former Co-op Sports and Social Club. Asking prices for seven units currently being marketed at this scheme are set out below:

Fig. 5.18. Site layout – The Sandpipers, Blackpool



Source: Lancet Homes – The Sandpipers Brochure



Source: LSH

Fig. 5.19. Asking Prices – The Sandpipers, Blackpool (September 2019)

<i>Unit type</i>	<i>Floor area (m²)</i>	<i>Floor area (sq ft)</i>	<i>Asking price</i>	<i>Asking price (£/m²)</i>	<i>Asking price (£/sq ft)</i>
(Plot 8) <i>Windsor</i> – 3 bed detached with integral single garage	90	969	£200,000	£2,222	£206.4
(Plot 9) <i>Windsor</i> – 3 bed detached with integral single garage	90	969	£200,000	£2,222	£206.4
(Plot 3) <i>Worcester</i> – 3 bed semi-detached with off-road parking	88	947	£163,000	£1,852	£172.1
(Plot 4) <i>Worcester</i> – 3 bed semi-detached with off-road parking	88	947	£163,000	£1,852	£172.1
(Plot 47) <i>Worcester</i> – 3 bed semi-detached with off-road parking	88	947	£163,000	£1,852	£172.1
(Plot 14) <i>Kempton</i> – 2 bed semi-detached with off-road parking	64.5	695	£140,000	£2,171	£201.7
(Plot 15) <i>Kempton</i> – 2 bed semi-detached with off-road parking	64.5	695	£140,000	£2,171	£201.7
Average Asking Price (currently released units)			£167,000	£2,040	£189.5
Average assumed Net Price (5% assumed discount on asking price)			£158,650	£1,938	£180.1

Source: Lancet Homes – The Sandpipers Brochure / Rightmove ⁶

The Willows, Fisher Lane off Common Edge Road (Jones Homes)

5.40 **The Willows** is a small scheme of six high specification four bedroomed detached houses recently developed by Jones Homes close to the southern edge of the Borough off Common Edge Road in the area of Great Marton Moss. Asking prices for two unit types marketed at this scheme from late 2018 to early 2019 are set out below:

Fig. 5.20. Site layout – The Willows, Blackpool



Source: Jones Homes – The Willows Brochure



Source: LSH

Fig. 5.21. Asking Prices – The Willows, Blackpool (Late 2018 / Early 2019)

Unit type	Floor area (m ²)	Floor area (sq ft)	Asking price	Asking price (£/m ²)	Asking price (£/sq ft)
Holcombe – 4 bed detached with detached single garage	125	1,350	£284,995	£2,273	£211.1
Davenham – 4 bed detached with integral single garage	121	1,304	£274,995	£2,273	£211.1
Average Asking Price (available units)			£279,995	£2,273	£211.1
Average assumed Net Price (5% assumed discount on asking price)			£265,995	£2,159	£200.5

Source: Jones Homes – The Willows Brochure / Zoopla ¹

Stony Hill, Stony Hill Avenue

5.41 **Stony Hill** is an eight unit scheme featuring four pairs of semi-detached dwellings with two layout choices within the same footprint, featuring either three or four bedrooms. The scheme is situated within a suburban street setting in close proximity to the South Shore area of the town on former Council-owned land to the rear of a community health centre. Asking prices for three units currently being marketed at this scheme are set out below:



Source: LSH

Fig. 5.22. Asking Prices – Stony Hill, Blackpool (September 2019)

<i>Unit type</i>	<i>Floor area (m²)</i>	<i>Floor area (sq ft)</i>	<i>Asking price</i>	<i>Asking price (£/m²)</i>	<i>Asking price (£/sq ft)</i>
Plot 2 – 4 bed semi-detached with semi-detached single garage	108	1,161	£220,000	£2,040	£189.5
Plot 4 – 4 bed semi-detached with semi-detached single garage	108	1,161	£220,000	£2,040	£189.5
Plot 1 – 4 bed semi-detached with semi-detached single garage	108	1,161	£210,000	£1,947	£180.9
Average Asking Price (currently released units)			£216,667	£2,009	£186.6
Average assumed Net Price (5% assumed discount on asking price)			£205,833	£1,908	£177.3

Source: Rightmove⁶

Coastal Point, New South Promenade

5.42 **Coastal Point** is an 85 unit development of seafront apartments featuring a mix of one, two and three apartments and luxury penthouses. The scheme, on the former Abbeydale Care Home site, includes lift access to upper floors, private roof gardens for residents, secure cycle storage, allocated parking and a fitness suite. Asking prices for ten units currently being marketed at this scheme are set out below:

Fig. 5.23. Artists Impression of completed scheme – Coastal Point, Blackpool



Source: Coastal Point Brochure



Source: LSH

Fig. 5.24. Asking Prices – Coastal Point, Blackpool (September 2019)

Unit type	Floor area (m ²)	Floor area (sq ft)	Asking price	Asking price (£/m ²)	Asking price (£/sq ft)
(Apartment B18) – 2 bed 'penthouse' apartment available for 'off-plan' reservation. Situated to the front of fourth floor of Phase Two with sea views	71	764	£174,950	£2,465	£229.0
(Apartment A16) – 2 bed 'penthouse' apartment. Situated to the front of fourth floor (top floor) of Phase One with sea views	70	753	£159,950	£2,285	£212.3
(Apartment A12) – 2 bed apartment. Situated on third floor of Phase One with sea views	79	850	£154,950	£1,962	£182.3

<i>Unit type</i>	<i>Floor area (m²)</i>	<i>Floor area (sq ft)</i>	<i>Asking price</i>	<i>Asking price (£/m²)</i>	<i>Asking price (£/sq ft)</i>
(Apartment A15) – 2 bed 'penthouse' apartment. Situated on the fourth floor (top floor) of Phase One with sea views	59	630	£149,950	£2,562	£238.0
(Apartment A8) – 2 bed apartment. Situated on second floor of Phase One with sea views from bedroom one	81	873	£134,950	£1,665	£154.6
(Apartment A11) – 2 bed apartment. Situated on second floor of Phase One with sea views	82	883	£134,950	£1,646	£152.9
(Apartment A4) – 2 bed apartment. Situated on ground floor of Phase One at front of development	69	738	£129,950	£1,895	£176.1
(Apartment A3) – 3 bed maisonette apartment. Situated on ground and first floor of Phase One at front of development	107	1,152	£129,950	£1,214	£112.8
(Apartment A10) – 2 bed maisonette apartment. Situated on second and third floor of Phase One	75	805	£119,950	£1,604	£149.0
(Apartment A6) – 2 bed apartment. Situated on first floor of Phase One	76	820	£114,950	£1,509	£140.2
Average Asking Price (currently released units)			£140,450	£1,826	£169.7
Average assumed Net Price (5% assumed discount on asking price)			£133,428	£1,735	£161.1

Source: Coastal Point Brochure / Rightmove ⁶

Blackpool Inner Core Sites (FY1 Postcode area)

5.43 There have also been a small number of developments closer to the Town Centre.

Foxhall Village, off Rigby Road (Hollinwood Homes / Blackpool Council)

5.44 Foxhall Village is a £50M urban regeneration scheme featuring circa 400 dwellings across two distinct sites either side of Seaside Way and within walking distance of the Promenade and Town Centre. Site One is located to the west of Central Drive, south of Rigby Road and north of Blackpool Football Club's Bloomfield Road Stadium. Site Two is in the area east of Blundell Street, north of Rigby Road and south of Princess Street. The area includes the Sands Way, Rigby Road and Blundell Street Car Parks.

5.45 Following an extensive period of remediation and enabling works the scheme is now underway and houses are being sold and lived in. In the period between January 2017 and

August 2018 HMLR¹⁶ records show 31 recorded sales of open market units at Foxhall Village. Of these sales, 14 units comprised two storey dwellings with an average floor area of 74m², which achieved an average sale price of £121,607 (£153 per sq ft). The remaining 17 sold units comprised three storey dwellings with an average floor area of 110m², which achieved an average sale price of £154,706 (£130 per sq ft) (see Fig 5.12 above and Appendix 3). The scheme has been subsidised by Homes England and the Council has managed and funded land assembly.

- 5.46 In October 2019 the Council were forced to review potential options for the completion of this scheme following the financial collapse of Hollinwood Homes and its contracting arm. By this time 194 properties from a total of 410 dwellings had been completed.



Source: LSH

Devonshire Gardens, Coopers Way (Belmont Homes)

- 5.47 This is a 68 unit scheme of one, two, three and four bedroomed homes being delivered by Belmont Homes on land to the north-east of Blackpool North Station. This site was formerly a part-completed housing development which was abandoned by a previous developer, leading to the issue of a 'community protection notice' on the site owner by the Council in 2016. Asking prices for four unit types currently being marketed at this scheme are set out below:



Source: LSH

Fig. 5.25. Asking Prices – Devonshire Gardens, Blackpool (September 2019)

Unit type	Floor area (m ²)	Floor area (sq ft)	Asking price	Asking price (£/m ²)	Asking price (£/sq ft)
Richmond – 3 bed terraced dwelling	66	709	£140,000	£2,126	£197.5
Henley – 3 bed terraced dwelling	71	764	£140,000	£1,972	£183.2
Blenheim – 2 bed apartment	60	646	£94,950	£1,583	£147.0
Buckingham – 2 bed apartment	60	646	£90,000	£1,500	£139.4
Average Asking Price (currently released types)			£116,238	£1,809	£168.1
Average assumed Net Price (5% assumed discount on asking price)			£110,426	£1,719	£159.7
Average assumed Net Price (2 storey house types only) (5% assumed discount on asking price)			£133,000	£1,942	£180.4
Average assumed Net Price (apartment types only) (5% assumed discount on asking price)			£87,851	£1,464	£136.0

Source: Rightmove ⁶

Comment on Residential Transactional Analysis

5.48 Useful transactional data is also available for new homes development activity on sites to the immediate east of the Borough, where values are typically above those seen within the Borough. This data has been analysed to assist with the formulation of value assumptions for emerging sites on the urban fringe of Blackpool. Sites falling into this category include (see Fig 5.13. above):

- The Heathers, Staining (currently being developed by Jones Homes) (typical sales values recently achieved range between £200 and £215 per sq ft)
- Marton Meadows, Cropper Road (225 units currently being developed by Wainhomes on a site circa 500m beyond the Borough boundary)
- Highcross Park, Normoss (Wainhomes)

5.49 Informed by the analysis set out within this Chapter and our long-standing experience of the local and wider regional residential market, further commentary is provided in Chapter 7 on the respective market value assumptions adopted within our viability testing of hypothetical site-type scenarios across the Borough (see 7.12 to 7.15).

6 Commercial Market Context

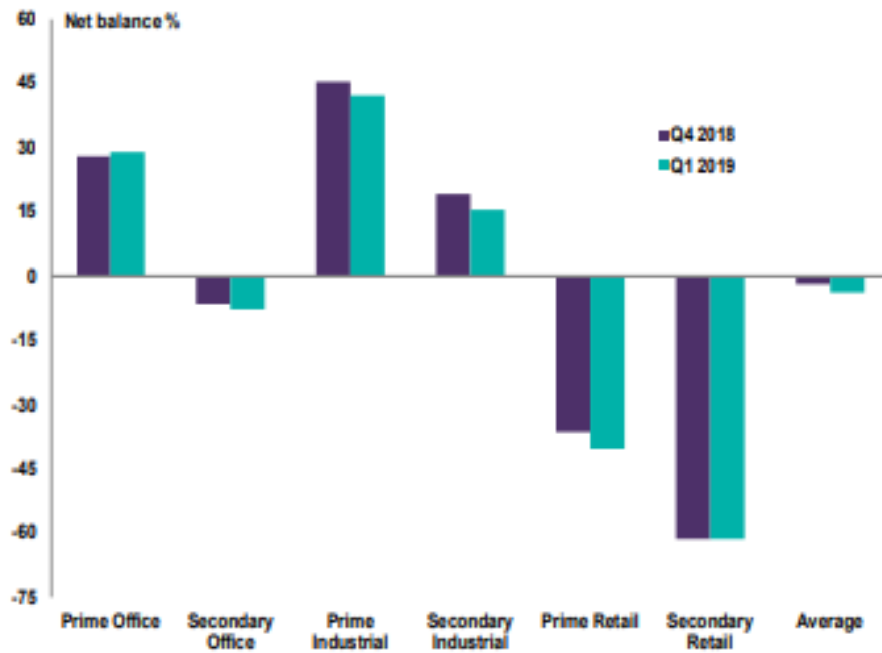
National Overview

- 6.1 According to the Q2 2019 RICS UK Property Market Chart Book ¹⁶, commercial headline rents and capital values are expected to remain the same over the next 12 months across the office, industrial and retail sectors, with tenant demand continuing to slip for the fourth consecutive quarter.
- 6.2 In London and the regions, the industrial sector had the strongest performance to date. The office and retail sectors were the weaker markets demonstrating lower take up levels. Industrial availability nationally has recently dropped and on this basis both prime and secondary rents are likely to rise in the following years.
- 6.3 Prime office rents are forecast to increase in the following years, albeit less so in secondary locations due to the demand in city centres.
- 6.4 The troubles within the retail sector continue to be a factor, rental values are now declining at the quickest pace since the financial crisis. Office rents are projected to remain at a similar level whilst rents in the industrial/logistics sector are expected to continue to rise.
- 6.5 The RICS also publishes a quarterly commercial market survey. The most recent edition is the Q1 2019 study and provides an updated position on the commercial market from the Chart Book above ¹⁷. In summary:
- Headline indicators on overseas and domestic investment demand is due to fall due to the uncertainty of the market and the effect Brexit could have on the market.
 - The split between prime and secondary offices continues to dominate the office market.
 - Occupier demand continues to fall sharply across the retail sector.
- 6.6 As shown above in *Fig 6.1.* (below), Q1 rental growth can be seen across all sectors, apart from secondary retail which remains the same. Prime and secondary industrial properties rents are continuing to decline to a larger extent than in Q4 2018.

¹⁶ RICS UK Economy and Property Market Chart Book (Q2 2019): <https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-economy-and-property-market-chart-book-q2-2019-rics.pdf>

¹⁷ RICS UK Commercial Property Market Survey (Q1 2019): <https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-commercial-property-market-survey-q1-2019-rics.pdf>

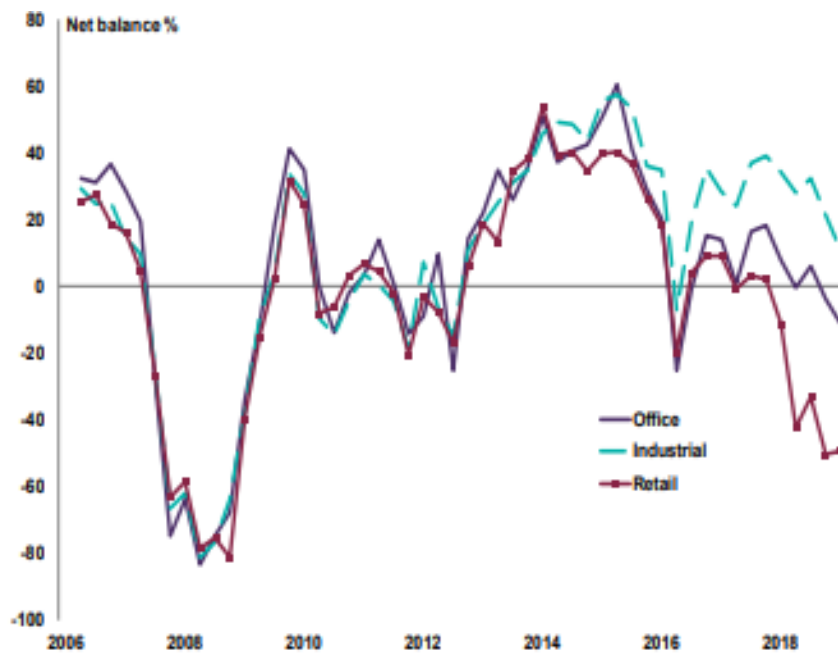
Fig 6.1. Rental Expectations by Sector



Source: RICS Commercial Market Survey Q1 2019 ¹⁷

6.7 Across the UK, the headline investment demand indicator has declined for a second successive quarter falling from -9% to -15%. Although the retails sector was largely to blame for much of this, buyer enquiries also fell modestly for offices.

Fig. 6.2. Investor Requirements by Sector



Source: RICS Commercial Market Survey Q1 2019 ¹⁷

Office Market

Regional Office Market

- 6.8 The current average asking rent for offices in Lancashire is £10.27/sq ft, with an availability rate of 11% which equates to 1,693,968sq ft of office space.
- 6.9 Offices in Lancashire spend an average of 15.4 months on the market.
- 6.10 Based on lease transactions over the last year, asking and achieved rents have ranged from £3.50 to £15/sq ft and size of accommodation leased has also varied considerably, between, between 60 and 117,092sq ft.
- 6.11 With regard to sales figures, the average rate was £127/sq ft during the last year and the average yield was 9.2%.

Local Office Market

- 6.12 LSH has used *Costar* and *Egi* to ascertain levels of take up and availability rates within Blackpool for office premises. The following table shows current availability:

Fig. 6.3. Current office availability in Blackpool

Location	Description	Size (sq ft)	Characteristics	Tenure	Rent (per sq ft) / Asking price
Dakota Court Amy Johnson Way	Office Ground Floor	4,838	Built in 2018	Leasehold	Withheld
Calder Court Amy Johnson Way	Office Ground, 1 st / 2 nd floor	2,246	Built in 2007	Leasehold	£10.00
16 Birley Street	Office 2 nd floor	950	Built in 1971	Leasehold	£5.26
Chiswick Court Chiswick Grove	2 floors	873 784	Built in 2000	Leasehold	£5.73 £6.38
59-61 Cookson Street	Office 1 st floor	740	Built in 1930	Leasehold	withheld
Blackpool Technology Management Centre, Faraday Way	Office ground and 1 st floors	9,313	Built in 2008	Leasehold	£8.00
Darwin Court Hawking Place	Office ground and 1 st floor	828	Built in 1994	Leasehold	£10.00
Former Blackpool South Police Station Montague Street	Whole Building	4,755	Built in 1900	Freehold	£110,000
25 Queen Street	Office 1 st and 2 nd floors	2,254	Built in 1982	Leasehold	£3.33
Squire Gate Lane	Office Ground Floor	863	Built in 2006	Leasehold	£14.00
Unit 3A Stanley Road	Office 1 st floor	1,260	Unknown	Leasehold	£3.33
No.1 Bickerstaffe Square, Talbot Rd	Office Ground and 1 st floor	21,593	Built in 2014	Leasehold	£14.50
Newfield House Vicarage lane	Office Ground floor	5,630	Built in 1960	Leasehold	£7.50
2-20 Whitegate Drive	Whole Office	1,265	Built in 1912	Leasehold	£9.09
214 Whitegate Drive	Office Ground and 1 st Floor	1,591	Built in 1910	Leasehold	£12.26

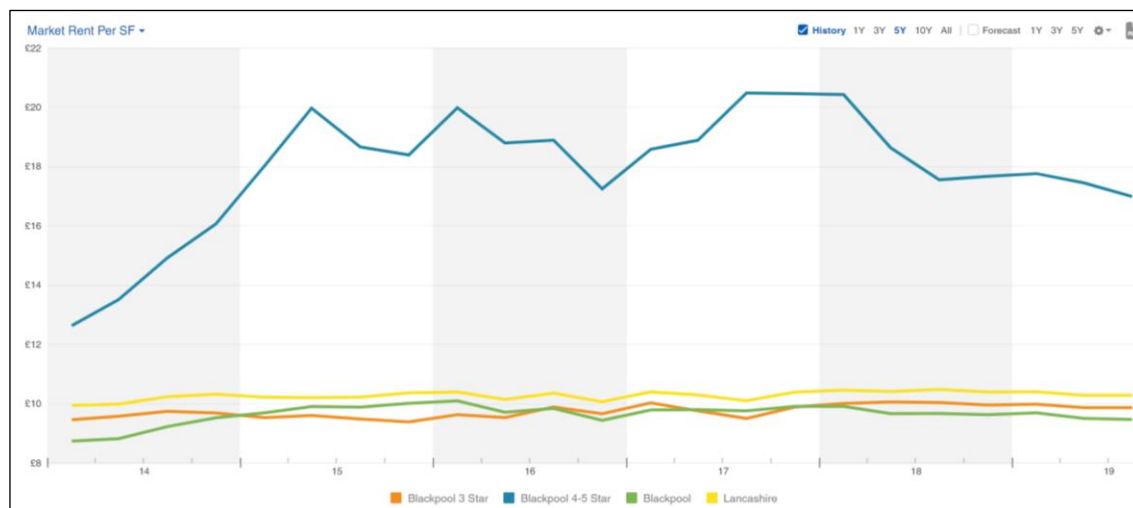
6.13 There have been a number of significant sales over the past 12 months.

Fig. 6.4 Recent significant office sales Blackpool

Location	Characteristics	Size (sq ft)	Sale date	Price
8-20 Queen Street Litten Tree	Built in 1935	26,325	29/08/2019	£925,000
81-83 Westcliffe Drive	-	2,238	11/07/2019	£150,500
25-25A Clifton Street	Built in 1921	2,588	18/10/2018	£113,000
23 King St	Built in 1950	512	06/08/2018	£61,500
19 Mibourne Street	Built in 1936	758	18/09/2018	£40,000

6.14 Within Blackpool the average rent for office properties is £9.50/sq ft which has remained at a similar level for the 5 years. The market yield is 9.7% for office properties.

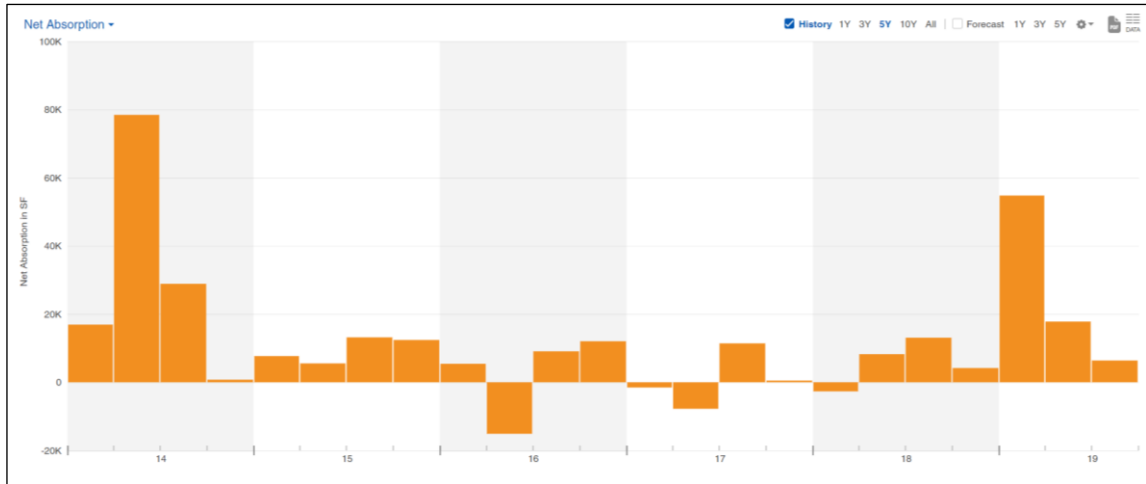
Fig. 6.5. Average office asking rents Blackpool



6.15 There is an availability rate of 8.5% which equates to 67,312 sq ft of office accommodation.

6.16 The 12 month net absorption rate was 89,883sq ft, which means that there is a demand for office properties in the Blackpool. Offices spend on average 14.1 months on the market before being let.

Fig. 6.6. Net absorption of office space Blackpool



Industrial Market

Regional Industrial Market

- 6.17 The current average asking rent for industrial properties in Lancashire is £4.36/sq ft, with an availability rate of 7.5% which equates to 16,502,354sq ft of industrial space.
- 6.18 Based on deals that have taken place over the last three years, both asking and achieved rents have varied between £1.64 and £20.41/sq ft while size of space leased has ranged between 100sq ft and 420,000sq ft.
- 6.19 Over the last 12 months there has been a 2,558,524sq ft absorption rate, with 5,899,356sq ft of industrial space leased in total. This indicates that there are high levels of stock available throughout the region. Industrial properties spend an average of 8.2 months on the market.
- 6.20 Having regard to the sales market, over the last year the average sale price was £33/sq ft, which is significantly lower than the asking price of £53/sq ft. The average yield achieved was 7.7%.

Local Industrial Market

- 6.21 LSH has used *Costar* and *Egi* and own market data and analysis to ascertain levels of take up and availability rates within the Blackpool for industrial property. The table below shows the current availability:

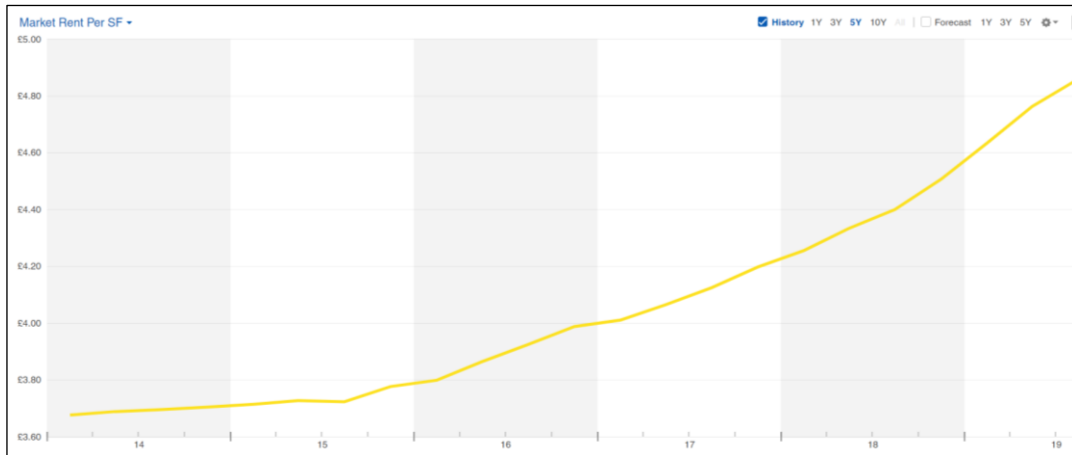
Fig. 6.7. Current industrial availability in Blackpool

Location	Description	Size (sq ft)	Characteristics	Tenure	Rent (per sq ft) / Asking price
John Roberts Associates, Amy Johnson Way	Industrial Ground Floor and Mezz	3,887	Built in 1998	Leasehold	£6.12
Units 6-7, Amy Johnson Way	Industrial Ground Floor	6,439	Built in 2018	Leasehold	£6.52
Cornford Road	Whole Unit	3,200	Built in 1976	Leasehold	£3.28

Kincraig Road	Whole Unit	3,125	Built in 2017	Leasehold	£11.20
Units 1-3 Kincraig Road	Whole Unit	1,500	-	Leasehold	£6.67
130 Mowbray Drive	Ground floor	854	Built in 1979	Leasehold	£4.68

6.22 The following graph shows that in the Borough of Blackpool the average rent for industrial premises is £4.76/sq ft, which is up 9.36% from the previous year. The market yield for industrial units in Blackpool is 7.8%.

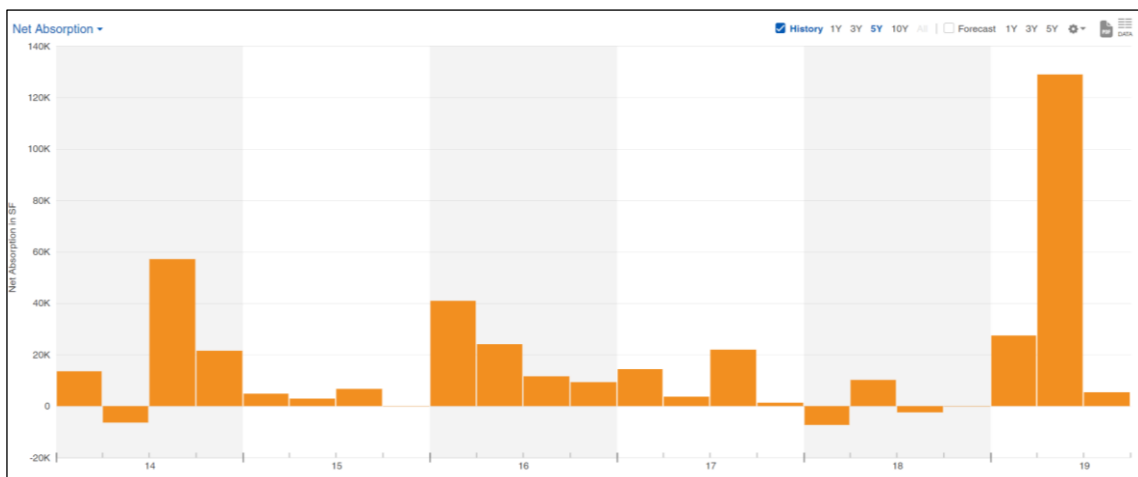
Fig. 6.8. Average industrial asking rents Blackpool



6.23 There is an availability rate of 7.3% which equates to 286,076sq ft of industrial accommodation.

6.24 Over the last twelve months there has been 3,887sq ft industrial space leased. The absorption, or take up rate was 160,063sq ft. Industrial properties spend on average 11.9 months on the market before being let.

Fig. 6.9. Net absorption of office space Blackpool



Retail Market

Regional Retail Market

- 6.25 The Lancashire retail market contains around 27.5 million sq ft of retail space. Lancashire's retail market has performed significantly well in 2018. Retailer demand for the market's prime pitches remains fairly robust, although the market has felt the effect of the rise in retail administrations and multiple store closures across the UK.
- 6.26 The current average asking rent for retail space in Lancashire is £17.28/sq ft and there is an availability rate of 5.3%, which equates to 1,471,391sq ft.
- 6.27 Over the last 12 months approximately 111,156sq ft of retail space has been leased; with absorption rate of 330,667sq ft. On average retail accommodation spent 15 months on the market.
- 6.28 Having regard to the sales market, over the last year the average sale price was £130/sq ft, which is down £12 on the previous 12 months. The average yield achieved was 7.9% for investment transactions.

Local Retail Market

- 6.29 LSH has used *Costar* and *Egi* and own market data and analysis to ascertain levels of take up levels and availability rates within Blackpool for retail premises. The table below shows the current availability:

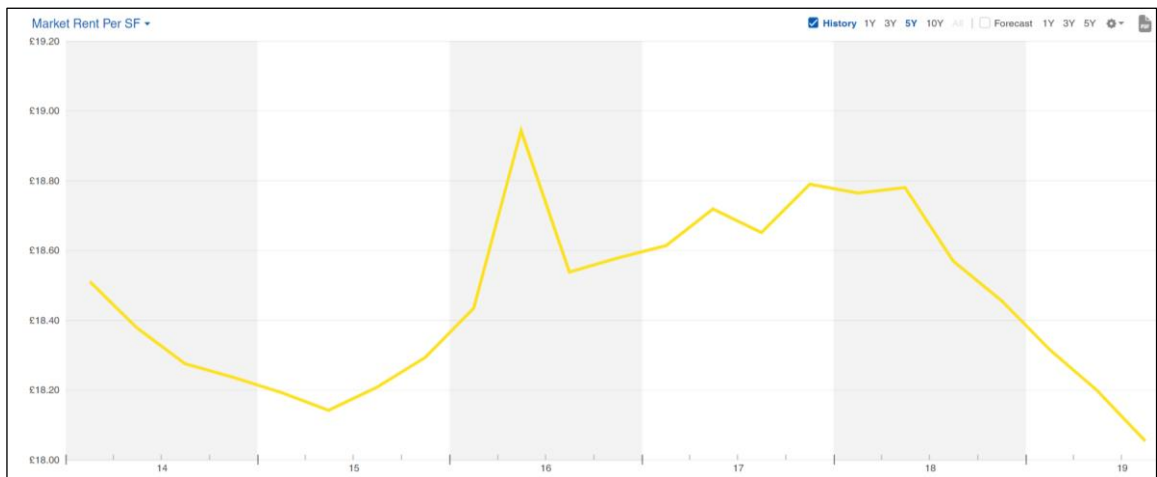
Fig. 6.10. Current retail availability in Blackpool

Location	Description	Size (sq ft)	Characteristics	Tenure	Rent (per annum) / Asking price
21 Abingdon Street	Ground Floor	210	Built in 1903	Leasehold	£9,000 PA
8 Albert Road	Ground Floor	7,834	Built in 1920	Leasehold	Withheld
Unit 1 All Hallows Road	-	1,485	Built in 2000	Freehold	£55,000
Bank Hey Street	Ground Floor	2,975	Built in 1894	Leasehold	£35,000 PA
44 Bond Street	Ground Floor	1,076	Built in 1905	Leasehold	£5,400 PA
190-192 Central Drive	Ground Floor	1,000	Built in 1900	Leasehold	£20,000 PA
391 Central Drive	Ground Floor	200	Built in 1908	Leasehold	Withheld
397 Central Drive	Ground Floor	209	Built in 1950	Leasehold	£2,600 PA
22 Church Street	Ground Floor	831	Built in 1970	Leasehold	£30,000 PA
72-74 Church Street	Ground Floor	2,724	Built in 1960	Leasehold	£50,000
72-75 Church Street	Ground Floor	2,665	Built in 1960	Leasehold	£79,000 PA
107 Church Street	Ground Floor	962	Built in 1932	Leasehold	Withheld
160 Church Street	Ground Floor	1,005	Built in 1980	Leasehold	Withheld
228 Church Street	Ground Floor	1,038	Built in 1908	Freehold	£69,950
322 Church Street	Ground Floor	532	Built in 1900	Leasehold	£5,000 PA
56-60 Clifton Street	Ground Floor	1,620	Built in 1909	Leasehold	£35,000 PA
57 Cookson Street	Ground Floor	657	Built in 1930	Leasehold	Withheld
75 Coronation Street	Ground Floor	2,600	Built in 1975	Leasehold	£27,500 PA
31 Corporation Street	Ground Floor	703	Built in 1970	Leasehold	£50,000 PA
176-178 Dickson Road	Ground Floor	1,150	Built in 1929	Leasehold	£7,800 PA

239 Dickson Road	Ground Floor	800	Built in 1970	Leasehold	£5,200 PA
60 Foxhall Road	Ground Floor	768	Built in 1928	Leasehold	£5,200 PA
49 Harrowside	-	243	Built in 1930	Freehold	£99,950
50 Highfield	Ground Floor	151	Built in 1900	Leasehold	£6,250 PA
37-39 Hornby Road	Ground Floor	1,622	Built in 1960	Leasehold	£8,000 PA
47 Lytham Road	-	366	Built in 1930	Freehold	£24,000
86-88 Promenade	Ground Floor	1,000	Built in 1950	Leasehold	£29,950 PA
160 Promenade	Ground Floor	1,115	Built in 1910	Leasehold	£7,000 PA
15 Reads Avenue	-	1,690	Built in 1919	Leasehold	£120,000
9-11A Station Road	-	6,402	Built in 1920	Freehold	£209-950 - 240,000
47-49 Talbot Road	Ground Floor	1,940	Built in 1920	Leasehold	£12,000 PA
Topping Street	Ground floor	798 2,244	Built in 1975	Leasehold	£14,000- £37,180 PA
12 Topping Street	Ground Floor	1,652	Built in 1957	Leasehold	£7,000 PA
6-12 Victoria Street	Ground Floor	787	Built in 1963	Leasehold	£25,000 PA
24 Victoria Street	Ground Floor	821	Built in 1906	Leasehold	£68,000 PA
Walker Street	1 st Floor	6,583	Built in 1960	Leasehold	£26,000 PA
44 Waterloo Road	Ground Floor	1,744	Built in 1775	Leasehold	£22,000 PA
87 Waterloo Road	Ground Floor	533	Built in 1910	Leasehold	£9,750 PA
94-96 Waterloo Road	Ground Floor	1,354	-	Leasehold	£14,000 PA

6.30 The average asking rent for retail space in Blackpool is £18.16/sq ft, which is down 2.93% on the previous year.

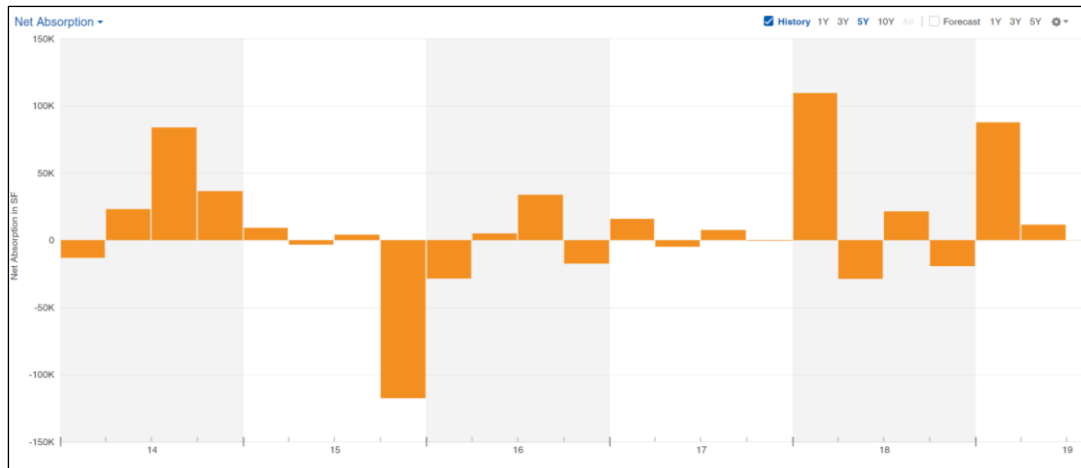
Fig. 6.11. Average retail asking rents per sq. ft Blackpool



6.31 There is an availability rate of 4.6% which equates to 229,321sq ft and is down by 27.61% on the previous year.

6.32 Approximately 15,257sq ft of retail accommodation has been leased over the last 12 months; however there is a 12 month absorption rate of 94,611sq ft.

Fig. 6.12. Net absorption of retail space Blackpool



Commercial Market Conclusions

- 6.33 The commercial market evidence set out above demonstrates that the regional office market for Lancashire has a high availability rate at 11% compared to 8.5% in the Blackpool Borough. This coupled with the slightly higher absorption rates highlights that there is demand for offices. Average rents achieved also vary considerably, but Blackpool (£9.50/sq ft) is below the county average (£10.27/sq ft). Current asking rents peak at £14.50/sq ft for modern 'grade A' office accommodation.
- 6.34 The industrial market shows a reverse trend in terms of a higher average rent in Blackpool of £4.76/sq ft, compared to £4.36/sq ft in the County. Availability rates sit at a very similar level with 7.5% in the county and 7.3% in Blackpool. Current asking rents (excluding outliers) peak at £6.67/sq ft.
- 6.35 There is a significant supply of vacant retail accommodation in Blackpool, particularly concentrated within the town centre. The average asking rent is £18.16/sq ft, which is down on past years.

7 Method, Viability Assessment Assumptions and Stakeholder Feedback

7.1 This section of the report explains the method we have adopted to conduct our viability analysis, the assumptions we have adopted in our viability modelling and the stakeholder engagement we have undertaken to test these assumptions.

The LSH Viability Model

7.2 Viability testing within this LPVA has been undertaken using a Residual Appraisal Model ('RAM') developed by LSH, which has been designed specifically to review planning contributions over a wider number of use classes. It is an ideal tool to use to assess the impact of varying planning contributions assumptions to inform and determine the appropriate and viable balance between developer contributions. The uses and typologies can be agreed and varied during testing.

7.3 In this instance development scenarios and assumptions used within the LSH RAM have been tested with locally active housebuilders, developers and agents and agreed with Council officers. A schedule outlining proposed development scenarios and appraisal assumptions was circulated by email and comments and feedback invited. A viability stakeholder event was also held at The Solaris Centre (New South Promenade, Blackpool) in September 2019. (see *Appendix 2*). Feedback received has in turn been critically reviewed and informed minor adjustments to appraisal assumptions (see *Appendix 4*).

7.4 The assumptions are based on Borough-wide market and cost evidence, site-specific viability audits we have recently undertaken for LPAs in the local area, our local market knowledge and other relevant local plan and CIL viability studies LSH have had involvement in. The model caters for both generic and specific inputs as required to define and review potential planning policy objectives and contributions.

7.5 This RAM approach reflects RICS Viability Guidance ⁵ and the RICS Valuation Information Paper 12 (VIP 12) which provides guidance for development valuations. It also reflects the procedural methodology in the Harman Report ⁴.

Fig 7.1. LSH LPVA Residual Appraisal Methodology

<p style="text-align: center;">Residual Value approach with 'additional profit' as output</p> <p style="text-align: center;">Gross Development Value (The combined value of the complete development)</p> <p style="text-align: center;">LESS</p> <p style="text-align: center;">Gross Development Cost + Target Profit (Cost of creating the asset, including a purchase of land and target level of profit) (i.e. Land + Construction + fees + finance charges + target profit)</p> <p style="text-align: center;">= RESIDUAL 'ADDITIONAL PROFIT' (the available 'surplus' for planning contributions)</p>
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- 7.6 The LSH RAM takes the form of a bespoke Microsoft Excel template, tailored to allow for a variety of planning contributions to be included and tested. The LSH RAM enables transparent and quick analysis of a variety of different uses and sized schemes as well as different values and builds costs (i.e. sensitivity testing) and their impact on delivering viable local planning policy options. Using the LSH RAM, we have appraised each of the agreed development typologies having regard to market values of land and normal levels of developers profit to establish whether there is any development surplus which could provide for affordable housing or other planning contributions.
- 7.7 The primary objectives of this exercise are to provide an information base to enable Council Officers and Members to make broad brush, early assumptions on whether allocations are likely to be generally deliverable in the context of prospective planning policy objectives and to support the progression of the Local Plan Part 2 towards the examination process.
- 7.8 Based on our analysis of the local residential and commercial property markets, we have prepared appropriate assumptions for use in our viability modelling. A draft schedule of development scenarios and appraisal assumptions was prepared and circulated to locally active housebuilders, developers and property agents. Feedback and comment on the draft schedule was invited. Based on the limited feedback received, the assumptions were reviewed and minor revisions made.
- 7.9 The remainder of this section of the LPVA outlines the various assumptions adopted and where these have been amended in light of stakeholder feedback, why and how they have been changed.

Development Scenarios

- 7.10 Based upon analysis of existing site allocations, recent planning and development activity and potential future development in the Borough a series of scenarios have been defined to test viability. These scenarios are detailed below:

Fig 7.2. Blackpool LPVA – Development Scenarios Blackpool Urban Edge Market Area

Scenario	Summary
BUE1	<p>A large greenfield residential development site located within the Urban Edge of Blackpool with a development capacity of 100 units, comprising:</p> <ul style="list-style-type: none"> • 25 no. two bed houses (average floor area per unit = 753 sq ft) • 31 no. three bed houses (average floor area per unit = 915 sq ft) • 25 no. four bed houses (average floor area per unit = 1,237 sq ft) • 9 no. two bed bungalows (average floor area per unit = 700 sq ft) • 5 no. one bed apartments (average net floor area per unit = 538 sq ft) • 5 no. two bed apartments (average net floor area per unit = 646 sq ft)

BUE2	<p>A large brownfield residential development site located within the Urban Edge of Blackpool with a development capacity of 100 units:</p> <ul style="list-style-type: none"> • 25 no. two bed houses • 31 no. three bed houses • 25 no. four bed houses • 9 no. two bed bungalows • 5 no. one bed apartments • 5 no. two bed apartments
BUE3	<p>A medium greenfield residential development site located within the Urban Edge of Blackpool with a development capacity of 50 units:</p> <ul style="list-style-type: none"> • 12 no. two bed houses • 15 no. three bed houses • 12 no. four bed houses • 5 no. two bed bungalows • 3 no. one bed apartments • 3 no. two bed apartments
BUE4	<p>A medium brownfield residential development site located within the Urban Edge of Blackpool with a development capacity of 50 units:</p> <ul style="list-style-type: none"> • 12 no. two bed houses • 15 no. three bed houses • 12 no. four bed houses • 5 no. two bed bungalows • 3 no. one bed apartments • 3 no. two bed apartments
BUE5	<p>A small greenfield residential development site located within the Urban Edge of Blackpool with a development capacity of 15 units:</p> <ul style="list-style-type: none"> • 4 no. two bed houses • 7 no. three bed houses • 4 no. four bed houses
BUE6	<p>A small brownfield residential development site located within the Urban Edge of Blackpool with a development capacity of 15 units:</p> <ul style="list-style-type: none"> • 4 no. two bed houses • 7 no. three bed houses • 4 no. four bed houses

BUE7	An extra small greenfield residential development site located within the Urban Edge of Blackpool with a development capacity of 5 units: <ul style="list-style-type: none"> • 2 no. two bed houses • 2 no. three bed houses • 1 no. four bed houses
BUE8	An extra small brownfield residential development site located within the Urban Edge of Blackpool with a development capacity of 5 units: <ul style="list-style-type: none"> • 2 no. two bed houses • 2 no. three bed houses • 1 no. four bed houses

Fig 7.3. Blackpool LPVA – Development Scenarios Blackpool Inner Core Market Area

Scenario	Summary
BUI1	A large brownfield residential urban infill development site located within the Inner Core of Blackpool with a development capacity of 100 units: <ul style="list-style-type: none"> • 25 no. two bed houses (average floor area per unit = 753 sq ft) • 31 no. three bed houses (average floor area per unit = 915 sq ft) • 25 no. four bed houses (average floor area per unit = 1,237 sq ft) • 9 no. two bed bungalows (average floor area per unit = 700 sq ft) • 5 no. one bed apartments (average net floor area per unit = 538 sq ft) • 5 no. two bed apartments (average net floor area per unit = 646 sq ft)
BUI2	A medium brownfield residential urban infill development site located within the Inner Core of Blackpool with a development capacity of 50 units: <ul style="list-style-type: none"> • 12 no. two bed houses • 15 no. three bed houses • 12 no. four bed houses • 5 no. two bed bungalows • 3 no. one bed apartments • 3 no. two bed apartments
BUI3	A small brownfield residential urban infill development site located within the Inner Core of Blackpool with a development capacity of 15 units: <ul style="list-style-type: none"> • 4 no. two bed houses • 7 no. three bed houses • 4 no. four bed houses

BUI4	An extra small brownfield residential urban infill development site located within the Inner Core of Blackpool with a development capacity of 5 units: <ul style="list-style-type: none"> • 2 no. two bed houses • 2 no. three bed houses • 1 no. four bed houses
BUI5	A small guesthouse conversion scheme located within the Inner Core of Blackpool with a development capacity of 4 units: <ul style="list-style-type: none"> • 1 no. one bed apartments • 3 no. two bed apartments
BUI6	A large guesthouse conversion scheme located within the Inner Core of Blackpool with a development capacity of 10 units: <ul style="list-style-type: none"> • 3 no. one bed apartments • 7 no. two bed apartments

Fig 7.4. Blackpool LPVA – Development Scenarios for Blackpool Mixed and Commercial Sites

Scenario	Summary
C1	A four storey office development located in Blackpool town centre featuring a: <ul style="list-style-type: none"> • 40,000 sq ft GIA office building
C2	A Planning Use Class B1 employment allocation featuring a two storey office development comprising: <ul style="list-style-type: none"> • 1,500 sq ft GIA office building
C3	A Planning Use Class B2 / B8 employment allocation featuring a an industrial / logistics unit with an area of: <ul style="list-style-type: none"> • 15,000 sq ft GIA
C4	A branded budget hotel development featuring: <ul style="list-style-type: none"> • 60 bedrooms
C5	A town centre retail scheme featuring the development of a shop unit comprising: <ul style="list-style-type: none"> • 1,500 sq ft GIA
C6	A local centre retail scheme featuring the development of a shop unit on a greenfield site comprising: <ul style="list-style-type: none"> • 1,500 sq ft GIA • Associated car parking
C7	A retail foodstore development site with a development capacity of: <ul style="list-style-type: none"> • 19,000 sqft GIA • 125 space car park

C8	<p>A four storey mixed use (residential and commercial) sea front development featuring:</p> <ul style="list-style-type: none"> • 7,000 sq ft GIA per floor • Retail use on the ground floor • Residential use on the floors above • 50 space car park
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7.11 A detailed schedule of these development scenarios and associated appraisal assumptions is included at *Appendix 4*.

Residential Value Assumptions

Gross Development Value (GDV)

7.12 Market Values achieved across Blackpool for new build homes are diverse, but tend to be at the lower end of values typically achieved across Lancashire.

7.13 The following table demonstrates broadly the rates and total areas that we have adopted for each house type in Urban Edge and Urban Infill locations, based on our knowledge of the local residential market and comparable evidence sourced for new build and modern re-sale homes (see Chapter 5):

Fig 7.5. Market Value Assumptions – GDVs (Price / £/sq ft), Floor Area, Net to Gross

House Type	1 bed Apartment	2 Bed Apartment	2 Bed Bungalow	2 bed House	3 bed House	4+ bed House
Blackpool Urban Edge Price (£/sq ft)	£100,000 (£185.87)	£120,000 (185.76)	£160,000 (£228.57)	£145,000 (£192.56)	£175,000 (£191.26)	£235,000 (£189.98)
Blackpool Urban Infill Price (£/sq ft)	£80,000 (£148.70)	£95,000 (£147.06)	£125,000 (£178.57)	£120,000 (£159.36)	£145,000 (£158.47)	£190,000 (£153.60)
Area Net	538	646	700	753	915	1,237
Area Gross	633	760	700	753	915	1,237
Net / Gross Ratio	85%	85%	100%	100%	100%	100%

7.14 The following tenure split and discounts from open market values have been applied for affordable housing:

Type	Split	Discount from Market Value
Affordable Rent	70%	35%
Intermediate	30%	24%

7.15 Stakeholders raised no objection to the market value assumptions.

Land Value Assumptions

7.16 What can be considered to be a reasonable landowner return will depend upon the specific circumstances of the case, for example whether a site is greenfield or brownfield in nature, the extent of abnormal costs, current and future uses of the land. Clearly if a landowner does not receive close to what they perceive to be a reasonable return in relation to the sale of their land then it will not be made available for development.

7.17 The Threshold Land Value ('TLV') is a viability concept relating to a land value at or above that which it is assumed a landowner would be prepared to sell.

7.18 The Residual Land Value ('RLV') is the amount remaining to buy the land once the total cost of a development and an appropriate profit are deducted from the gross development value. The RLV must be above or close to the TLV in order for a scheme to be considered to be potentially viable.

7.19 Typically a landowner will have a preconceived notion of the value or worth of their site. In the case of greenfield sites (typically in an existing agricultural use) it is relatively simple to reconcile whether this notion is realistic through the benchmarking of greenfield land values against other relevant transactions. The benchmarking of land value for brownfield sites is much more subjective, depending on such factors as the existing and previous use of the property or site in question, the extent of abnormal or remediation costs required to facilitate an alternative use for the site and lost income from the termination of existing investments on the site and the perceived historic investment in the site or building by the landowner.

7.20 The 'RICS Viability Guidance'⁵ states that 'site value' as a (landowner) benchmark should 'equates to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'

7.21 There is very little recent evidence of land transactions within the Borough. In the context of our ongoing local knowledge and experience of Blackpool and the wider north-west residential and commercial property markets we have been able to form a high-level view on appropriate benchmark land values.

7.22 We have adopted the following land value thresholds for each of the subject areas in regards to residential development:

- Blackpool urban edge greenfield - £200,000 per hectare
- Blackpool urban edge brownfield - £150,000 per hectare
- Blackpool urban infill brownfield - £50,000 per hectare

7.23 For commercial / mixed use development the following land value assumptions have been adopted:

- Town centre office - £85,000 per hectare
- Employment allocation (B1) - £85,000 per hectare
- Employment allocation (B2/B8) - £85,000 per hectare
- Hotel - £400,000 per hectare
- Town centre retail - £175,000 per hectare
- Local centre retail - £175,000 per hectare
- Foodstore - £650,000 per hectare
- Sea front mixed use – £400,000 per hectare

7.24 Stakeholders raised no objection to the land value assumptions.

Construction Cost Assumptions

Basic Build Costs

7.25 These are direct costs relating to the creation of each proposed dwelling unit, including preliminaries, cost of creating substructure and superstructure, but excluding abnormal items. They do not include the costs of any external works beyond the footprint of the walls of each dwelling.

7.26 A useful starting point for the calculation of basic build costs for new build schemes is RICS's BCIS ('Building Cost Information Service') – the UK property market's leading provider of construction cost and price information. Adopted BCIS costs should be location adjusted to the Borough and we would generally advocate the use of lower quartile cost data. BCIS costs are based on Gross Internal Area ('GIA').

7.27 For residential schemes BCIS 'Average Prices' data arises from the analysis of sample cost returns from a range of schemes, including wholly affordable housing schemes (which will typically have greater relative costs than private residential schemes), of varying design. From experience of the preparation and analysis of site-specific viability studies and from a

number of recent planning appeal decisions, it is apparent that volume housebuilders (both national and regional housebuilders) build houses at rates well below BCIS 'Average Price' data, including lower quartile costs. For this reason, we have used a combination of experience and cost evidence from appeal decisions to derive our residential build cost assumptions.

7.28 At the time of writing we have seen a significant increase in BCIS costs over the past 12 to 18 months. This increase has been greater than the rate of increase seen in representative local build costs. We have considered this build cost inflation in the build cost assumptions used in this study.

Fig 7.6. Base Build Cost Assumptions – By development scenario and property type

Dev. Scenario	Large Site (100 units)	Medium Sites (50 units)	Small Sites (15 units)	Extra Small Sites (5 units)	Small Guesthouse Conversion (4 units)	Large Guesthouse Conversion (14 units)
Property Type						
House (£ psf)	78	82	92	100		
Bungalow (£ psf)	113.62	113.62				
Apartment (£ psf)	113.81	113.81			70	65

Dev. Scenario	Town Centre Office	Employment allocation (B1)	Employment Allocation (B2/B8)	Hotel	Town Centre Retail	Local Centre Retail	Foostore	Sea Front Mixed Use
Property Type								
Mixed Use (£ psf)								120
Office (£ psf)	120	98						
Industrial (£ psf)			60					
Retail (£ psf)					85	85	50	
Hotel				90				

7.29 These residential build costs are used for all house types.

Infrastructure and External Costs

- 7.30 These are the costs of any external works beyond the footprint of the walls of each dwelling. These include the cost of 'non-abnormal' external works within the curtilage of each plot and within the communal areas of the site such as the installation of utilities, drainage, highways infrastructure and site landscaping. Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. It is however possible to generalise. External costs are typically lower for higher density than for lower density schemes as higher density schemes will have a smaller area of external works, and services can be used more efficiently. Large greenfield sites are more likely to require substantial expenditure on bringing mains services to the site.
- 7.31 Typically we expect to see external costs comprising from around 10% of basic build costs for smaller sites (up to 0.5 hectares) and increasing to 20% of basic build costs for larger Greenfield schemes (of 1.5 hectares and above).
- 7.32 The following table shows the assumptions adopted in regards to each scenario, based on the aforementioned principles:

Fig 7.7. Demolition and external works assumptions – By development scenario

Dev. Scenario	BUE1	BUE2	BUE3	BUE4	BUE5	BUE6	BUE7	BUE8
Demolition (£k per acre)		100		105		110		115
External Works (%)	20	20	15	15	10	10	10	10

Dev. Scenario	BUI1	BUI2	BUI3	BUI4	BUI5	BUI6
Demolition (£k per acre)	100	105	110	115	-	-
External Works (%)	20	15	10	10	5	5

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8
Demolition (£k per acre)	110			110	110	110	110	110
External Works (%)	10	10	10	10	10	10	10	10

- 7.33 Stakeholders raised no objection to the proposed assumptions for demolition or external works costs.

Site-specific abnormal costs

- 7.34 Abnormal costs should be those specific to the site, which are over and above costs that can reasonably be expected to be incurred for the development of an allocated, level and well-drained greenfield site with adopted highways and utilities available to the site boundary.

7.35 Stakeholders suggested that it will be important that abnormal costs are reflected in more detailed site specific viability modelling.

Contingency

7.36 A contingency allowance will typically range between 2% and 5% of total build costs for new build schemes. For previously undeveloped and otherwise straightforward sites we would normally allow a contingency of around 2-3% with a higher figure of 5% on more risky types of development and previously developed land.

Fig 7.8. Assumed contingency allowances – By development scenario

Dev. Scenario	BUE1	BUE2	BUE3	BUE4	BUE5	BUE6	BUE7	BUE8
Contingency (% of build costs)	3	5	3	5	3	5	3	5

Dev. Scenario	BUI1	BUI2	BUI3	BUI4	BUI5	BUI6
Contingency (% of build costs)	5	5	5	5	8	8

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8
Contingency (% of build costs)	5	5	5	5	5	5	5	5

Professional Fees

7.37 Professional fees for schemes within the local area (including statutory fees) will typically fall into the range of 5% to 10% of construction costs, dependent upon scale and nature of scheme. Sites requiring input from wider range of professionals (e.g. Brownfield, flood-affected and more complicated sites) are likely to be at the higher end of this range.

Fig 7.9. Assumed professional fees – By development scenario

Dev. Scenario	BUE1	BUE2	BUE3	BUE4	BUE5	BUE6	BUE7	BUE8
Professional Fees (%)	8	8	8	8	9	10	9	10

Dev. Scenario	BUI1	BUI2	BUI3	BUI4	BUI5	BUI6
Professional Fees (%)	9	9	10	10	10	10

Dev. Scenario	C1	C2	C3	C4	C5	C6	C7	C8
Professional Fees (%)	9	9	9	8	9	9	8	9

Developer contributions (s106)

- 7.38 Typical developer cost contributions provided through s106 agreements relate to education, off-site public open and community space provision and off-site highways. However, for the purposes of this LPVA, we have assumed no s106 costs in order to assess the baseline viability position for development across the Borough. The viability modelling identifies the surplus for planning contributions (s106 / CIL) once development costs (including land acquisition costs, constructions costs, fees, developers profit) and affordable housing are discounted from the Gross Development Value.

Marketing and disposal costs

- 7.39 Marketing and disposal costs include sales legal fees, sales promotion and agency, marketing budget and sales incentives (where necessary). Typically these cumulative costs are expected to fall within the range of 1.5% and 3% of GDV. For the purposes of this LPVA, we have assumed a flat rate of 2.5% of GDV for all residential development scenarios and 3% for commercial development scenarios.

Site acquisition costs

- 7.40 Site acquisition costs will typically be covered within a budget of 1.5% of site value and will incorporate acquisition agents and legal fees. In addition to this allowance SDLT (Stamp Duty Land Tax) is accounted for at the prevailing rate for the development scenario in question.

Development Finance Costs

- 7.41 Finance costs within a development appraisal are usually based on the accumulated debt, ideally calculated using a cash flow model in the context of the application of appropriate timescales for the scheme in question. At present most mainstream developers can obtain finance in the range of 5.5 to 6.5% per annum with a credit facility or up to around 60% loan to value. When the arrangement costs of obtaining finance are taken into account the total cost of finance will typically fall within the range of 6.5% to 7.5% per annum.
- 7.42 It is appreciated that the business models of some developers will involve investing more of their own funds into schemes, with other developers requiring greater external funding. The 'RICS Viability Guidance'⁵ (detailed below) is very clear on how such matters must be dealt with:
- 'viability appraisals...should disregard either benefits or disbenefits that are unique to the applicant, whether landowner, developer or both; for example, internal financing arrangements. The aim should be to reflect industry benchmarks as applied to the particular site in question for a planning application Clearly, there must be consistency in viability principles and application across these interrelated planning matters.'*

7.43 Consequently, for consistency, the assumption is advocated that finance will be 7% per annum of accumulated debt; assuming a requirement for 100% debt funding for all medium and larger residential developments and commercial developments. For smaller residential developments a modest increase is made to the finance cost of 0.5%, increasing the finance cost to 7.5% per annum.

Timescale Assumptions

7.44 Timescale assumptions for development appraisals relate to three key elements:

- Pre-construction
 - 3 months lead-in for pre-construction enabling and mobilisation
- Construction
 - 6 months construction per residential and commercial unit
- Sale
 - 6 months average between construction start and first sale for all residential sites
 - 2 sales per month on all small and medium residential sites
 - 4 sales per month on all large residential sites (assuming two sales outlets)
- It is assumed that commercial units will be pre-let or pre-sold

Assumed Developer Return

7.45 The NPPG ³ (at Paragraph: 018 Reference ID: 10-018-20190509) contains the following commentary on developer return:

'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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. 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. Alternative figures may also be appropriate for different development types.'

7.46 It is important to acknowledge that the returns sought by different developers and how they secure this through the whole development process can vary considerably. Developers will take into account a range of factors relating to the risk profile of the scheme, such as scheme size, time of delivery, location and other market factors, in determining what an acceptable rate of return is. Developer's Return is often the most potentially contentious aspect of any Viability Assessment.

7.47 From experience LSH are aware that widely differing profit margins will be expected by

different Developers within the Blackpool area. Some smaller developers may be willing to accept profit levels of between 10 and 15% of GDV (net of central overheads) in order to keep their workforce employed. Such smaller developers will generally have low level or no funding requirements and the policies of lenders will have minimal relevance.

- 7.48 Other Developers have greater profit expectations of anything from 15% and 20% of GDV. Developers falling into this bracket will generally utilise bank funding facilities and therefore the current risk-averse cautious policies of lenders will have a greater effect. In general terms ongoing reduced sales rates across the UK continue to cause lenders some concern.
- 7.49 Whilst many funders do expect 20% of GDV as a starting point on medium and large schemes, there is typically scope for a developer with a reasonable track record to agree a reduction to 18% of GDV where viability becomes an issue and all three parties to transaction (the landowner, developer, LPA) will each need to potentially compromise expectations, to some extent, in order to broker a mutually acceptable solution.
- 7.50 In order to ensure that Blackpool remains open and attractive to a broad range of housebuilders and developers, we have adopted 18% profit on GDV.

8 Viability Assessment Findings

- 8.1 This section of the report presents the findings of the viability modelling. The findings are presented in turn by market area (urban edge and inner core) and development scenario.
- 8.2 Full development appraisals are provided for each development scenario at *Appendix 5*. The outturn of the development appraisals is the potential surplus for planning contributions available after total development costs (land acquisition, build costs, professional fees, borrowing costs and developers profit) and affordable housing (for urban edge sites) are discounted from the gross development value.
- 8.3 The findings for each development scenario include the sensitivity matrix extracted from the viability appraisal. The sensitivity analysis:
- Identifies the potential surplus for planning contributions based on increases and decreases to the gross development value and / or the constructions costs.
 - The central box within the sensitivity matrix provides the viability outturn based upon the appraisal assumptions detailed in this report.
 - Gross development values increase in 10% increments running horizontally in the matrix.
 - Construction costs increase in 5% increments running vertically in the matrix.
- 8.4 Colouring in the sensitivity matrix follows a traffic lighting sequence, where green shades illustrate development generating a strong surplus for planning contributions, yellow shades illustrate development generating very limited or nil surplus for planning contributions and orange and red shades show development that is unviable.

Blackpool Residential Development

Blackpool Urban Edge Sites

- 8.5 The following figures show the viability results for the scenarios involving large, medium, small and extra small residential developments, on greenfield and brownfield sites in the Blackpool Urban Edge market area:

Blackpool Urban Edge Large Greenfield Residential Development Sites

- 8.6 *Fig. 8.1* demonstrates that based on current values and construction costs, a large greenfield site (100 units) in the Blackpool Urban Edge market area is unviable accounting for the 30% affordable housing policy target. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a surplus for s106 contributions.

Fig. 8.1. Large Greenfield Residential (BUE1)

Values		80%	90%	100%	110%	120%
Construction	(187,749)					
Costs	90%	(1,470,029)	(339,530)	790,970	1,921,470	3,051,969
	95%	(1,959,389)	(828,889)	301,610	1,432,110	2,562,610
	100%	(2,448,748)	(1,318,249)	(187,749)	942,751	2,073,250
	105%	(2,938,108)	(1,807,608)	(677,108)	453,391	1,583,891
	110%	(3,427,467)	(2,296,968)	(1,166,468)	(35,968)	1,094,531

8.7 Further viability modelling (illustrated in the sensitivity matrix in Fig. 8.2) identifies that based on current values and construction costs, a large greenfield site (100 units) in the Blackpool Urban Edge market area is viable accounting for 25% affordable housing, although generating only a very small surplus for other planning policy requirements or planning contributions.

Fig. 8.2. Large Greenfield Residential (BUE1 – adjusted to 25% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	28,060					
Costs	90%	(1,293,823)	(143,522)	1,006,779	2,157,080	3,307,382
	95%	(1,783,183)	(632,882)	517,420	1,667,721	2,818,022
	100%	(2,272,542)	(1,122,241)	28,060	1,178,361	2,328,663
	105%	(2,761,902)	(1,611,601)	(461,299)	689,002	1,839,303
	110%	(3,251,261)	(2,100,960)	(950,659)	199,642	1,349,944

8.8 Fig. 8.3 shows the effect of reducing affordable housing to 15%, identifying that development will then generate a surplus of £459,678 (£4,597 per unit) for other planning policy requirements or planning contributions.

Fig. 8.3. Large Greenfield Residential (BUE1 – adjusted to 15% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	459,678					
Costs	90%	(941,412)	248,493	1,438,397	2,628,302	3,818,206
	95%	(1,430,771)	(240,867)	949,038	2,138,942	3,328,846
	100%	(1,920,131)	(730,226)	459,678	1,649,583	2,839,487
	105%	(2,409,490)	(1,219,586)	(29,681)	1,160,223	2,350,127
	110%	(2,898,849)	(1,708,945)	(519,041)	670,864	1,860,768

8.9 Fig. 8.2 and Fig. 8.3 again show that modest cost savings or value rises will generate significant viability improvements, which leads to additional surplus for planning policy requirements or planning contributions.

Blackpool Urban Edge Large Brownfield Residential Development Sites

8.10 Fig. 8.4 demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the Blackpool Urban Edge market area is unviable accounting for the 30% affordable housing policy target. Sensitivity analysis demonstrates that more significant changes to market values or construction costs [than the greenfield scenario] will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a surplus for s106 contributions.

Fig. 8.4. Large Brownfield Residential (BUE2)

Values		80%	90%	100%	110%	120%
Construction	(892,977)					
Costs						
	90%	(2,142,103)	(1,011,603)	118,897	1,249,396	2,379,896
	95%	(2,648,040)	(1,517,540)	(387,040)	743,460	1,873,959
	100%	(3,153,976)	(2,023,477)	(892,977)	237,523	1,368,023
	105%	(3,659,913)	(2,529,413)	(1,398,914)	(268,414)	862,086
	110%	(4,165,850)	(3,035,350)	(1,904,850)	(774,351)	356,149

- 8.11 Further viability modelling (illustrated in the sensitivity matrix in *Fig. 8.5*) identifies that based on current values and construction costs, a large brownfield site (100 units) in the Backpool Urban Edge market area is viable accounting for 5% affordable housing, generating a small surplus (£186,068 in total / £1,861 per unit) for other planning policy requirements or planning contributions.

Fig. 8.5. Large Brownfield Residential (BUE2 – adjusted to 5% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	186,068					
Costs						
	90%	(1,261,073)	(31,566)	1,197,942	2,427,449	3,656,957
	95%	(1,767,010)	(537,502)	692,005	1,921,513	3,151,020
	100%	(2,272,946)	(1,043,439)	186,068	1,415,576	2,645,083
	105%	(2,778,883)	(1,549,376)	(319,868)	909,639	2,139,147
	110%	(3,284,820)	(2,055,312)	(825,805)	403,702	1,633,210

Blackpool Urban Edge Medium Greenfield Residential Development Sites

- 8.12 *Fig. 8.6* demonstrates that based on current values and construction costs, a medium greenfield site (50 units) in the Blackpool Urban Edge market area is unviable accounting for the 30% affordable housing policy target. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a surplus for s106 contributions.

Fig. 8.6. Medium Greenfield Residential (BUE3)

Values		80%	90%	100%	110%	120%
Construction	(138,927)					
Costs						
	90%	(758,604)	(205,171)	348,263	901,696	1,455,129
	95%	(1,002,199)	(448,766)	104,668	658,101	1,211,535
	100%	(1,245,794)	(692,360)	(138,927)	414,507	967,940
	105%	(1,489,388)	(935,955)	(382,521)	170,912	724,345
	110%	(1,732,983)	(1,179,549)	(626,116)	(72,683)	480,751

- 8.13 Further viability modelling (illustrated in the sensitivity matrix in *Fig. 8.2*) identifies that based on current values and construction costs, a medium greenfield site (50 units) in the Backpool Urban Edge market area is viable accounting for 20% affordable housing, although generating only a modest surplus (£74,720 in total / £1,494 per unit) for other planning policy requirements or planning contributions.

Fig. 8.7. Medium Greenfield Residential (BUE3 – adjusted to 20% affordable housing)

		Values				
Construction	74,720	80%	90%	100%	110%	120%
Costs	90%	(583,733)	(10,912)	561,909	1,134,730	1,707,551
	95%	(827,327)	(254,506)	318,315	891,136	1,463,957
	100%	(1,070,922)	(498,101)	74,720	647,541	1,220,362
	105%	(1,314,517)	(741,696)	(168,875)	403,946	976,767
	110%	(1,558,111)	(985,290)	(412,469)	160,352	733,173

8.14 Fig 8.8 shows the effect of reducing affordable housing to 15%, identifying that development will then generate a surplus of £181,543 (£3,631 per unit) for other planning policy requirements or planning contributions.

Fig. 8.8. Medium Greenfield Residential (BUE3 – adjusted to 15% affordable housing)

		Values				
Construction	181,543	80%	90%	100%	110%	120%
Costs	90%	(496,297)	86,218	668,732	1,251,247	1,833,762
	95%	(739,892)	(157,377)	425,138	1,007,653	1,590,167
	100%	(983,486)	(400,972)	181,543	764,058	1,346,573
	105%	(1,227,081)	(644,566)	(62,051)	520,463	1,102,978
	110%	(1,470,676)	(888,161)	(305,646)	276,869	859,384

8.15 Fig. 8.7 and Fig. 8.8 again show that modest cost savings or value rises will generate significant viability improvements, which leads to additional surplus for planning policy requirements or planning contributions.

Blackpool Urban Edge Medium Brownfield Residential Development Sites

8.16 Fig. 8.9 demonstrates that based on current values and construction costs, a medium brownfield site (50 units) in the Blackpool Urban Edge market area is unviable accounting for the 30% affordable housing policy target. Sensitivity analysis demonstrates that significant changes to market values and construction costs will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a surplus for s106 contributions.

Fig. 8.9. Medium Brownfield Residential (BUE4)

		Values				
Construction	(622,671)	80%	90%	100%	110%	120%
Costs	90%	(1,228,290)	(674,856)	(121,423)	432,010	985,444
	95%	(1,478,914)	(925,480)	(372,047)	181,387	734,820
	100%	(1,729,538)	(1,176,104)	(622,671)	(69,237)	484,196
	105%	(1,980,161)	(1,426,728)	(873,295)	(319,861)	233,572
	110%	(2,230,785)	(1,677,352)	(1,123,919)	(570,485)	(17,052)

8.17 Further viability modelling (illustrated in the sensitivity matrix in Fig. 8.5) identifies that based on current values and construction costs, a medium brownfield site (50 units) in the Blackpool Urban Edge market area is viable accounting for nil affordable housing, generating a very small surplus (£18,269 in total / £365 per unit) for other planning policy requirements or planning contributions.

Fig. 8.10. Medium Brownfield Residential (BUE4 – adjusted to nil affordable housing)

Values		80%	90%	100%	110%	120%
Construction	18,269					
Costs	90%	(703,675)	(92,079)	519,517	1,131,113	1,742,709
	95%	(954,299)	(342,703)	268,893	880,489	1,492,085
	100%	(1,204,923)	(593,327)	18,269	629,865	1,241,462
	105%	(1,455,547)	(843,951)	(232,355)	379,241	990,838
	110%	(1,706,171)	(1,094,575)	(482,979)	128,618	740,214

Blackpool Urban Edge Small Greenfield Residential Development Sites

- 8.18 *Fig. 8.11* demonstrates that based on current values and construction costs, a small greenfield site (15 units) in the Blackpool Urban Edge market area is viable accounting for the 30% affordable housing policy target, but generating only a modest surplus (£22,127 in total / £1,475 per unit) for planning policy requirements or planning contributions. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a more significant surplus for planning policy requirements or planning contributions.

Fig. 8.11. Small Greenfield Residential (BUE5)

Values		80%	90%	100%	110%	120%
Construction	22,127					
Costs	90%	(195,023)	(1,374)	192,275	385,923	579,572
	95%	(280,097)	(86,448)	107,201	300,850	494,498
	100%	(365,171)	(171,522)	22,127	215,776	409,425
	105%	(450,244)	(256,596)	(62,947)	130,702	324,351
	110%	(535,318)	(341,669)	(148,021)	45,628	239,277

- 8.19 Further viability modelling (illustrated in the sensitivity matrix in *Fig. 8.12*) identifies that based on current values and construction costs, a small greenfield site (15 units) in the Blackpool Urban Edge market area is viable and generates a significantly greater surplus for planning policy requirements or planning contributions if affordable housing is reduced to 25%. Under this assumption, the surplus for planning policy requirements or planning contributions increases to £56,046 in total or £3,736 per unit.

Fig. 8.12. Small Greenfield Residential (BUE5 – adjusted to 25% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	56,046					
Costs	90%	(167,888)	29,153	226,194	423,234	620,275
	95%	(252,961)	(55,921)	141,120	338,161	535,201
	100%	(338,035)	(140,995)	56,046	253,087	450,127
	105%	(423,109)	(226,068)	(29,028)	168,013	365,054
	110%	(508,183)	(311,142)	(114,102)	82,939	279,980

Blackpool Urban Edge Small Brownfield Residential Development Sites

- 8.20 *Fig. 8.13* demonstrates that based on current values and construction costs, a small brownfield site (15 units) in the Blackpool Urban Edge market area is unviable accounting for the 30% affordable housing policy target. Sensitivity analysis demonstrates that significant changes to market values and construction costs will result in significant changes to development viability, with the 30% affordable housing target then being viable along with a surplus for s106 contributions.

Fig. 8.13. Small Brownfield Residential (BUE6)

Values		80%	90%	100%	110%	120%
Construction	(116,303)					
Costs						
	90%	(328,558)	(134,909)	58,740	252,388	446,037
	95%	(416,079)	(222,431)	(28,782)	164,867	358,516
	100%	(503,601)	(309,952)	(116,303)	77,346	270,994
	105%	(591,122)	(397,473)	(203,825)	(10,176)	183,473
	110%	(678,644)	(484,995)	(291,346)	(97,697)	95,952

8.21 Further viability modelling (illustrated in the sensitivity matrix in *Fig. 8.14*) identifies that based on current values and construction costs, a small brownfield site (15 units) in the Backpool Urban Edge market area is viable accounting for 10% affordable housing, generating a small surplus (£19,373 in total / £1,292 per unit) for other planning policy requirements or planning contributions.

Fig. 8.14. Small Brownfield Residential (BUE6 – adjusted to 10% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	19,373					
Costs						
	90%	(220,017)	(12,801)	194,416	401,632	608,848
	95%	(307,538)	(100,322)	106,894	314,111	521,327
	100%	(395,060)	(187,843)	19,373	226,589	433,806
	105%	(482,581)	(275,365)	(68,148)	139,068	346,284
	110%	(570,103)	(362,886)	(155,670)	51,547	258,763

8.22 *Fig. 8.15* shows the effect of reducing affordable housing to 5%, identifying that development will then generate a surplus of £53,292 (£3,553 per unit) for other planning policy requirements or planning contributions.

Fig. 8.15. Small Brownfield Residential (BUE6 – adjusted to 5% affordable housing)

Values		80%	90%	100%	110%	120%
Construction	53,292					
Costs						
	90%	(192,882)	17,726	228,335	438,943	649,551
	95%	(280,403)	(69,795)	140,813	351,422	562,030
	100%	(367,925)	(157,316)	53,292	263,900	474,509
	105%	(455,446)	(244,838)	(34,229)	176,379	386,987
	110%	(542,967)	(332,359)	(121,751)	88,857	299,466

8.23 *Fig. 9.14* and *Fig. 9.15* again show that modest cost savings or value rises will generate significant viability improvements, which leads to additional surplus for planning policy requirements or planning contributions.

Blackpool Urban Edge Extra Small Greenfield Residential Development Sites

8.24 *Fig. 8.16* demonstrates that based on current values and construction costs, an extra small greenfield site (5 units) in the Blackpool Urban Edge market area is viable accounting for the 1% of mean sales value off-site affordable housing contribution, but generating only a modest surplus (£6,679 in total / £1,336 per unit) for planning policy requirements or planning contributions. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability, with a more significant surplus for planning policy requirements or planning contributions in addition to the off-site affordable housing contribution.

Fig. 8.16. Extra Small Greenfield Residential (BUE7)

Values		80%	90%	100%	110%	120%
Construction	6,679					
Costs	90%	(68,368)	(835)	66,698	134,231	201,763
	95%	(98,377)	(30,844)	36,688	104,221	171,754
	100%	(128,387)	(60,854)	6,679	74,212	141,745
	105%	(158,396)	(90,863)	(23,330)	44,203	111,736
	110%	(188,405)	(120,872)	(53,339)	14,193	81,726

Blackpool Urban Edge Extra Small Brownfield Residential Development Sites

- 8.25 *Fig. 8.17* demonstrates that based on current values and construction costs, an extra small brownfield site (5 units) in the Blackpool Urban Edge market area is unviable accounting for the 1% of mean sales value off-site affordable housing contribution. Sensitivity analysis demonstrates that significant changes to market values and construction costs will result in significant changes to development viability, with the 1% of mean sales value off-site affordable housing contribution then being viable along with a surplus for s106 contributions.

Fig. 8.17. Extra Small Brownfield Residential (BUE8)

Values		80%	90%	100%	110%	120%
Construction	(35,033)					
Costs	90%	(109,529)	(41,997)	25,536	93,069	160,602
	95%	(139,814)	(72,281)	(4,748)	62,785	130,317
	100%	(170,099)	(102,566)	(35,033)	32,500	100,033
	105%	(200,383)	(132,850)	(65,318)	2,215	69,748
	110%	(230,668)	(163,135)	(95,602)	(28,069)	39,464

Blackpool Inner Core / Urban Infill Sites

- 8.26 The following figures show the viability results for the scenarios involving large, medium, small, extra small residential developments and guesthouse conversions, on brownfield sites in the Blackpool Inner Core / Urban Infill market area:

Blackpool Urban Infill Large Brownfield Residential Development Sites

- 8.27 *Fig. 8.18* demonstrates that based on current values and construction costs, a large brownfield site (100 units) in the Blackpool Urban Infill market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.18. Large Brownfield Residential (BUI1)

Values		80%	90%	100%	110%	120%
Construction	(1,270,976)					
Costs	90%	(2,304,773)	(1,281,937)	(259,102)	763,733	1,786,568
	95%	(2,810,709)	(1,787,874)	(765,039)	257,796	1,280,631
	100%	(3,316,646)	(2,293,811)	(1,270,976)	(248,140)	774,695
	105%	(3,822,583)	(2,799,748)	(1,776,912)	(754,077)	268,758
	110%	(4,328,519)	(3,305,684)	(2,282,849)	(1,260,014)	(237,179)

Blackpool Urban Infill Medium Brownfield Residential Development Sites

- 8.28 *Fig. 8.19* demonstrates that based on current values and construction costs, a medium brownfield site (50 units) in the Blackpool Urban Infill market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs

will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.19. Medium Brownfield Residential (BUI2)

		Values				
Construction	(822,229)	80%	90%	100%	110%	120%
Costs	90%	(1,321,988)	(821,485)	(320,981)	179,522	680,025
	95%	(1,572,612)	(1,072,109)	(571,605)	(71,102)	429,401
	100%	(1,823,236)	(1,322,732)	(822,229)	(321,726)	178,777
	105%	(2,073,860)	(1,573,356)	(1,072,853)	(572,350)	(71,847)
	110%	(2,324,483)	(1,823,980)	(1,323,477)	(822,974)	(322,471)

Blackpool Urban Infill Small Brownfield Residential Development Sites

8.29 *Fig. 8.20* demonstrates that based on current values and construction costs, a small brownfield site (15 units) in the Blackpool Urban Infill market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.20. Small Brownfield Residential (BUI3)

		Values				
Construction	(184,248)	80%	90%	100%	110%	120%
Costs	90%	(360,805)	(185,005)	(9,205)	166,595	342,394
	95%	(448,326)	(272,526)	(96,726)	79,073	254,873
	100%	(535,847)	(360,048)	(184,248)	(8,448)	167,352
	105%	(623,369)	(447,569)	(271,769)	(95,969)	79,830
	110%	(710,890)	(535,090)	(359,291)	(183,491)	(7,691)

Blackpool Urban Edge Extra Small Brownfield Residential Development Sites

8.30 *Fig. 8.21* demonstrates that based on current values and construction costs, an extra small brownfield site (5 units) in the Blackpool Urban Edge market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.21. Extra Small Brownfield Residential (BUI4)

		Values				
Construction	(108,704)	80%	90%	100%	110%	120%
Costs	90%	(160,398)	(104,266)	(48,135)	7,996	64,127
	95%	(190,682)	(134,551)	(78,420)	(22,289)	33,843
	100%	(220,967)	(164,836)	(108,704)	(52,573)	3,558
	105%	(251,251)	(195,120)	(138,989)	(82,858)	(26,727)
	110%	(281,536)	(225,405)	(169,274)	(113,142)	(57,011)

Blackpool Small Guesthouse Conversion

8.31 *Fig. 8.22* shows that based on current values and construction costs, a guesthouse to apartment conversion (creating 4 apartments) in the Blackpool Urban Infill market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.22. Small Guesthouse Conversion (BUI5)

		Values				
Construction	(133,736)	80%	90%	100%	110%	120%
Costs	90%	(149,758)	(131,137)	(112,516)	(93,895)	(75,274)
	95%	(160,368)	(141,747)	(123,126)	(104,505)	(85,885)
	100%	(170,978)	(152,357)	(133,736)	(115,116)	(96,495)
	105%	(181,588)	(162,967)	(144,347)	(125,726)	(107,105)
	110%	(192,198)	(173,578)	(154,957)	(136,336)	(117,715)

Blackpool Large Guesthouse Conversion

- 8.32 Fig. 8.23 shows that based on current values and construction costs, a large guesthouse to apartments conversion (creating 10 apartments) in the Blackpool Urban Infill market area is unviable. Sensitivity analysis demonstrates that significant improvements to market values and construction costs will be necessary for development to be viable and generate a surplus for planning policy requirements or planning contributions.

Fig. 8.23. Large Guesthouse Conversion (BUI6)

		Values				
Construction	(129,162)	80%	90%	100%	110%	120%
Costs	90%	(173,648)	(127,501)	(81,354)	(35,207)	10,941
	95%	(197,552)	(151,405)	(105,258)	(59,111)	(12,963)
	100%	(221,456)	(175,309)	(129,162)	(83,014)	(36,867)
	105%	(245,360)	(199,213)	(153,065)	(106,918)	(60,771)
	110%	(269,264)	(223,116)	(176,969)	(130,822)	(84,675)

Blackpool Mixed and Commercial Sites

- 8.33 The following figures show the viability results for the scenarios involving mixed use, employment and retail developments, on greenfield and brownfield sites in the Borough:

Town Centre Office Development Sites

Fig. 8.24. Town Centre Office Development (C1)

		Values				
Construction	(319,961)	80%	90%	100%	110%	120%
Costs	90%	(1,121,768)	(343,784)	434,200	1,212,185	1,990,169
	95%	(1,498,849)	(720,864)	57,120	835,104	1,613,088
	100%	(1,875,929)	(1,097,945)	(319,961)	458,023	1,236,008
	105%	(2,253,010)	(1,475,026)	(697,042)	80,943	858,927
	110%	(2,630,091)	(1,852,107)	(1,074,122)	(296,138)	481,846

- 8.34 Fig. 8.24 demonstrates that based on current values and construction costs, a town centre office development in Blackpool is likely unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will be necessary for development to become viable.

Small Office Development Site

Fig. 8.25 Small Office Development (C2)

		Values				
Construction	(14,671)	80%	90%	100%	110%	120%
Costs	90%	(40,614)	(16,095)	8,425	32,945	57,464
	95%	(52,162)	(27,643)	(3,123)	21,396	45,916
	100%	(63,710)	(39,191)	(14,671)	9,848	34,368
	105%	(75,259)	(50,739)	(26,219)	(1,700)	22,820
	110%	(86,807)	(62,287)	(37,767)	(13,248)	11,272

- 8.35 *Fig. 8.25* demonstrates that based on current values and construction costs, a small greenfield office development in Blackpool is likely unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will be necessary for development to become viable.

Medium Industrial Development Site

Fig. 8.26 Medium Office Development (C3)

		Values				
Construction	(404,591)	80%	90%	100%	110%	120%
Costs	90%	(482,055)	(373,799)	(265,542)	(157,286)	(49,029)
	95%	(551,579)	(443,323)	(335,066)	(226,810)	(118,553)
	100%	(621,104)	(512,847)	(404,591)	(296,334)	(188,078)
	105%	(690,628)	(582,371)	(474,115)	(365,858)	(257,602)
	110%	(760,152)	(651,896)	(543,639)	(435,383)	(327,126)

- 8.36 *Fig. 8.26* demonstrates that based on current values and construction costs, a medium greenfield industrial development in Blackpool is likely unviable. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Hotel Development Sites

Fig. 8.27 Hotel Development (C4)

		Values				
Construction	17,344	80%	90%	100%	110%	120%
Costs	90%	(393,448)	(50,279)	292,890	636,059	979,228
	95%	(531,221)	(188,052)	155,117	498,286	841,455
	100%	(668,994)	(325,825)	17,344	360,513	703,683
	105%	(806,767)	(463,598)	(120,429)	222,741	565,910
	110%	(944,540)	(601,371)	(258,201)	84,968	428,137

- 8.37 *Fig. 8.27* demonstrates that based on current values and construction costs, a hotel development site in Blackpool is potentially viable, but with very modest surplus for planning policy requirements or planning contributions. Sensitivity analysis demonstrates the significant impact modest changes to market values or construction costs can have, with modest fall in value or increased costs, rendering development unviable and converse changes significantly improving the potential surplus for planning policy requirements or planning contributions.

Town Centre Retail Parade Development Sites

Fig. 8.28 Town Centre Retail Parade Development (C5)

		Values					
Construction	25,834	80%	90%	100%	110%	120%	
Costs	90%	(3,985)	20,941	45,866	70,792	95,718	
	95%	(14,001)	10,924	35,850	60,776	85,702	
	100%	(24,018)	908	25,834	50,760	75,685	
	105%	(34,034)	(9,108)	15,818	40,743	65,669	
	110%	(44,050)	(19,124)	5,802	30,727	55,653	

- 8.38 *Fig. 8.28* demonstrates that based on current values and construction costs, a town centre retail parade development site in Blackpool is likely viable, but with only a modest surplus for planning policy requirement or planning contributions. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Local Centre Retail Parade Development Sites

Fig. 8.29 Local Centre Retail Parade Development (C6)

		Values					
Construction	21,601	80%	90%	100%	110%	120%	
Costs	90%	(8,218)	16,708	41,634	66,560	91,485	
	95%	(18,234)	6,692	31,618	56,543	81,469	
	100%	(28,250)	(3,324)	21,601	46,527	71,453	
	105%	(38,266)	(13,341)	11,585	36,511	61,437	
	110%	(48,282)	(23,357)	1,569	26,495	51,420	

- 8.39 *Fig. 8.29* demonstrates that based on current values and construction costs, a local centre retail parade site in Blackpool is likely viable, but with only a modest surplus for planning policy requirements or planning contributions. Sensitivity analysis demonstrates that significant changes to market values or construction costs will be necessary for development to become viable.

Retail Foodstore Development Sites

Fig. 8.30 Brownfield Retail Foodstore Development (C7)

		Values					
Construction	1,701,593	80%	90%	100%	110%	120%	
Costs	90%	917,024	1,380,973	1,844,923	2,308,872	2,772,821	
	95%	845,359	1,309,309	1,773,258	2,237,207	2,701,156	
	100%	773,695	1,237,644	1,701,593	2,165,542	2,629,492	
	105%	702,030	1,165,979	1,629,928	2,093,878	2,557,827	
	110%	630,365	1,094,315	1,558,264	2,022,213	2,486,162	

- 8.40 *Fig. 8.30* demonstrates that based on current values and construction costs, a brownfield retail foodstore development site is viable and generates a significant surplus for planning contributions of £1.70 million.

Brownfield Mixed Use Development Sites

Fig. 8.31 Mixed Use Development Sites (C8)

		Values				
Construction Costs	(363,883)	80%	90%	100%	110%	120%
90%	(1,113,596)	(493,494)	126,608	746,710	1,366,812	
95%	(1,358,842)	(738,740)	(118,638)	501,464	1,121,566	
100%	(1,604,087)	(983,985)	(363,883)	256,219	876,321	
105%	(1,849,332)	(1,229,230)	(609,128)	10,974	631,076	
110%	(2,094,577)	(1,474,475)	(854,373)	(234,271)	385,831	

8.41 *Fig 8.31* demonstrates that based on current values and construction costs, a mixed use brownfield development site is unviable. Sensitivity analysis demonstrates that modest changes to market values or construction costs will result in significant changes to development viability.

9 Conclusions and Recommendations

9.1 LSH was appointed by Blackpool Council in June 2019 to advise on and prepare an Economic Viability Assessment ('LPVA') covering a representative range of housing, commercial and employment development sites across the Borough. This LPVA will form part of the evidence base for the emerging Blackpool Local Plan Part 2 – Site Allocations and Development Management Policies.

9.2 When considering the deliverability of the emerging Blackpool Local Plan Part 2, it is also useful to consider paragraph 16 of the NPPF:

“Plans should:

...

- b) be prepared positively, in a way that is aspirational but deliverable
- c) be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees”

9.3 Thus, whilst it is important that emerging Local Plan policy is realistic and informed by careful viability analysis (supported by proportionate and effective engagement), the Plan should be aspirational. The emerging Local Plan will need to consider and identify how viable development can be achieved.

9.4 Overall the viability modelling identifies a mixed picture of viability. This picture is not uncommon with our experience of site specific and plan-wide viability in neighbouring authorities and across the wider region. The viability modelling shows:

- That residential development is generally viable in the urban edge, but viability is challenging in the urban inner core. However, there are variations between brownfield and greenfield sites in the urban edge.
- In the Urban Inner Core market area residential development (irrespective of development size or type – new build or conversion) based on current values and construction costs is shown to be unviable. Sensitivity analysis demonstrates that changes to values or construction costs will result in significant changes to development viability. Evidently, there is development activity occurring in the Urban Infill market area. Whilst a proportion of this is direct public sector delivery, evidently housebuilders are finding cost saving efficiencies to deliver new housing development in this area.
- In the Urban Edge market area large, medium, small and extra small greenfield development sites are shown to be viable and deliver a reasonable surplus for planning policy requirements and planning contributions, however, this tends to be on the basis of a level of affordable housing below the 30% target identified in the Local Plan Part 1: Core Strategy (policy CS14).
 - The large greenfield site is shown to be viable accounting for 15% affordable housing and generating a reasonable surplus of approximately £4,500 per unit.
 - The medium greenfield site is shown to be viable accounting for 15% affordable housing and generating a reasonable surplus of approximately £3,000 per unit.

- The small greenfield site is shown to be viable accounting for 25% affordable housing and generating a reasonable surplus of approximately £3,750 per unit.
- The extra small greenfield site is shown to be viable, will deliver the 1% off-site affordable housing contribution and a modest surplus for planning policy requirements or planning contributions of approximately £1,350 per unit.

Core Strategy policy CS14 responded to the 2014 viability assessment and at the time 30% affordable housing was deemed viable by URS for the outer urban area. Policy CS14 was written flexibly to respond to a changing housing market in that part 2c of the policy states:

‘Where the above requirements cannot be met in full as they would render a development unviable and this has been robustly justified with the submission of a viability appraisal, then an alternative level of provision may be negotiated.’

The current policy has sufficient flexibility that it has not deterred housing development as shown by the increasing completions rates in recent years.

- A slightly more mixed picture emerges for Urban Edge brownfield sites, where far more modest levels of affordable housing are shown to be viable, with a limited surplus for planning policy requirements and planning contributions:
 - The large brownfield site is shown to be viable accounting for 5% affordable housing and generating a modest surplus of approximately £1,860 per unit.
 - The medium brownfield site is shown to be viable accounting for nil affordable housing and generating a modest surplus of approximately £365 per unit.
 - The small brownfield site is shown to be viable accounting for 10% affordable housing and generating a modest surplus of approximately £1,200 per unit.
 - The extra small brownfield site is shown to be unviable and will only deliver a surplus for planning policy requirements or planning contributions with significant market improvement.

n.b. The reason that the small brownfield site appears more viable than the medium and large scenarios relates to the more efficient house types included within this scenario (i.e. 100% houses as opposed to houses, apartments and bungalows).

- Sensitivity analysis demonstrates that modest changes to value and / or cost will result in significant changes to development viability and the potential surplus for planning policy requirements or planning contributions.
- That the foodstore and retail warehouse development on brownfield sites are viable and generate a significant or reasonable surplus (respectively) for planning policy requirements and planning contributions.
- That small retail development is unviable based upon the adopted values and build costs.

- That office and industrial / logistics development is unviable based upon the adopted values and build costs.
 - That mixed use brownfield development is unviable based upon the adopted values and build costs.
- 9.5 This LPVA provides a mixed picture on viability with a number of scenarios providing a surplus for affordable housing, elevated planning policy requirements and s106 contributions. However, the LPVA demonstrates that the surplus for elevated planning policy requirements and s106 contributions only exists where the flexibility within Policy CS14: Affordable Housing is adopted. The LPVA identifies that delivery of 30% affordable housing, elevated policy requirements and s106 contributions is likely unviable. Flexibility to site specific viability will therefore be critical to ensure the cumulative impact of policy requirements doesn't result in development becoming unviable.
- 9.6 Design requirements for new build housing in policy DM1 identify the Council's aspirations for the quality of new build housing. These requirements will have a significant impact on the cost of new development. This LPVA has identified the level of affordable housing that development can sustain and the surplus for elevated planning policy requirements or s106 contributions. The available surplus is generally modest and careful consideration will be necessary to site specific viability and design requirements. Applying all requirements to 100% of dwellings will exacerbate viability challenges. In common with Policy CS14, the wording of Policy DM1 must reflect development viability and apply flexibility to requirements or introduce policies on a more modest scale, with the ambition to escalate requirements over time as viability permits. For example, a number of authorities that have introduced policies requiring homes are built to nationally described space standards have adopted 20 or 40% targets. A similar approach could be adopted in Policy DM1, although given the more challenging viability context in Blackpool a 20% target is recommended. It is also recommended that the target for accessible and adaptable dwellings in DM1 is set to 10% to reflect development viability.
- 9.7 Within the emerging Affordable Housing SPD, the requirement for 30% affordable housing on large sites must continue to be reflect site specific viability constraints and the affordable housing financial contribution for small sites (3-14 dwellings) in the emerging Affordable Housing SPD should be reduced to 1%.
- 9.8 This LPVA process provides baseline market evidence and viability modelling for future detailed analysis of the emerging site allocations and against which to benchmark site specific viability appraisals.
- 9.9 Despite the local viability challenges identified in the LPVA, developers are delivering development where viability modelling shows this to be challenging. This suggests that developers are finding cost savings (including reduced build costs or lower profit margins) to deliver development.
- 9.10 The findings also identify that employment development across the Borough has potential viability challenges. These types of development will be unlikely to deliver elevated policy standards or s106 contributions. Rather, careful consideration will need to be given through the application of Local Plan policy and the determination of future planning applications towards how these sites and types of development can be delivered.

- 9.11 The viability modelling assumes that development will be delivered speculatively by housebuilders and developers in exchange for a reasonable development profit. This approach to assessing development viability follows national guidance and recognised practise. However, a range of developments, including business premises, retail stores, affordable housing schemes and self-build housing, will be occupier or operator led and rely on different financial rational. Employment, commercial, mixed use and appropriate residential sites should appropriately be identified to meet this potential demand.
- 9.12 Blackpool and the wider region also has a long record of realising development (including major employment developments) that have been assisted through public sector funding support or enabling development. The future context for public sector funding assistance (particularly in light of Brexit) is unclear. However, opportunities for public sector support or enabling development are being utilised to advance otherwise unviable commercial developments in neighbouring authorities and across the wider region. Examples include:
- Direct development delivery by public sector organisations.
 - Public sector organisations providing income strip guarantees to developers to support development viability.
 - Enabling development, whereby high value uses are included to cross-subsidise unviable development elements to provide reasonable returns to landowner and developer.
- 9.13 These options to enhance development viability should be considered through the Local Plan preparation process and further site specific and plan-wide viability modelling.
- 9.14 In common with the majority of Councils across the region and country, Blackpool Borough Council has adopted a Climate Emergency Declaration. The precise policy implications of this declaration are still to be fully realised. It is without question that emerging policies must seek to address the challenges that the Climate Emergency raises.
- 9.15 Given the NPPF guidance that policies must be prepared positively, in a way that is aspirational but deliverable, given the viability context in the Borough and the central policy focus of enhancing the supply of housing, careful consideration will be required to strike an appropriate balance between meeting established policy objectives, addressing emerging climate emergency objectives and maintaining development viability. The balance between essential aspiration and deliverability will require very sympathetic deliberation and prioritisation.

Appendix 1 – Potential viability effect of adopted and emerging Local Plan documents

Blackpool Local Plan Part 1 (adopted policy)

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
CS1	Strategic Location of Development	No Impact	The Policy supports its regeneration and growth. The future growth of Blackpool will be focussed on three main areas: Blackpool Town Centre; The Resort Core; and, Neighbourhoods within the inner areas.
CS2	Housing Provision	Indirect	The Policy states that provision will be made for the delivery of 4,200 new homes between 2012 and 2027. New homes will be located on: identified sites within the urban area, and South Blackpool Growth area; and, windfall sites. Regard will be given to different property values in each of the market areas when assessing development viability.
CS3	Economic Development and Employment	No Impact	The Policy sets out how that sustainable economic development will be promoted to strengthen the local economy and meet the employment needs of the borough to 2027. This will be achieved by safeguarding around 180ha of existing B Class land, promoting B1 development and enterprise start-ups in Blackpool Town Centre, and promoting land in south Blackpool as a strategic priority. Proposals to support development in the local economy will have a spatial impact on supply for sites and premises. Provided site supply keeps check with demand, strengthening the local economy will not have a direct and immediate impact on development viability.
CS4	Retail and Other Town Centre Uses	No Impact	The Policy seeks to strengthen Blackpool Town Centre's role as a sub-regional centre for retail on the Fylde Coast by focusing new major retail development in the town centre, and by the preparation and implementation of a Town Centre Strategy and Action Plan. For Town, District and Local Centres within the Borough, retail and other town

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			centre uses will be supported where they are appropriate to the scale, role and function of the centre.
CS5	Connectivity	No Impact	The Policy relates to the delivery of a sustainable, high quality transport network for Blackpool.
CS6	Green Infrastructure	Direct Impact	<p>The Policy sets out that high quality and well connected networks of green infrastructure in Blackpool will be achieved by protecting, enhancing, creating and connecting accessible green infrastructure. All new developments will be expected to incorporate new or enhanced existing green infrastructure of an appropriate size, type and standard. Where on-site provision is not possible, financial contributions will be sought to make appropriate provision for open space and green infrastructure.</p> <p>A suitable allowance must therefore be made within the appraisals for the provision and / or improvement of green infrastructure, either through a dedicated cost or an adjustment to the external works costs.</p>
CS7	Quality of Design	Direct Impact	<p>New development in Blackpool is required to be well designed, and enhance the character and appearance of the surrounding development.</p> <p>Within the viability appraisals, regard has been had to the BCIS cost indices and other build cost data which takes into consideration the requirement for high quality design.</p>
CS8	Heritage	No Impact	The Policy sets out that development proposals will be supported which respect and draw inspiration from Blackpool's built, social and cultural heritage, complementing its rich history with new development to widen its appeal to residents and visitors. Proposals that retain, reuse, convert, enhance and strengthen the character of heritage assets will be supported. Developers must demonstrate how

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			<p>any development affecting heritage assets (including conservation areas) will conserve and enhance the asset, its significance and its setting.</p> <p>Protection of the historic environment is a long established role in planning policy and the costs associated are factored into the property development market.</p>
CS9	Water Management	No Impact	<p>The Policy proposes measures to reduce flood risk, manage the impacts of flooding and mitigate the effects of climate change. As part of these measures, it is proposed that appropriate mitigation and resilience measures to minimise the risk and impact of flooding from all sources, and that SuDS is incorporated where appropriate where surface water run-off will be generated.</p> <p>Protection of the environment, including water management is a long established role of planning policy and the cost associated is factored into the property development market.</p>
CS10	Sustainable Design and Renewable and Low Carbon Energy	Direct Impact	<p>The Policy seeks to mitigate the impacts of climate change, minimise carbon emissions and ensure buildings are energy efficient.</p> <p>The requirement for all new non-residential development over 1,000m² will be required to achieve BREEAM 'very good' (or any future national equivalent) will directly impact on costs and will be factored into the appraisals accordingly.</p>
CS11	Planning Obligations	Direct Impact	<p>The Policy sets out that development will only be permitted where existing infrastructure, services and amenities are already sufficient, or where the developer enters into a legal undertaking or agreement to meet the additional needs arising from the development.</p> <p>Planning obligations will directly impact on the gross development value of new developments and its viability. The viability model assesses the surplus available for planning obligations once all other</p>

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			development costs are discounted from the gross value of development.
CS12	Sustainable Neighbourhoods	No Impact	The Policy relates to the delivery of sustainable neighbourhoods and securing a better quality of life for residents. It states that the Council will support development and investment which provides high quality housing, high quality community facilities, contributes to an efficient multi-modal transport, creates a healthy and safe environment, reflects built heritage and addresses the need for balanced provision of parking.
CS13	Housing Mix, Density and Standards	No Impact	The Policy sets out that new residential development will be required to provide an appropriate mix of quality homes to meet local needs. Diligent developers are best placed to determine and provide housing that meets local demand. This is therefore already factored into the property development market. It is also reflected in the mix of development scenarios that will be tested.
CS14	Affordable Housing	Direct Impact	The Policy relates to the provision of affordable housing on new development sites. Affordable housing contributions will directly impact on the gross development value of new development proposals and their viability.
CS15	Health and Education	Direct Impact	The Policy states that developments will be supported that encourage health and active lifestyles. Contributions will be sought from developers towards the provision of healthcare facilities and school places. Contributions towards health provision and school places will directly impact on the gross development value of new development proposals and their viability.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
CS16	Traveller Sites	No Impact	The Policy states that the location of traveller sites will be determined in the Local Plan Part 2. The Policy provides criteria which will be used to guide land supply allocations and provide the basis for determining applications.
CS17	Blackpool Town Centre	No Impact	The Policy seeks to re-establish Blackpool town centre as the first choice shopping destination along on the Fylde Coast. It seeks to do this by delivering new retail development, introducing quality cafes and restaurants, conserving and enhancing key heritage and entertainment assets, growing an office sector, enhancing building quality, improving access to the town centre, and introducing a residential offer.
CS18	Winter Gardens	No Impact	The Policy states that major refurbishment will be promoted and encouraged to enhance the appeal and status of the Winter Gardens.
CS19	Central Business District (Talbot Gateway)	No Impact	The Policy relates to the comprehensive redevelopment of the Central Business District which will be promoted for a mixed use development which becomes an important anchor for the north of the town centre. The Policy will not impact on the viability of new developments.
CS20	Leisure Quarter (Former Central Station Site)	No Impact	The Policy relates to the comprehensive redevelopment of the entire site will be promoted and encouraged for major leisure development of national significance; where the cumulative impact of a single or group of leisure uses will provide a compelling new reason to visit Blackpool.
CS21	Leisure and Business Tourism	No Impact	The Policy sets out that in order to physically and economically regenerate Blackpool's resort core and town centre, the focus will be on strengthening the resort's appeal to attract new audiences year round.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
CS22	Key Resort Gateways	No Impact	The Policy states that proposals will be promoted and pursued for further improvement, remodelling and environmental enhancement of Central Corridor as a key strategic gateway to Blackpool and attractive point of arrival.
CS23	Managing Holiday Bed Spaces	No Impact	The Policy relates to the management of holiday accommodation, it sets out an approach to manage a reduction in the oversupply of poor quality holiday bed spaces.
CS24	South Blackpool Employment Growth	No Impact	The Policy sets out that the Council will support the redevelopment of existing employment sites in South Blackpool to provide high quality modern business / industrial facilities. Proposals for major new business/industrial development (Class B uses) in principle at sustainable locations within wider lands at South Blackpool to support sub-regional economic growth.
CS25	South Blackpool Housing Growth	Indirect	The Policy identifies land at Whyndyke (Mythop Road) and Moss House Road to provide around 750 new dwellings. It goes on to state that the Council will work with Fylde Borough Council, the Environment Agency and utility providers to ensure that any housing development on adjoining lands around Junction 4 of the M55 most appropriately manages the impact on the existing surface water and waste water network within Blackpool.
CS26	Marton Moss	Indirect	The Policy sets out that the character of the remaining lands at Marton Moss is integral to the local distinctiveness of Blackpool and as such is valued by the local community. It goes on that a neighbourhood planning approach will be promoted for this area to develop neighbourhood policy which supports the retention and enhancement of the distinctive character, whilst identifying in what

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			circumstances development including residential may be acceptable.
CS27	South Blackpool Transport and Connectivity	No Impact	The Policy states that development proposals in South Blackpool will be required to prioritise sustainable modes of transport between homes, jobs and supporting community facilities. It goes on that convenient access to public transport and improved pedestrian and cycle infrastructure are required to support major housing and employment growth in this area.

Blackpool Local Plan Part 2 (emerging policy)

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
HSA1	Housing Site Allocations	Indirect	The policy allocates sites for housing development. Ensuring an adequate supply of housing sites and the location of sites will have a potential impact on sales values and therefore development viability. Testing various housing development scenarios in each of the housing market areas ensures the viability modelling considers the locational impact of allocations on development viability.
MUSA1	Town Centre Mixed Use Site	No Impact	The policy allocated land at Church Street for a mixed use development including a discount foodstore. Viability modelling assesses the viability of foodstore and mixed use development scenarios.
ASA1	New Allotment Site	No Impact	Land to the north of the Golf Driving Range is allocated for a new allotment. This new allotment will be delivered by Blackpool Council in partnership with the Allotments Federation.
LSA1	Land Safeguarded for Future Development Needs	No Impact	The policy prevents development on safeguarded land before a review of the local plan.
DM1	Design Requirements for New Build Housing Development	Direct Impact	This policy seeks to inform the design of new build housing, taking on board the principles from the Building for Life 12. It sets out that new developments will be required to: <ul style="list-style-type: none"> 1. Adhere to the Nationally Described Space Standards; 2. Respond to the local character and distinctiveness of the area; 3. Respond to the topographical character of the land and the surrounding roofscape. SuDs are encouraged on site but these should form attractive landscape features; 4. Ensure that dwellings are provided with a water butt of at

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			<p>least 200 litres;</p> <ol style="list-style-type: none"> 5. Ensure that affordable units should be tenure blind and not be distinguishable from market dwellings; 6. Provide adequate private, defined and useable amenity space for occupants; 7. Make appropriate provision for waste and recycling storage at the rear of dwellings; 8. Provide appropriate infrastructure for electric vehicles; 9. Ensure that garages must have minimum internal dimensions of 6 metres by 3 metres and driveways must be at least 5.5 metres long and at least 3.3 metres wide; 10. The location of utilities infrastructure will not be acceptable on an elevation which has a road frontage; 11. New housing development should be designed and laid out in a manner that enables higher rates of natural surveillance, to reduce the risk of crime; 12. The design and orientation of roofs should assist the potential siting and efficient operation of solar technology and the layout and orientation of dwellings should take account of the need to minimise energy consumption; and, 13. Encouragement is given to the minimisation of end-user energy requirements over and above those required by the current building regulations through energy reduction and efficiency measures on all residential schemes. <p>The requirement for new developments to meet the principles of Building for Life 12 will have a direct impact on the overall viability of schemes as will adherence to NDSS. Generally, the extent of this Policy's impact on viability is considered through the scope of the development scenarios and the adoption of appropriate cost assumptions (i.e. build costs / external works etc.).</p>

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
DM2	Residential Annexes	No Impact	<p>The Policy sets out that new housing will be permitted in residential gardens, or on infill and back land sites will be permitted where:</p> <ol style="list-style-type: none"> 1. It relates to the character and appearance of the surrounding environs; 2. Respects the street scene; 3. Safeguards privacy, sunlight, daylight, outlook and amenity; 4. Retains and provides adequate amenity space for existing and new occupants; 5. Makes provision for secure waste and recycling storage; 6. Incorporates safe vehicular and pedestrian access; and, 7. Existing green infrastructure is preserved.
DM3	Supported Accommodation and Housing for Older People	No Impact	<p>The Policy sets out that new development or extensions to existing Use Class C2 will be permitted subject to:</p> <ol style="list-style-type: none"> 1. A demonstration of local need; 2. The site having a good level of access; 3. The site being located on level ground to accommodate mobility needs; 4. The form, scale, layout and design of the development is accommodating for the end user; 5. The proposals include sufficient landscaping; 6. Amenity is preserved; and 7. A management plan is submitted. <p>The development of other Use Class C2 uses and hostels will be permitted where:</p> <ol style="list-style-type: none"> 1. Amenity is preserved; and, 2. The proposals contribute positively to the creation and maintenance of balanced and healthy community. <p>To protect the character and amenities of residential areas and avoid any undue concentration of Supported Accommodation and/or Housing for Older People, no more than 10% of properties in any one</p>

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			block will be permitted in such use and no supported accommodation or housing for older people will be permitted within 400 metres of an existing property meeting similar needs.
DM4	Student Accommodation	No Impact	<p>The Policy relates to the development of student accommodation. Proposals for student accommodation will be permitted where:</p> <ol style="list-style-type: none"> 1. Demonstration of need; 2. Suitability of the proposed layout; 3. Location of the proposed use and the effect on the character of the area; 4. The proposal meeting the necessary floorspace standards; and, 5. The submission of a management plan for the premise. <p>The provision of new-build and converted student accommodation will be permitted in principle within 800 metres walking distance of the relevant learning centre.</p>
DM5	Residential Conversions and Sub-divisions	No Impact	<p>The Policy relates to the conversion and sub division of dwellings. Proposals will be permitted where:</p> <ol style="list-style-type: none"> 1. The property is not safeguarded for an alternative use under another policy; 2. The proposed units are fully contained and meet national space standards; 3. The size and layout of properties proposed for single family use is consistent; 4. Applications for the conversion of properties from non-residential uses to residential use include appropriate proposals to establish residential character and maximise residential amenity; and,

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			<p>5. Utilities infrastructure is sensitively positioned.</p> <p>Within the inner area, proposals for conversion or subdivision of residential uses will not be permitted which would further intensify existing over-concentrations of flat accommodation. Proposals for the conversion of existing dwellings or other buildings into houses in multiple occupation will not be permitted.</p>
DM6	Residential Uses in the Town Centre	No Impact	Proposals for upper floor residential use will be supported within the Town Centre. Proposals for ground floor residential uses will only be supported in the identified locations.
DM7	Provision of Employment Land and Existing Employment Sites	No Impact	<p>The Policy sets out the proposals for new development or development of existing premises will be permitted on the identified employment sites.</p> <p>In the short term the supply of employment land is fixed. The viability of development economics is impacted by other factors such as demand for commercial premises (itself determined by the wider economy) and site specific costs. The price of land is established by residual appraisal in this context.</p> <p>If the employment sites are not viable, their retention for employment will distort the land supply and will affect land economics and consequently viability due to the imbalance between supply and demand. In this regard, the Policy will not impact on the viability of new developments unless the allocations themselves are unviable and result in an imbalance between supply and demand.</p>
DM8	Blackpool Airport Enterprise Zone	No Impact	The Policy identifies the type of development that will be appropriate at the Blackpool Airport Enterprise Zone [EZ]. It sets out that the Council will support the sustainable growth of the EZ and make it a hub of economic activity. The overall delivery of the EZ will be guided by an agreed Masterplan. A Design Framework will also be required.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			To aid the delivery process, the Council will work with Fylde Borough Council and Lancashire County Council to produce a Local Development Order [LDO].
DM9	Blackpool Zoo	No Impact	The Policy sets out the development proposals for land within Blackpool Zoo will only be permitted where they preserved and enhance the character, appearance and setting of the Zoo. Development for purposes not directly related to the main use of the site as a zoo will only be permitted in exceptional circumstances.
DM10	Promenade and Seafront	No Impact	The Policy states that development proposals which further improve the appearance and economic function of the Promenade and Seafront will be supported where they: <ol style="list-style-type: none"> 1. Redevelop existing poor quality uses; 2. Improve and enhance buildings and frontages; 3. Provide high quality landmark buildings; 4. Provide high quality public realm, landscaping, infrastructure, lighting and security; and, 5. Conserve, enhance and secure sustainable features for the town's heritage. Piecemeal development here will not be permitted.
DM11	Primary Frontages	No Impact	The Policy sets out that the following development will be permitted within the Primary Frontages: <ol style="list-style-type: none"> 1. Retail (Use Class A1); 2. Restaurants (Use Class A3); 3. Appropriate Leisure (Use Class D2), Residential (Use Class C3), Hotel (Use Class C1), or Offices (Use Class B1) at upper floor level; 4. Civic space / open space. By limiting the uses that will be permitted within the primary

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			frontages, land values in these locations will increase. This market dynamic is factored into the property market.
DM12	Secondary Frontages	No Impact	<p>The Policy sets out that the following uses will be permitted within Secondary Frontages:</p> <ol style="list-style-type: none"> 1. Retail (Use Class A1); 2. Professional and financial services (Use Class A2); 3. Restaurants and cafes (Use Class A3); 4. Leisure (Use Class D2); 5. Hotel (Use Class C1); 6. Appropriate residential (Use Class C3) or offices (Use Class B1) at upper floor level; and, 7. Civic space / open space. <p>By limiting the uses that will be permitted within the secondary frontages, land values in these locations will increase. This market dynamic is factored into the property market.</p>
DM13	Amusement Centres, Betting Shops and Pawnbrokers in the Town Centre	No Impact	The Policy seeks to retain the diversity and balance of Blackpool town centre. The Council will therefore manage the concentration of amusement centres, betting shops and pawn brokers.
DM14	District and Local Centres	No Impact	<p>The Policy sets out the type of retail development that will be supported in District and Local Centres. It also identifies the criteria in which the Council will assess the impact of developments proposals in the retail function of the centre.</p> <p>By limiting the uses that will be permitted within the District and Local Centres, land values in these locations will increase. This market dynamic is factored into the property market.</p>
DM15	Threshold for Impact Assessment – Retail and Leisure Proposals	No Impact	The Policy sets out the Impact Assessment threshold required for proposals for retail and leisure developments which are not located in

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			<p>a defined centre.</p> <p>Providing a restriction on the location of new retail and leisure development in out of centre locations will increase land values on inner and edge of centre sites. This market dynamic is factored into the property market.</p>
DM16	Managing Hot Food Takeaways	No Impact	<p>The Policy seeks to support and promote healthy lifestyles. The Policy is clear that applications for hot-food takeaways within 400m of a metres of wards where there is more than 15% of the year 6 pupils or 10% of reception pupils classified as very overweight other than in exceptional circumstances where there would be overriding regeneration benefits.</p>
DM17	Design Principles	Direct Impact	<p>The Policy sets out that all development should be of a high quality and respond to the character of the local area. The highest standards of design will be required for development in sensitive locations, and highly visible / prominent locations.</p> <p>Consideration for the high quality design will augment development cost and thus directly impact viability such as:</p> <ol style="list-style-type: none"> 1. Quality of design; 2. Environmental improvements; and, 3. Enhancing the local area. <p>Within the viability appraisals, regard will be had to the BCIS cost indices and other cost data which account for high quality design.</p>
DM18	High Speed Broadband in New Developments	No Impact	<p>Proposals for new build residential and commercial development must demonstrate how they will provide future occupiers with potential for full fibre broadband connectivity.</p> <p>Futureproofing new development for future full fibre broadband connectivity is now common and the costs are factored into normal build costs.</p>

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
DM19	Strategic Views	No Impact	The Policy is clear that development should protect and enhance views of buildings and features of strategic importance. Development that has a detrimental impact on these strategic views will not be permitted.
DM20	Extensions and Alterations	No Impact	The Policy relates to extensions and alterations. It sets out that extensions and alterations must be well designed, and that materials should be complementary. Roof lifts will not be permitted.
DM21	Landscaping	Direct	The Policy sets out that development proposals are expected to contribute towards green and blue infrastructure. Consideration of landscaping within proposals will augment developer costs and therefore will have a direct impact on viability. This will be accounted for in the appraisals as part of a site specific infrastructure or external works cost.
DM22	Shopfronts	No Impact	The Policy provides guidance on development proposals relating to new shop fronts and alterations to existing shopping fronts.
DM23	Security Shutters	No Impact	The Policy relates to the installation of security shutters.
DM24	Advertisements	No Impact	The Policy relates to the display of advertisements.
DM25	Public Art	Direct Impact	New development will be required to support the cultural wellbeing of Blackpool through the provision of public art projects. Viability modelling assesses the potential surplus for planning contributions, including contributions to public art.
DM26	Listed Buildings	No Impact	The policy protects listed buildings, supporting proposals that sustain and enhance the significance of listed buildings, including their setting.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
DM27	Conservation Areas	No Impact	The policy protects conservations areas, supporting proposals that sustain and enhance those elements that make a positive contribution to their special character and appearance including its setting as identified within the conservation area appraisal.
DM28	Non-Designated Heritage Assets	No Impact	The policy supports the retention of non-designated heritage assets. Development which would remove, harm or undermine the significance of a non-designated heritage asset will only be permitted where robust evidence can demonstrate that the benefits of the development clearly outweigh the harm.
DM29	Stanley Park	No Impact	The policy protects the setting of Stanley Park, requiring any development proposals to sustain or enhance its significance.
DM30	Archaeology	No Impact	The policy protects archaeological sites including scheduled ancient monuments. Development affecting an archaeological site must demonstrate that the public benefits which cannot be met in any other way would clearly outweigh the harm.
DM31	Surface Water Management	No Impact	The policy requires that surface water from development sites will be disposed of via the most sustainable drainage option available and sets the drainage requirements for greenfield and brownfield development. Surface water management is a long standing requirement of the planning system and these costs should now be factored into normal development costs.
DM32	Wind Energy	No Impact	The Policy identifies that the whole Borough is designated as an area of search suitable for small scale wind turbine development and sets development management criteria to assess small scale wind turbine

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			proposals.
DM33	Coast and Foreshore	No Impact	The policy supports proposals that will secure further improvements to bathing water quality or flood protection and resists development proposals that would adversely affect the appearance, integrity or environmental quality of the beach and foreshore.
DM34	Development in the Countryside	No Impact	The policy protects the remaining designated open countryside in the Borough and restricts the type of development that will be permitted.
DM35	Biodiversity	No Impact	The policy prevents development in or adjacent to a SSSI and other sites of nature conservation value where it would adversely affect, directly or indirectly, its wildlife and nature conservation importance. Development proposals that would adversely affect protected species will not be permitted. More generally development proposals will be required to result in no loss or harm to biodiversity and provide net biodiversity gains. Nature conservation and protection of biodiversity are long established objectives of the planning system and costs will generally be factored into development and associated landscaping works of conserving and enhancing biodiversity.
DM36	Controlling Pollution and Contamination	No Impact	The Policy seeks to enhance the natural and physical environment by preventing development contributing to, being put at unacceptable risk from or being adversely affected by unacceptable levels of air, soil, water or noise pollution.
DM37	Community Facilities	No Impact	The policy protects existing community facilities and supports the provision of new facilities on appropriate sites where there is an identified shortfall. The policy also protects public houses and social

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			clubs, providing development management criteria against which proposals resulting in a loss will be assessed.
DM38	Allotments and Community Gardens	No Impact	The policy protects allotments and community gardens and only allows their redevelopment, where there is no demonstrable need or partial development would enable significant enhancement of the asset.
DM39	Blackpool Victoria Hospital	No Impact	The policy supports further development at the hospital, but requires that improved accessibility and parking provision must be considered with any development proposals.
DM40	Blackpool and the Fylde College – Bispham Campus	No Impact	The policy safeguards land shown on the Policies Map for the future development and improvement of facilities at Blackpool and the Fylde College and prevents development for other purposes.
DM41	Transport Requirements for New Development	Direct Impact	The policy sets the transport requirements for new development and requires that Transport Assessments and Travel Plans will be required in accordance with the thresholds set in the Local Plan. Transport requirements are longstanding requirements of the planning system. Normal development costs will factor a degree of the costs associated with new access for vehicles, pedestrians and cyclists. The viability modelling assesses the potential surplus for planning contributions, including broader contributions towards strategic transport improvements.
DM42	Aerodrome Safeguarding	No Impact	The policy identifies that the Blackpool Airport Authority will be consulted on all development proposals within the aerodrome safeguarding area (shown on the Policies Map).

Other Policies (emerging policy)

Affordable Housing SPD

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
-	Where and when will contributions be sought	Direct Impact	Contributions will be sought from all developments outside of the defined Inner Area where more than three new dwellings are proposed.
	Proposals for 15+ dwellings or sites of 0.5ha or more	Direct Impact	<p>Where provision is to be made on-site, this should equate to 30% of the total number of dwellings created.</p> <p>Where provision is to be made off-site, the application for the off-site affordable housing provision must be made concurrently with the application for the market housing. The amount of affordable housing proposed on the linked site must be equivalent to 30% of the total amount of housing proposed when the market housing site and the affordable housing site are considered together.</p> <p>Where provision is made by way of a financial contribution, this will be equivalent to the average costs of on-site provision. The financial contribution will be calculated in accordance with Table 1 in the Affordable Housing SPD.</p>
	Proposals for 3-14 dwellings or sites of less than 0.5ha	Direct Impact	Financial contributions will be sought equivalent to 5% of the mean end market values of the unit mix in the development proposed. The market value of a dwelling will be calculated in accordance with Table 2 in the Affordable Housing SPD.

Greening Blackpool SPD

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
-	All new development	Direct Impact	<p>New development will be required to be retain existing tree’s covered by categories A, B or C of BS 5837. Where the removal of such tree’s is unavoidable, the trees must be replaced on a ratio of 2 trees for each tree felled.</p> <p>Protection of trees and appropriate landscape works are long standing objectives of the planning system. Such costs are therefore factored into the development market.</p>
-	All new residential development	Direct Impact	<p>New residential development of more than 3 dwellings, including changes of use, should provide high quality public open space of at least 40 square metres per occupier.</p> <p>Open space should be provided on-site but where this isn’t possible, financial contributions will be required towards the upgrade of open space or amenity and natural greenspace in the area.</p> <p>The level of financial contributions for off site provision is identified in the SPD and will be carried forward on an index linked basis.</p> <p>In addition to the above requirements, new build housing should include two trees for each new dwelling, to be provided on-site.</p> <p>Where the full provision of tree planting can’t be provided onsite, financial contributions will be sought towards tree planting in the area at a sum of £1000 per tree.</p> <p>Provision of public open space and appropriate landscape works are a long standing objective of the planning system. Such costs are therefore factored into the development market.</p>
	New build commercial and leisure development	Direct Impact	<p>All new build commercial and leisure development should provide onsite green infrastructure where possible. Additionally, one tree is required for each 100 square metres of floorspace to be provided or a financial contribution towards tree planting in the area at a sum of</p>

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
			<p>£1000 per tree for every tree which cannot be provided on site. Provision of public open space and appropriate landscape works are a long standing objective of the planning system. Such costs are therefore factored into the development market.</p>

Other Documents

Developer Contributions – Transport

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
	Parking	Direct Impact	Commuted sum in lieu of on site provision: <ul style="list-style-type: none"> • £3,000 per car parking space • £20,000 per coach parking space
	Public Transport	Direct Impact	Contributions to improve existing bus services or provide a new bus service: <ul style="list-style-type: none"> • For residential sites with low accessibility - £900 per dwelling • For employment site with low accessibility - £? per m² GFA
	Travel Plans	Direct Impact	Contribution to support the development and implementation of travel plans: <ul style="list-style-type: none"> • C£5,000 for each development proposal
			The viability modelling assesses the potential surplus for developer contributions.

Developer Contributions – Education

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions
-	Provision of additional school places	Direct Impact	The policy advises that the need for the provision of additional school places will be a material consideration when planning applications for new housing development are considered. A financial contribution will be negotiated to cover the cost of additional school places where the local schools have insufficient assessed capacity within available accommodation for the places likely to be generated.

Policy Reference	Policy	Direct Cost Implication	Comments/Cost Assumptions							
			<p>After assessing the impact of the development and a shortfall is apparent, a contribution will be sought based on either</p> <ul style="list-style-type: none"> • The full yield of the development (where a shortfall already exists) or • The projected shortfall of places resulting from the development <p>The calculation is:</p> <table border="1" data-bbox="1205 560 1951 740"> <tr> <td data-bbox="1205 560 1352 740">DfE Cost Multiplier</td> <td data-bbox="1357 560 1424 740">x</td> <td data-bbox="1429 560 1554 740">DfE Location Factor</td> <td data-bbox="1559 560 1626 740">X</td> <td data-bbox="1630 560 1756 740">BCIS All-in Tender Price index</td> <td data-bbox="1760 560 1827 740">x</td> <td data-bbox="1832 560 1951 740">Number of places</td> </tr> </table> <p>The figures will be updated annually on 1st April each year, within this methodology to reflect the latest position. In 2019 the cost per place is:</p> <ul style="list-style-type: none"> • Primary cost per place = £13,150.22 • Secondary cost per place =£19,814.91 <p>The viability modelling assesses the potential surplus for developer contributions.</p>	DfE Cost Multiplier	x	DfE Location Factor	X	BCIS All-in Tender Price index	x	Number of places
DfE Cost Multiplier	x	DfE Location Factor	X	BCIS All-in Tender Price index	x	Number of places				

Appendix 2 – Attendance Register for Stakeholder Consultation Workshop

LOCAL PLAN VIABILITY STUDY 11/9/19

ATTENDANCE SHEET

NAME	ORGANISATION
Stephen Lamb	Blackpool Council
Judith Mills	Blackpool Council
Paul Taylor	Great Places Housing
James Teasdale	Blackpool Council
Ian Morris-Iliff	Blackpool Council
Clare Johnson	Blackpool Council
Helen Delpiana	Blackpool Council
Jane Saleh	Blackpool Council
Rea Psillidou	Wyre Council
Jeremy Walker	Blackpool Council
Lea Burrell	Blackpool Housing Company
Julia Glaister	Fylde Council
Paul Noblett	Nobletts
Andrew Foot	Blackpool Council
Matt Messenger	Lambert Smith Hampton
Simon Turner	Lambert Smith Hampton
Alice williams	Lambert Smith Hampton

Appendix 3 – New build sales data analysis – Blackpool Borough (01/2017 to 04/2019)

Analysis of new build market sales data - Blackpool (01-01-2017 to 30-04-2019)

Date of sale	Postcode	Type	Tenure	Address	Settlement	Sale price	m ²	ft ²	£/ft ²	£/m ²	
Highfield Gardens (MELROSE HOMES)						9 sales within period					
26/04/2019	FY4 5QL	T	F	21 HIGHFIELD GARDENS	BLACKPOOL	£165,000	76	818		202 semi	
29/03/2019	FY4 5QL	D	F	2 HIGHFIELD GARDENS	BLACKPOOL	£245,000	112	1206		203 Detached	
22/03/2019	FY4 5QL	D	F	20 HIGHFIELD GARDENS	BLACKPOOL	£235,000	112	1206		195 Detached	
22/02/2019	FY4 5QL	S	F	24 HIGHFIELD GARDENS	BLACKPOOL	£165,000	76	818		202 semi	
11/02/2019	FY4 5QL	D	F	17 HIGHFIELD GARDENS	BLACKPOOL	£245,000	112	1206		203 Detached	
01/02/2019	FY4 5QL	S	F	25 HIGHFIELD GARDENS	BLACKPOOL	£165,000	76	818		202 semi	
25/01/2019	FY4 5QL	S	F	3 HIGHFIELD GARDENS	BLACKPOOL	£160,000	76	818		196 semi	
25/01/2019	FY4 5QL	S	F	4 HIGHFIELD GARDENS	BLACKPOOL	£145,000	67	721		201 semi	
25/01/2019	FY4 5QL	D	F	16 HIGHFIELD GARDENS	BLACKPOOL	£240,000	112	1206		199 Detached	
Highfield Gardens						AVERAGES FOR SCHEME	£196,111	91	980	£200	£2,155

Date of sale	Postcode	Type	Tenure	Address	Settlement	Sale price	m ²	ft ²	£/ft ²	£/m ²	
Redwood Point, Progress Way (KENSINGTON DEVELOPMENTS)						60 sales within period					
18/04/2019	FY4 5GZ	D	F	6 WALNUT AVENUE	BLACKPOOL	£289,995	144	1550		187 Detached	
15/04/2019	FY4 5GS	S	F	15 REDWOOD BOULEVARD	BLACKPOOL	£179,995	90	969		186 Semi	
12/04/2019	FY4 5GX	D	F	1 CANDLEWOOD AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
05/04/2019	FY4 5GX	D	F	3 CANDLEWOOD AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
08/03/2019	FY4 5GZ	D	F	8 WALNUT AVENUE	BLACKPOOL	£354,995	162	1744		204 Detached	
08/03/2019	FY4 5GS	D	F	20 REDWOOD BOULEVARD	BLACKPOOL	£280,995	144	1550		181 Detached	
22/02/2019	FY4 5GS	S	F	11 REDWOOD BOULEVARD	BLACKPOOL	£184,995	90	969		191 Semi	
01/02/2019	FY4 5GS	D	F	26 REDWOOD BOULEVARD	BLACKPOOL	£369,995	171	1841		201 Detached	
14/12/2018	FY4 5GW	D	F	5 HOLLYTREE AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
10/12/2018	FY4 5GW	D	F	3 HOLLYTREE AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
07/12/2018	FY4 5GX	D	F	4 CANDLEWOOD AVENUE	BLACKPOOL	£234,995	118	1270		185 Detached	
30/11/2018	FY4 5GS	D	F	18 REDWOOD BOULEVARD	BLACKPOOL	£274,995	134	1442		191 Detached	
22/11/2018	FY4 5GS	D	F	24 REDWOOD BOULEVARD	BLACKPOOL	£254,995	123	1324		193 Detached	
05/11/2018	FY4 5GS	D	F	22 REDWOOD BOULEVARD	BLACKPOOL	£294,995	144	1550		190 Detached	
02/11/2018	FY4 5GX	D	F	5 CANDLEWOOD AVENUE	BLACKPOOL	£210,000	118	1270		165 Detached	
31/10/2018	FY4 5GX	D	F	2 CANDLEWOOD AVENUE	BLACKPOOL	£274,995	134	1442		191 Detached	
31/10/2018	FY4 5GZ	D	F	2 WALNUT AVENUE	BLACKPOOL	£252,995	123	1324		191 Detached	
03/10/2018	FY4 5GZ	D	F	5 WALNUT AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
03/10/2018	FY4 5GZ	D	F	7 WALNUT AVENUE	BLACKPOOL	£234,995	118	1270		185 Detached	
02/10/2018	FY4 5GZ	D	F	3 WALNUT AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
28/09/2018	FY4 5GZ	D	F	1 WALNUT AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
21/09/2018	FY4 5GW	D	F	1 HOLLYTREE AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
07/09/2018	FY4 5GZ	D	F	4 WALNUT AVENUE	BLACKPOOL	£189,995	90	969		196 Detached	
23/07/2018	FY4 5GR	D	F	15 REDWOOD AVENUE	BLACKPOOL	£249,995	123	1324		189 Detached	
23/07/2018	FY4 5QH	S	F	5 REDWOOD PLACE	BLACKPOOL	£229,995	118	1270		181 Semi	
12/07/2018	FY4 5QH	S	F	7 REDWOOD PLACE	BLACKPOOL	£222,995	118	1270		176 Semi	
28/06/2018	FY4 5GS	D	F	17 REDWOOD BOULEVARD	BLACKPOOL	£344,995	162	1744		198 Detached	
21/06/2018	FY4 5QH	D	F	9 REDWOOD PLACE	BLACKPOOL	£289,995	144	1550.002		187 Detached	
08/06/2018	FY4 5GR	D	F	12 REDWOOD AVENUE	BLACKPOOL	£286,995	144	1550		185 Detached	
25/05/2018	FY4 5GS	D	F	21 REDWOOD BOULEVARD	BLACKPOOL	£249,995	123	1324		189 Detached	
17/05/2018	FY4 5GR	D	F	8 REDWOOD AVENUE	BLACKPOOL	£389,995	191	2056		190 Detached	
11/05/2018	FY4 5GS	D	F	19 REDWOOD BOULEVARD	BLACKPOOL	£189,995	90	969		196 Detached	
30/04/2018	FY4 5GR	D	F	2 REDWOOD AVENUE	BLACKPOOL	£289,995	144	1550		187 Detached	
27/04/2018	FY4 5GR	D	F	4 REDWOOD AVENUE	BLACKPOOL	£255,995	134	1442		177 Detached	
12/04/2018	FY4 5QG	D	F	6 ROSEWOOD AVENUE	BLACKPOOL	£289,995	144	1550		187 Detached	
05/04/2018	FY4 5GR	D	F	7 REDWOOD AVENUE	BLACKPOOL	£224,995	113	1216		185 Detached	
05/04/2018	FY4 5GR	D	F	17 REDWOOD AVENUE	BLACKPOOL	£264,995	134	1442		184 Detached	
29/03/2018	FY4 5GR	D	F	9 REDWOOD AVENUE	BLACKPOOL	£259,995	134	1442		180 Detached	
29/03/2018	FY4 5QG	D	F	4 ROSEWOOD AVENUE	BLACKPOOL	£235,995	118	1270		186 Detached	
26/03/2018	FY4 5GR	D	F	5 REDWOOD AVENUE	BLACKPOOL	£264,995	134	1442		184 Detached	
26/03/2018	FY4 5GR	D	F	10 REDWOOD AVENUE	BLACKPOOL	£375,000	171	1841		204 Detached	
26/03/2018	FY4 5GR	D	F	11 REDWOOD AVENUE	BLACKPOOL	£184,995	90	969		191 Detached	
06/03/2018	FY4 5GS	D	F	8 REDWOOD BOULEVARD	BLACKPOOL	£574,995	271	2917		197 Detached	
09/02/2018	FY4 5GS	D	F	2 REDWOOD BOULEVARD	BLACKPOOL	£365,000	171	1841		198 Detached	
02/02/2018	FY4 5GW	S	F	2 HOLLYTREE AVENUE	BLACKPOOL	£174,995	90	969		181 Semi	
02/02/2018	FY4 5GW	S	F	4 HOLLYTREE AVENUE	BLACKPOOL	£174,995	90	969		181 Semi	
26/01/2018	FY4 5GS	D	F	4 REDWOOD BOULEVARD	BLACKPOOL	£254,995	134	1442		177 Detached	
26/01/2018	FY4 5JE	D	F	50A MOSS HOUSE ROAD	BLACKPOOL	£249,995	123	1324		189 Detached	
26/01/2018	FY4 5QG	D	F	3 ROSEWOOD AVENUE	BLACKPOOL	£344,995	162	1744		198 Detached	
17/01/2018	FY4 5QG	D	F	2 ROSEWOOD AVENUE	BLACKPOOL	£399,995	191	2056		195 Detached	
05/01/2018	FY4 5QH	D	F	1 REDWOOD PLACE	BLACKPOOL	£365,000	171	1841		198 Detached	
20/12/2017	FY4 5JE	D	F	62 MOSS HOUSE ROAD	BLACKPOOL	£249,995	123	1324		189 Detached	
19/12/2017	FY4 5QH	D	F	3 REDWOOD PLACE	BLACKPOOL	£233,495	118	1270		184 Detached	
15/12/2017	FY4 5GR	D	F	1 REDWOOD AVENUE	BLACKPOOL	£264,995	134	1442		184 Detached	
15/12/2017	FY4 5GR	D	F	3 REDWOOD AVENUE	BLACKPOOL	£224,995	113	1216		185 Detached	
15/12/2017	FY4 5JE	D	F	60 MOSS HOUSE ROAD	BLACKPOOL	£184,995	90	969		191 Detached	
15/12/2017	FY4 5JE	D	F	64 MOSS HOUSE ROAD	BLACKPOOL	£184,995	90	969		191 Detached	
15/12/2017	FY4 5QG	D	F	1 ROSEWOOD AVENUE	BLACKPOOL	£365,995	171	1841		199 Detached	
14/12/2017	FY4 5JE	D	F	58 MOSS HOUSE ROAD	BLACKPOOL	£182,995	90	969		189 Detached	
01/12/2017	FY4 5JE	D	F	66 MOSS HOUSE ROAD	BLACKPOOL	£259,995	134	1442		180 Detached	
Redwood Point						AVERAGES FOR SCHEME	£259,387	127	1,367	£190	£2,043

Date of sale	Postcode	Type	Tenure	Address	Settlement	Sale price	m ²	ft ²	£/ft ²	£/m ²
Magnolia Point, Midgeland Road (KENSINGTON DEVELOPMENTS)						31 sales within period				
27/09/2017	FY4 5QE	S	L	8 JASMINE CLOSE	BLACKPOOL	£198,995	113	1216		164 Semi
25/08/2017	FY4 5QB	D	L	37 ORCHID WAY	BLACKPOOL	£219,995	132	1421		155 Detached
18/08/2017	FY4 5QB	S	L	35 ORCHID WAY	BLACKPOOL	£197,995	113	1216		163 Semi
18/08/2017	FY4 5QB	S	L	39 ORCHID WAY	BLACKPOOL	£197,000	113	1216		162 Semi
15/08/2017	FY4 5QB	S	L	33 ORCHID WAY	BLACKPOOL	£197,995	113	1216		163 Semi
14/08/2017	FY4 5QA	D	L	34 MAGNOLIA WAY	BLACKPOOL	£242,000	124	1335		181 Detached
14/08/2017	FY4 5QB	S	L	41 ORCHID WAY	BLACKPOOL	£193,000	113	1216		159 Semi
25/07/2017	FY4 5QB	S	L	20 ORCHID WAY	BLACKPOOL	£197,000	113	1216		162 Semi
20/07/2017	FY4 5QE	D	F	1 JASMINE CLOSE	BLACKPOOL	£214,995	118	1270		169 Detached
14/07/2017	FY4 5QE	S	L	10 JASMINE CLOSE	BLACKPOOL	£194,995	113	1216		160 Semi
03/07/2017	FY4 5QB	D	F	18 ORCHID WAY	BLACKPOOL	£200,000	113	1216		164 Semi
30/06/2017	FY4 5QA	D	L	7 MAGNOLIA WAY	BLACKPOOL	£217,995	118	1270		172 Detached
23/06/2017	FY4 5QB	D	L	16 ORCHID WAY	BLACKPOOL	£215,000	118	1270		169 Detached
12/06/2017	FY4 5QA	D	L	3 MAGNOLIA WAY	BLACKPOOL	£224,995	132	1421		158 Detached
09/06/2017	FY4 5QB	D	F	43 ORCHID WAY	BLACKPOOL	£226,250	132	1421		159 Detached
07/06/2017	FY4 5QB	D	F	47 ORCHID WAY	BLACKPOOL	£221,250	132	1421		156 Detached
19/05/2017	FY4 5QB	S	L	31 ORCHID WAY	BLACKPOOL	£174,995	90	969		181 Semi

08/05/2017	FY4 5QB	S	L	29 ORCHID WAY	BLACKPOOL	£174,995	90	969	181	Semi	
28/04/2017	FY4 5QB	D	L	17 ORCHID WAY	BLACKPOOL	£219,995	113	1216	181	Detached	
13/04/2017	FY4 5QB	D	L	45 ORCHID WAY	BLACKPOOL	£249,995	128	1378	181	Detached	
12/04/2017	FY4 5QB	D	L	15 ORCHID WAY	BLACKPOOL	£229,995	118	1270	181	Detached	
24/03/2017	FY4 5QE	S	L	11 JASMINE CLOSE	BLACKPOOL	£199,995	113	1216	164	Semi	
07/03/2017	FY4 5QB	D	L	28 ORCHID WAY	BLACKPOOL	£232,495	118	1270	183	Detached	
27/02/2017	FY4 5QB	D	L	22 ORCHID WAY	BLACKPOOL	£234,000	132	1421	165	Detached	
17/02/2017	FY4 5QB	D	L	9 ORCHID WAY	BLACKPOOL	£219,995	113	1216	181	Detached	
10/02/2017	FY4 5QB	S	L	49 ORCHID WAY	BLACKPOOL	£174,995	90	969	181	Semi	
10/02/2017	FY4 5QB	S	L	51 ORCHID WAY	BLACKPOOL	£174,995	90	969	181	Semi	
31/01/2017	FY4 5QB	D	L	1 ORCHID WAY	BLACKPOOL	£249,995	124	1335	187	Detached	
25/01/2017	FY4 5QB	D	L	19 ORCHID WAY	BLACKPOOL	£219,995	113	1216	181	Detached	
25/01/2017	FY4 5QB	S	L	24 ORCHID WAY	BLACKPOOL	£167,000	90	969	172	Semi	
20/01/2017	FY4 5QB	S	L	26 ORCHID WAY	BLACKPOOL	£174,995	90	969	181	Semi	
Magnolia Point						AVERAGES FOR SCHEME	£208,319	114	1,223	£170	£1,834

Langdale Gardens (KENSINGTON DEVELOPMENTS)						29 sales within period	m ²	ft ²	£/ft ²			
16/05/2018	FY4 4RY	F	L	20 LANGDALE GARDENS	BLACKPOOL	£74,950	47	506	148	G-F flat		
20/04/2018	FY4 4RY	F	L	16 LANGDALE GARDENS	BLACKPOOL	£95,000	65	700	136	G-F flat		
19/04/2018	FY4 4RY	F	L	18 LANGDALE GARDENS	BLACKPOOL	£95,000	62	667	142	G-F flat		
13/04/2018	FY4 4RY	T	L	9 LANGDALE GARDENS	BLACKPOOL	£138,000	77	829	167	mid terr		
13/04/2018	FY4 4RY	F	L	26 LANGDALE GARDENS	BLACKPOOL	£95,000	66	710	134	M-F flat		
06/04/2018	FY4 4RY	F	L	27 LANGDALE GARDENS	BLACKPOOL	£95,000	62	667	142	M-F flat		
23/03/2018	FY4 4RY	F	L	22 LANGDALE GARDENS	BLACKPOOL	£95,000	65	700	136	M-F flat		
16/03/2018	FY4 4RY	F	L	17 LANGDALE GARDENS	BLACKPOOL	£75,000	47	506	148	G-F flat		
16/03/2018	FY4 4RY	F	L	19 LANGDALE GARDENS	BLACKPOOL	£95,000	66	710	134	G-F flat		
07/03/2018	FY4 4RY	F	L	24 LANGDALE GARDENS	BLACKPOOL	£95,000	62	667	142	M-F flat		
02/03/2018	FY4 4RY	F	L	30 LANGDALE GARDENS	BLACKPOOL	£125,000	64	689	181	T-F flat		
28/02/2018	FY4 4RY	F	L	23 LANGDALE GARDENS	BLACKPOOL	£95,000	66	710	134	M-F flat		
23/02/2018	FY4 4RY	F	L	29 LANGDALE GARDENS	BLACKPOOL	£95,000	66	710	134	T-F flat		
16/02/2018	FY4 4RY	F	L	21 LANGDALE GARDENS	BLACKPOOL	£94,950	62	667	142	G-F flat		
09/02/2018	FY4 4RY	F	L	28 LANGDALE GARDENS	BLACKPOOL	£94,950	65	700	136	T-F flat		
19/01/2018	FY4 4RY	F	L	25 LANGDALE GARDENS	BLACKPOOL	£90,000	66	710	127	M-F flat		
06/10/2017	FY4 4RY	T	L	14 LANGDALE GARDENS	BLACKPOOL	£140,000	71	764	183	end terr		
01/09/2017	FY4 4RY	T	L	3 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	mid terr		
01/09/2017	FY4 4RY	S	L	6 LANGDALE GARDENS	BLACKPOOL	£155,000	77	829	187	semi		
18/08/2017	FY4 4RY	T	L	1 LANGDALE GARDENS	BLACKPOOL	£150,000	71	764	196	end terr		
18/08/2017	FY4 4RY	T	L	12 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	mid terr		
11/08/2017	FY4 4RY	T	L	4 LANGDALE GARDENS	BLACKPOOL	£140,000	77	829	169	mid terr		
11/08/2017	FY4 4RY	T	L	5 LANGDALE GARDENS	BLACKPOOL	£140,000	77	829	169	end terr		
11/08/2017	FY4 4RY	S	L	7 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	semi		
11/08/2017	FY4 4RY	T	L	8 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	end terr		
11/08/2017	FY4 4RY	T	L	10 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	end terr		
11/08/2017	FY4 4RY	T	L	11 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	end terr		
11/08/2017	FY4 4RY	T	L	13 LANGDALE GARDENS	BLACKPOOL	£150,000	77	829	181	mid terr		
11/08/2017	FY4 4RY	T	L	15 LANGDALE GARDENS	BLACKPOOL	£140,000	71	764	183	end terr		
House units						Number of sales (units) 14	AVERAGES	£146,643	76	815	£180	£1,937
Flatted units						Number of sales (units) 15	AVERAGES	£93,990	62	668	£141	£1,514
Langdale Gardens						AVERAGES FOR SCHEME	£119,409	69	739	£162	£1,739	

Foxhall Village (HOLLINWOOD HOMES / BLACKPOOL COUNCIL)						31 sales within period	m ²	ft ²	£/ft ²			
23/08/2018	FY1 5FL	S	L	9 JOHNSTON STREET	BLACKPOOL	£160,000	104	1119	143	mid terr		
06/07/2018	FY1 5FG	T	L	5 ROBINSON ROAD	BLACKPOOL	£145,000	106	1141	127	mid terr		
25/05/2018	FY1 5FL	S	L	3 JOHNSTON STREET	BLACKPOOL	£140,000	83	893	157	mid terr		
25/05/2018	FY1 5FL	T	L	11 JOHNSTON STREET	BLACKPOOL	£160,000	104	1119	143	end terr		
25/05/2018	FY1 5FL	D	L	17 JOHNSTON STREET	BLACKPOOL	£145,000	83	893	162	detached		
02/02/2018	FY1 5FJ	T	L	2 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£180,000	126	1356	133	end terr		
15/12/2017	FY1 5FG	D	L	3 ROBINSON ROAD	BLACKPOOL	£140,000	82	883	159	mid terr		
14/12/2017	FY1 5FL	T	L	19 JOHNSTON STREET	BLACKPOOL	£130,000	117	1259	103	end terr		
08/12/2017	FY1 5FJ	T	L	18 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£135,000	83	893	151	semi		
08/12/2017	FY1 5FJ	T	L	22 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£125,000	74	797	157	mid terr		
29/11/2017	FY1 5FJ	S	L	16 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£127,500	83	893	143	semi		
10/11/2017	FY1 5FG	D	L	9 ROBINSON ROAD	BLACKPOOL	£135,000	82	883	153	end terr		
10/11/2017	FY1 5FJ	D	L	15 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£150,000	117	1259	119	end terr		
02/11/2017	FY1 5FJ	T	L	14 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£180,000	126	1356	133	end terr		
27/10/2017	FY1 5FG	S	L	7 ROBINSON ROAD	BLACKPOOL	£155,000	106	1141	136	mid terr		
26/10/2017	FY1 5FJ	T	L	20 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£125,000	74	797	157	mid terr		
17/08/2017	FY1 5FL	D	L	21 JOHNSTON STREET	BLACKPOOL	£125,000	74	797	157	end terr		
11/08/2017	FY1 5FJ	T	L	24 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£170,000	126	1356	125	end terr		
14/07/2017	FY1 5FA	T	L	21 STAN MORTENSEN AVENUE	BLACKPOOL	£120,000	74	797	151	mid terr		
07/07/2017	FY1 5FJ	T	L	21 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£130,000	83	893	146	semi		
07/07/2017	FY1 5FL	D	L	31 JOHNSTON STREET	BLACKPOOL	£150,000	105	1130	133	mid terr		
16/06/2017	FY1 5FL	S	L	33 JOHNSTON STREET	BLACKPOOL	£150,000	104	1119	134	mid terr		
07/06/2017	FY1 5FL	S	L	25 JOHNSTON STREET	BLACKPOOL	£150,000	106	1141	131	mid terr		
28/04/2017	FY1 5FJ	S	L	23 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£125,000	74	797	157	mid terr		
28/04/2017	FY1 5FL	S	L	27 JOHNSTON STREET	BLACKPOOL	£150,000	106	1141	131	mid terr		
13/04/2017	FY1 5FL	S	L	29 JOHNSTON STREET	BLACKPOOL	£150,000	106	1141	131	mid terr		
24/03/2017	FY1 5FG	S	L	11 ROBINSON ROAD	BLACKPOOL	£150,000	106	1141	131	mid terr		
21/02/2017	FY1 5FL	S	L	23 JOHNSTON STREET	BLACKPOOL	£130,000	83	893	146	end terr		
10/02/2017	FY1 5FG	S	L	15 ROBINSON ROAD	BLACKPOOL	£150,000	106	1141	131	mid terr		
27/01/2017	FY1 5FJ	T	L	19 SIR STANLEY MATTHEWS WAY EAST	BLACKPOOL	£130,000	83	893	146	semi		
06/01/2017	FY1 5FL	S	L	35 JOHNSTON STREET	BLACKPOOL	£150,000	105	1130	133	semi		
2 storey units						Number of sales (units) 14	AVERAGES	£121,607	74	793	£153	£1,650
3 storey units						Number of sales (units) 17	AVERAGES	£154,706	110	1,188	£130	£1,402
Foxhall Village						AVERAGES FOR SCHEME	£143,952	96	1,039	£139	£1,492	

3 storey

3 storey
3 storey

3 storey

3 storey

3 storey

3 storey
3 storey
3 storey

3 storey

3 storey
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3 storey
3 storey
3 storey

3 storey

3 storey

Appendix 4 – Schedule of development scenarios and appraisal assumptions

Blackpool Council	Urban Edge (Indicative site types - Residential)								Lambert Smith Hampton
	Large Greenfield Residential	Large Brownfield Residential	Medium Greenfield Residential	Medium Brownfield Residential	Small Greenfield Residential	Small Brownfield Residential	Extra Small Greenfield Residential	Extra Small Brownfield Residential	LSH comment
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS	BUE1	BUE2	BUE3	BUE4	BUE5	BUE6	BUE7	BUE8	
Scenario Reference	BUE1	BUE2	BUE3	BUE4	BUE5	BUE6	BUE7	BUE8	
Headline Assumptions									
Number of units (residential)	100	100	50	50	15	15	5	5	
Net site area (hectares)	2.63	2.63	1.32	1.32	0.42	0.42	0.17	0.17	
Net site area (acres)	6.50	6.50	3.25	3.25	1.03	1.03	0.36	0.36	
Density (residential units per net hectare)	38.00	38.00	38.00	38.00	36.00	36.00	34.00	34.00	
Density (residential units per net acre)	15.4	15.4	15.4	15.4	14.6	14.6	13.8	13.8	
Total sqft of floorspace	90,335	90,706	44,657	44,657	14,366	14,366	4,573	4,573	
Sqft of floorspace per net site acre	13,892	13,949	13,735	13,735	13,953	13,953	12,584	12,584	
Gross to net ratio	0.6	0.6	0.75	0.75	0.85	0.85	0.85	0.85	Net area as ratio of gross
Gross site area (hectares)	4.39	4.39	1.75	1.75	0.49	0.49	0.20	0.20	
Gross site area (acres)	10.84	10.84	4.34	4.34	1.21	1.21	0.43	0.43	
Value Assumptions									
2 Bed House	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£145,000	£192.56/ft2
3 Bed House	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	£175,000	£191.26/ft2
4+ Bed House	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	£235,000	£189.98/ft2
2 Bed Bungalow	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000	£228.57/ft2
1 Bed Apartment	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£185.87/ft2
2 Bed Apartment	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£185.76/ft2
Residential Rent (Epsf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unit Sizes									
2 Bed House - GIA (sqft)	753	753	753	753	753	753	753	753	70m2 (standard)
% of total units in scenario	25.0%	25.0%	24.0%	24.0%	26.7%	26.7%	40.0%	40.0%	
3 Bed House - GIA (sqft)	915	915	915	915	915	915	915	915	85m2 (standard)
% of total units in scenario	31.0%	31.0%	30.0%	30.0%	46.6%	46.6%	40.0%	40.0%	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	114.9m2 (standard)
% of total units in scenario	25.0%	25.3%	24.0%	24.0%	26.7%	26.7%	20.0%	20.0%	
2 Bed Bungalow - GIA (sqft)	700	700	700	700	-	-	-	-	65m2 (standard)
% of total units in scenario	9.0%	9.0%	10.0%	10.0%	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	538	538	-	-	-	-	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	633	633	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	6.0%	6.0%	-	-	-	-	
2 Bed Apartment - Net sales (sqft)	646	646	646	646	-	-	-	-	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	760	760	-	-	-	-	
Net to Gross	85%	85%	85%	85%	-	-	-	-	
% of total units in scenario	5.0%	5.0%	6.0%	6.0%	-	-	-	-	
Land Value									
Land Price (per net acre)	£200,000	£150,000	£200,000	£150,000	£200,000	£150,000	£200,000	£150,000	
Stamp Duty Land Tax (SDLT)	Applied at the prevailing rate								
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions									
Initial Payments -									
Statutory Planning Fees	£29,759	£29,759	£23,100	£23,100	£6,930	£6,930	£2,310	£2,310	
Construction Costs -									
Demolition, Site Clearance and remediation (per gross acre)	-	£100,000	-	£105,000	-	£110,000	-	£115,000	Cost per acre
Houses Build Costs	£78.00	£78.00	£82.00	£82.00	£92.00	£92.00	£100.00	£100.00	
Bungalow Build Costs	£113.62	£113.62	£113.62	£113.62	-	-	-	-	£ per ft2 - Base build cost of footprint of units only
Apartment Build Costs	£113.81	£113.81	£113.81	£113.81	-	-	-	-	
External works inc. utilities reinforcement (allowance)	20%	20%	15%	15%	10%	10%	10%	10%	% of base build
Contingency	3%	5%	3%	5%	3%	5%	3%	5%	% of total construction
M4(2) Allowance per unit for 20% of units									
Professional Fees (Note 1) -	8%	9%	8%	9%	9%	10%	9%	10%	% of total construction
Disposal Costs -									
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -									
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6.5%	6.5%	6.5%	6.5%	% interest per annum on cumulative balance
Profit									
Developers Profit	18%	18%	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1 Includes professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint of each unit
 External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit
 Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each :

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites

Construction period (months per unit)

Average months between construction start and first sale

Sales per month. Small and medium sized schemes

Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

3 months
6 months
6 months
1.5 sales
2.5

Affordable housing (as percentage of total units)

To be sensitivity tested for relevant scenarios across an appropriate range of percentages

Blackpool Council	Urban Infill / Inner Core (Indicative site types - Residential)						Lambert Smith Hampton
	Large Brownfield Residential	Medium Brownfield Residential	Small Brownfield Residential	Extra Small Brownfield Residential	Guesthouse Conversion Small	Guesthouse Conversion Large	LSH comment
Scenario Reference	BUI1	BUI2	BUI3	BUI4	BUI5	BUI6	
Local Plan Viability Assessment - DRAFT APPRAISAL ASSUMPTIONS							
Headline Assumptions							
Number of units (residential)	100	50	15	5	4	10	
Net site area (hectares)	2.63	1.32	0.42	0.15	0.02	0.04	
Net site area (acres)	6.50	3.25	1.03	0.36	0.05	0.10	
Density (residential units per net hectare)	38.00	38.00	36.00	34.00	200.00	250.00	
Density (residential units per net acre)	15.4	15.4	14.6	13.8	80.9	101.2	
Total sqft of floorspace	90,335	44,657	14,366	4,573	2,476	6,136	
Sqft of floorspace per net site acre	13,892	13,735	13,953	12,584	50,100	62,079	
Gross to net ratio	0.6	0.75	0.85	0.85	1	1	Net area as ratio of gross
Gross site area (hectares)	4.39	1.75	0.49	0.17	0.02	0.04	
Gross site area (acres)	10.84	4.34	1.21	0.43	0.05	0.10	
Value Assumptions							
2 Bed House	£120,000	£120,000	£120,000	£120,000	-	-	£159.36/ft2
3 Bed House	£145,000	£145,000	£145,000	£145,000	-	-	£158.47/ft2
4+ Bed House	£190,000	£190,000	£190,000	£190,000	-	-	£153.60/ft2
2 Bed Bungalow	£125,000	£125,000	£125,000	£125,000	-	-	£178.57/ft2
1 Bed Apartment	£80,000	£80,000	£80,000	£80,000	£50,000	£50,000	£148.7/ft2 new build / £92.94/ft2 guesthosue
2 Bed Apartment	£95,000	£95,000	£95,000	£95,000	£60,000	£60,000	£147.06/ft2 new build / £92.88/ft2
Residential Rent (£psf)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Residential Yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unit Sizes							
2 Bed House - GIA (sqft)	753	753	753	753	-	-	70m2 (standard)
% of total units in scenario	25.0%	24.0%	26.7%	40.0%	-	-	
3 Bed House - GIA (sqft)	915	915	915	915	-	-	85m2 (standard)
% of total units in scenario	31.0%	30.0%	46.6%	40.0%	-	-	
4+ Bed House - GIA (sqft)	1,237	1,237	1,237	1,237	-	-	114.9m2 (standard)
% of total units in scenario	25.0%	24.0%	26.7%	20.0%	-	-	
2 Bed Bungalow - GIA (sqft)	700	700	-	-	-	-	65m2 (standard)
% of total units in scenario	9.0%	10.0%	-	-	-	-	
1 Bed Apartment - Net sales (sqft)	538	538	-	-	538	538	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)	633	633	-	-	633	633	
Net to Gross	85%	85%	-	-	70%	70%	
% of total units in scenario	5.0%	6.0%	-	-	25.0%	30.0%	
2 Bed Apartment - Net sales (sqft)	646	646	-	-	646	646	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)	760	760	-	-	760	760	
Net to Gross	85%	85%	-	-	70%	70%	
% of total units in scenario	5.0%	6.0%	-	-	75.0%	70.0%	
Land Value							
Land Price (per net acre / per property for guesthouse conversion)	£50,000	£50,000	£50,000	£50,000	£100,000	£300,000	
Stamp Duty Land Tax (SDLT)							
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions							
Initial Payments -							
Statutory Planning Fees	£29,759	£23,100	£6,930	£2,310	£1,848	£6,468	
Construction Costs -							
Demolition, Site Clearance and remediation (per gross acre)	£100,000	£105,000	£110,000	£115,000	-	-	- Cost per acre
Houses Build Costs	£78.00	£82.00	£92.00	£100.00	-	-	- £ per ft2 - Base build cost of footprint of units
Bungalow Build Costs	£113.62	£113.62	-	-	-	-	only. Guest house conversion assumes light
Apartment Build Costs	£113.81	£113.81	-	-	£70.00	£65.00	touch repair and refurb.
External works inc. utilities reinforcement (allowance)	20%	15%	10%	10%	5%	5%	% of base build
Contingency	5%	5%	5%	5%	8%	8%	% of total construction
Professional Fees (Note 1) -	9%	9%	10%	10%	10%	10%	% of total construction
Disposal Costs -							
Sale Agents Costs	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Finance Costs -							
Finance Fees	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6.5%	6.5%	6.5%	6.5%	% interest per annum on cumulative balance
Profit							
Developers Profit	18%	18%	18%	18%	18%	18%	Blended rate

Specific Notes

1

General Note

Blackpool Council	Blackpool (Mixed and Commercial sites)								Lambert Smith Hampton
	Town Centre Office	Employment Allocation (B1)	Employment Allocation (B2/B8)	Hotel	Town Centre Retail	Local Centre Retail	Foodstore	Sea Front Mixed Use (residential/commercial)	LSH comment
Scenario Reference	C1	C2	C3	C4	C5	C6	C7	C8	
Headline Assumptions									
Number of units (residential)	-	-	-	-	-	-	-	-	30
Net site area (hectares)	0.35	0.01	0.01	0.40	0.01	0.01	1.2	0.38	
Net site area (acres)	0.86	0.02	0.02	0.99	0.02	0.02	2.97	0.94	
Density (residential units per net hectare)	-	-	-	-	-	-	-	80	
Density (residential units per net acre)	-	-	-	-	-	-	-	32.4	
Gross to net ratio	0.50	0.40	0.40	1.00	0.40	1.00	1.00	0.40	
Gross site area (hectares)	0.70	0.03	0.03	0.40	0.03	0.01	1.20	0.95	
Gross site area (acres)	1.73	0.06	0.06	0.99	0.06	0.02	2.97	2.35	
Further description (mixed used and commercial scenarios)	Assume four storey office of 40,000 sqft GIA.	Assume two storey office of 1,500 sqft GIA.	Assume B2/B8 unit of 15,000 sqft GIA.	Assume 60 bedroom branded budget hotel.	Assume 1,500 sqft shop	Assume 1,500 sqft shop with associated car parking on greenfield site	Assume single storey budget retail store of 19,000 sqft GIA. External: 125 space car park	Assume 4 storey building of 7000 sqft GIA per floor. Retail on ground floor, residential on floors above. External: 50 space car park	
Value Assumptions									
1 Bed Apartment									
2 Bed Apartment									
Residential Rent (£psf)									
Residential Yield									
Retail Rent (£psf)					£16.00	£16.00	£15.50	£16.00	
Retail Yield					8.00%	8.00%	5.25%	6.50%	
Hotel Rent				£16.00					
Hotel Yield				6.50%					
Office Rent (£psf)	£16.00	£14.50							
Office Yield	6.50%	7.00%							
Industrial Rent (£psf)			£6.50						
Industrial Yield			7.50%						
Unit Sizes									
1 Bed Apartment - Net sales (sqft)								538	50m2 (net-standard)
1 Bed Apartment - GIA (sqft)								633	
Net to Gross								85%	
% of total MARKET units in scenario								100%	
% of total AFFORDABLE units in scenario								0%	
2 Bed Apartment - Net sales (sqft)								646	60m2 (net-standard)
2 Bed Apartment - GIA (sqft)								760	
Net to Gross								85%	
% of total MARKET units in scenario								100%	
% of total AFFORDABLE units in scenario								-	
Retail - Net sales (sqft)					1425	1425	18,050	6,000	
Retail - GIA (sqft)					1500	1500	19,000	7,000	
Net to Gross					95%	95%	95%	86%	
Hotel - Net room (sqft)				13000					
Hotel - GIA				20000					
Office - Net sales (sqft)	36000	1,350	14,250						
Office - GIA (sqft)	40000	1,500	15,000						
Net to Gross	90%	90.0%	95.0%						
Industrial - Net sales (sqft)									
Industrial - GIA (sqft)									
Net to Gross									
Land Value									
Land Price (per net acre)	£85,000	£85,000	£85,000	£400,000	£175,000	£175,000	£650,000	£400,000	
Stamp Duty Land Tax (SDLT)									
Acquisition Agent fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	% of land price
Acquisition Legal fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	% of land price
Cost Assumptions									
Initial Payments -									
Statutory Planning Fees	£23,100	£924	£8,778	£11,550	£924	£924	£11,088	£18,018	
Construction Costs -									
Demolition, Site Clearance and remediation (per gross acre)	£100,000			£100,000	£100,000		£100,000	£100,000	Cost per acre
Mixed Use Build Cost								£120.00	
Office Build Cost	£120.00	£98.00							£ per ft2 - Base build cost of footprint of units only
Industrial Build Cost			£60.00						
Hotel Build Cost				£90.00					
Retail Build Cost					£85.00	£85.00	£50.00		
External works inc. utilities reinforcement (allowance)	10%	10%	10%	10%	10%	10%	10%	10%	% of base build
Contingency	5%	5%	5%	5%	5%	5.00%	5.00%	5.00%	% of total construction
Professional Fees (Note 1) -	9%	9%	9%	8%	9%	9%	8%	9%	
Disposal Costs -									
Letting Agents Costs	10%	10%	10%	10%	10%	10%	10%	10%	
Letting Legal Costs	5%	5%	5%	5%	5%	5%	5%	5%	
Sale Agents Costs	1%	1%	1%	1%	1%	1%	1%	1%	
Sale Legal Costs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	% of Gross Development Value
Marketing and Promotion	3%	3%	3%	3%	3%	3%	3%	3%	
Finance Costs -									
Finance Fees	1%	1%	1%	1%	1%	1%	1%	1%	
Interest allowance (land & build)	6%	6%	6%	6%	6%	6%	6%	6%	% interest per annum on cumulative balance
Profit									
Developers Profit	20%	20%	20%	18%	20%	20%	18%	18%	

Specific Notes

Includes planning application professional fees and reports

General Note

Build Costs

Build costs (Base build) relates to the cost of building each unit. The cost of external and infrastructure works outside of the footprint (including areas within the curtilage of each unit) is not included in this assumed figure

External works inc. utilities reinforcement (allowance) - relates to all 'normal' build costs outside of the footprint of each unit

Contingency is a general allowance to cover the antedated likely range of budget variance, dependent upon the nature of each assumed specific development

Timescales - residential schemes

Lead in time (pre construction) - pre-construction enabling / mobilisation period following site purchase. Phased purchased assumed for larger sites

Construction period (months per unit)

Average months between construction start and first sale

Sales per month. Small and medium sized schemes

Sales per month. Large sized schemes - It is anticipated that large residential schemes will be operated as two sales outlets

Appendix 5 – Viability appraisals

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE1.

ASSUMPTIONS				
Land Acquisition Value	200,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	4.39 hectares	10.84	acres	
Net Site Area	2.63 hectares	6.50	acres	
Gross to Net Ratio	0.60			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	700	700		100.0%
1 Bed Apartment	538	633		85.0%
2 Bed Apartment	646	760		85.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	25	25.0%	3,625,000
3 Bed houses	175,000	31	31.0%	5,425,000
4+ Bed houses	235,000	25	25.0%	5,875,000
2 Bed Bungalow	160,000	9	9.0%	1,440,000
1 Bed Apartment	100,000	5	5.0%	500,000
2 Bed Apartment	120,000	5	5.0%	600,000
		100	100%	17,465,000
less				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(1,283,678)
(of which) Intermediate	30%	24% discount from MV		(377,244)
GROSS DEVELOPMENT VALUE				15,804,079

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	2.63 ha	6.50 acres		
Site Purchase Price				(1,299,746)
SDLT	1,299,746 @	Rate		(50,487)
Acquisition Agent fees	1,299,746 @	1%		(12,997)
Acquisition Legal fees	1,299,746 @	0.5%		(6,499)
Initial Payments -				
Statutory Planning Fees				(43,559)
Construction Costs -				
Demolition and Site Clearance (allowance)	6.50 acres (gross) @	0 per acre		-
Houses Build Costs	78,115 sqft @	78.00 psf		(6,092,970)
Bungalow Build Costs	6,300 sqft @	113.62 psf		(715,806)
Apartment Build Costs	6,965 sqft @	113.81 psf		(792,687)
External works inc. utilities reinforcement (allowance)	7,601,463 @	20%		(1,520,293)
Contingency	9,121,755 @	3%		(228,044)
Professional Fees	9,349,799 @	8%		(747,984)
Disposal Costs -				
Sale Agents Costs	15,804,079 GDV @	1.00%		(158,041)
Sale Legal Costs	15,804,079 GDV @	0.50%		(79,020)
Marketing and Promotion (1)	15,804,079 GDV @	2.50%		(395,102)
Finance Costs -				
Finance Fees	12,143,235 @	1.00%		(121,432)
Interest allowance (land) (2)	40 months @	6.00%		(273,946)
Interest allowance (build) (3)	12 months @	6.00%		(608,481)
Developers Profit	15,804,079 @	18.00%		(2,844,734)
TOTAL COSTS				(15,991,828)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(187,749)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(187,749)	(1,470,029)	(339,530)	790,970	1,921,470	3,051,969
		(1,959,389)	(828,889)	301,610	1,432,110	2,562,610
		(2,448,748)	(1,318,249)	(187,749)	942,751	2,073,250
		(2,938,108)	(1,807,608)	(677,108)	453,391	1,583,891
		(3,427,467)	(2,296,968)	(1,166,468)	(35,968)	1,094,531

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land assuming phased drawdown of site in 4 tranches
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE2.

ASSUMPTIONS				
Land Acquisition Value	150,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	4.39 hectares	10.84	acres	
Net Site Area	2.63 hectares	6.50	acres	
Gross to Net Ratio	0.60			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	700	700		100.0%
1 Bed Apartment	538	633		85.0%
2 Bed Apartment	646	760		85.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	25	25.0%	3,625,000
3 Bed houses	175,000	31	31.0%	5,425,000
4+ Bed houses	235,000	25	25.0%	5,875,000
2 Bed Bungalow	160,000	9	9.0%	1,440,000
1 Bed Apartment	100,000	5	5.0%	500,000
2 Bed Apartment	120,000	5	5.0%	600,000
		100	100%	17,465,000
<i>less</i>				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(1,283,678)
(of which) Intermediate	30%	24% discount from MV		(377,244)
GROSS DEVELOPMENT VALUE				15,804,079

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	2.63 ha	6.50 acres		
Site Purchase Price				(974,810)
SDLT	974,810 @	Rate		(34,240)
Acquisition Agent fees	974,810 @	1%		(9,748)
Acquisition Legal fees	974,810 @	0.5%		(4,874)
Initial Payments -				
Statutory Planning Fees				(43,559)
Construction Costs -				
Demolition and Site Clearance (allowance)	6.50 acres (gross) @	100,000 per acre		(649,873)
Houses Build Costs	78,115 sqft @	78.00 psf		(6,092,970)
Bungalow Build Costs	6,300 sqft @	113.62 psf		(715,806)
Apartment Build Costs	6,965 sqft @	113.81 psf		(792,687)
External works inc. utilities reinforcement (allowance)	7,601,463 @	20%		(1,520,293)
Contingency	9,121,755 @	5%		(456,088)
Professional Fees	10,227,716 @	9%		(920,494)
Disposal Costs -				
Sale Agents Costs	15,804,079 GDV @	1.00%		(158,041)
Sale Legal Costs	15,804,079 GDV @	0.50%		(79,020)
Marketing and Promotion (1)	15,804,079 GDV @	2.50%		(395,102)
Finance Costs -				
Finance Fees	12,847,605 @	1.00%		(128,476)
Interest allowance (land) (2)	40 months @	6.00%		(204,734)
Interest allowance (build) (3)	12 months @	6.00%		(671,506)
Developers Profit	15,804,079 @	18.00%		(2,844,734)
TOTAL COSTS				(16,697,055)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(892,977)

SENSITIVITY ANALYSIS						
	Values					
	(892,977)	80%	90%	100%	110%	120%
Construction Costs	90%	(2,142,103)	(1,011,603)	118,897	1,249,396	2,379,896
	95%	(2,648,040)	(1,517,540)	(387,040)	743,460	1,873,959
	100%	(3,153,976)	(2,023,477)	(892,977)	237,523	1,368,023
	105%	(3,659,913)	(2,529,413)	(1,398,914)	(268,414)	862,086
	110%	(4,165,850)	(3,035,350)	(1,904,850)	(774,351)	356,149

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE3.

ASSUMPTIONS				
Land Acquisition Value	200,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	1.75 hectares	4.34	acres	
Net Site Area	1.32 hectares	3.25	acres	
Gross to Net Ratio	0.75			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	700	700		100.0%
1 Bed Apartment	538	633		85.0%
2 Bed Apartment	646	760		85.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	12	24.0%	1,740,000
3 Bed houses	175,000	15	30.0%	2,625,000
4+ Bed houses	235,000	12	24.0%	2,820,000
2 Bed Bungalow	160,000	5	10.0%	800,000
1 Bed Apartment	100,000	3	6.0%	300,000
2 Bed Apartment	120,000	3	6.0%	360,000
		50	100%	8,645,000
less				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(635,408)
(of which) Intermediate	30%	24% discount from MV		(186,732)
GROSS DEVELOPMENT VALUE				7,822,861

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	1.32 ha	3.25 acres		
Site Purchase Price				(650,263)
SDLT	650,263 @	Rate		(18,013)
Acquisition Agent fees	650,263 @	1%		(6,503)
Acquisition Legal fees	650,263 @	0.5%		(3,251)
Initial Payments -				
Statutory Planning Fees				(23,100)
Construction Costs -				
Demolition and Site Clearance (allowance)	4.34 acres (gross) @	0 per acre		-
Houses Build Costs	37,605 sqft @	82.00 psf		(3,083,610)
Bungalow Build Costs	3,500 sqft @	113.62 psf		(397,670)
Apartment Build Costs	4,179 sqft @	113.81 psf		(475,612)
External works inc. utilities reinforcement (allowance)	3,956,892 @	15%		(593,534)
Contingency	4,550,426 @	3%		(136,513)
Professional Fees	4,686,939 @	8%		(374,955)
Disposal Costs -				
Sale Agents Costs	7,822,861 GDV @	1.00%		(78,229)
Sale Legal Costs	7,822,861 GDV @	0.50%		(39,114)
Marketing and Promotion (1)	7,822,861 GDV @	2.50%		(195,572)
Finance Costs -				
Finance Fees	6,075,938 @	1.00%		(60,759)
Interest allowance (land) (2)	33 months @	6.00%		(111,875)
Interest allowance (build) (3)	12 months @	6.00%		(305,100)
Developers Profit	7,822,861 @	18.00%		(1,408,115)
TOTAL COSTS				(7,961,787)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(138,927)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(138,927)	(758,604)	(205,171)	348,263	901,696	1,455,129
		(1,002,199)	(448,766)	104,668	658,101	1,211,535
		(1,245,794)	(692,360)	(138,927)	414,507	967,940
		(1,489,388)	(935,955)	(382,521)	170,912	724,345
		(1,732,983)	(1,179,549)	(626,116)	(72,683)	480,751

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land assuming phased drawdown of site in 4 tranches
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE4.

ASSUMPTIONS				
Land Acquisition Value	150,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	1.75 hectares	4.34	acres	
Net Site Area	1.32 hectares	3.25	acres	
Gross to Net Ratio	0.75			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	700	700		100.0%
1 Bed Apartment	538	633		85.0%
2 Bed Apartment	646	760		85.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	12	24.0%	1,740,000
3 Bed houses	175,000	15	30.0%	2,625,000
4+ Bed houses	235,000	12	24.0%	2,820,000
2 Bed Bungalow	160,000	5	10.0%	800,000
1 Bed Apartment	100,000	3	6.0%	300,000
2 Bed Apartment	120,000	3	6.0%	360,000
		50	100%	8,645,000
less				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(635,408)
(of which) Intermediate	30%	24% discount from MV		(186,732)
GROSS DEVELOPMENT VALUE				7,822,861

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	1.32 ha	3.25 acres		
Site Purchase Price				(487,697)
SDLT	487,697 @	Rate		(9,885)
Acquisition Agent fees	487,697 @	1%		(4,877)
Acquisition Legal fees	487,697 @	0.5%		(2,438)
Initial Payments -				
Statutory Planning Fees				(23,100)
Construction Costs -				
Demolition and Site Clearance (allowance)	4.34 acres (gross) @	105,000 per acre		(455,184)
Houses Build Costs	37,605 sqft @	82.00 psf		(3,083,610)
Bungalow Build Costs	3,500 sqft @	113.62 psf		(397,670)
Apartment Build Costs	4,179 sqft @	113.81 psf		(475,612)
External works inc. utilities reinforcement (allowance)	3,956,892 @	15%		(593,534)
Contingency	4,550,426 @	5%		(227,521)
Professional Fees	5,233,131 @	9%		(470,982)
Disposal Costs -				
Sale Agents Costs	7,822,861 GDV @	1.00%		(78,229)
Sale Legal Costs	7,822,861 GDV @	0.50%		(39,114)
Marketing and Promotion (1)	7,822,861 GDV @	2.50%		(195,572)
Finance Costs -				
Finance Fees	6,545,025 @	1.00%		(65,450)
Interest allowance (land) (2)	33 months @	6.00%		(83,308)
Interest allowance (build) (3)	12 months @	6.00%		(343,633)
Developers Profit	7,822,861 @	18.00%		(1,408,115)
TOTAL COSTS				(8,445,531)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(622,671)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(622,671)	(1,228,290)	(674,856)	(121,423)	432,010	985,444
		(1,478,914)	(925,480)	(372,047)	181,387	734,820
		(1,729,538)	(1,176,104)	(622,671)	(69,237)	484,196
		(1,980,161)	(1,426,728)	(873,295)	(319,861)	233,572
		(2,230,785)	(1,677,352)	(1,123,919)	(570,485)	(17,052)

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land assuming phased drawdown of site in 4 tranches
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE5.

ASSUMPTIONS				
Land Acquisition Value	200,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.46 hectares	1.15	acres	
Net Site Area	0.39 hectares	0.98	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	700		0.0%
1 Bed Apartment	0	633		0.0%
2 Bed Apartment	0	760		0.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	4	26.7%	580,000
3 Bed houses	175,000	7	46.7%	1,225,000
4+ Bed houses	235,000	4	26.7%	940,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		15	100%	2,745,000
less				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(201,758)
(of which) Intermediate	30%	24% discount from MV		(59,292)
GROSS DEVELOPMENT VALUE				2,483,951

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.39 ha	0.98 acres		
Site Purchase Price				(195,079)
SDLT	195,079 @	Rate		4,746
Acquisition Agent fees	195,079 @	1%		(1,951)
Acquisition Legal fees	195,079 @	0.5%		(975)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	1.15 acres (gross) @	0 per acre		-
Houses Build Costs	14,365 sqft @	92.00 psf		(1,321,580)
Bungalow Build Costs	- sqft @	0.00 psf		-
Apartment Build Costs	- sqft @	0.00 psf		-
External works inc. utilities reinforcement (allowance)	1,321,580 @	10%		(132,158)
Contingency	1,453,738 @	3%		(43,612)
Professional Fees	1,497,350 @	9%		(134,762)
Disposal Costs -				
Sale Agents Costs	2,483,951 GDV @	1.00%		(24,840)
Sale Legal Costs	2,483,951 GDV @	0.50%		(12,420)
Marketing and Promotion (1)	2,483,951 GDV @	2.50%		(62,099)
Finance Costs -				
Finance Fees	1,931,659 @	1.00%		(19,317)
Interest allowance (land) (2)	10 months @	6.50%		(10,468)
Interest allowance (build) (3)	6 months @	6.50%		(53,269)
Developers Profit	2,483,951 @	18.00%		(447,111)
TOTAL COSTS				(2,461,823)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	22,127

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	22,127					
	90%	(195,023)	(1,374)	192,275	385,923	579,572
	95%	(280,097)	(86,448)	107,201	300,850	494,498
	100%	(365,171)	(171,522)	22,127	215,776	409,425
	105%	(450,244)	(256,596)	(62,947)	130,702	324,351
	110%	(535,318)	(341,669)	(148,021)	45,628	239,277

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land throughout the period
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE6.

ASSUMPTIONS				
Land Acquisition Value	150,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.46 hectares	1.15	acres	
Net Site Area	0.39 hectares	0.98	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	700		0.0%
1 Bed Apartment	0	633		0.0%
2 Bed Apartment	0	760		0.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	4	26.7%	580,000
3 Bed houses	175,000	7	46.7%	1,225,000
4+ Bed houses	235,000	4	26.7%	940,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		15	100%	2,745,000
less				
Affordable Housing (total)	30%			
(of which) Affordable Rented	70%	35% discount from MV		(201,758)
(of which) Intermediate	30%	24% discount from MV		(59,292)
GROSS DEVELOPMENT VALUE				2,483,951

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.39 ha	0.98 acres		
Site Purchase Price				(146,309)
SDLT	146,309 @	Rate		7,185
Acquisition Agent fees	146,309 @	1%		(1,463)
Acquisition Legal fees	146,309 @	0.5%		(732)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	1.15 acres (gross) @	110,000 per acre		(126,228)
Houses Build Costs	14,365 sqft @	92.00 psf		(1,321,580)
Bungalow Build Costs	- sqft @	0.00 psf		-
Apartment Build Costs	- sqft @	0.00 psf		-
External works inc. utilities reinforcement (allowance)	1,321,580 @	10%		(132,158)
Contingency	1,453,738 @	5%		(72,687)
Professional Fees	1,652,652 @	10%		(165,265)
Disposal Costs -				
Sale Agents Costs	2,483,951 GDV @	1.00%		(24,840)
Sale Legal Costs	2,483,951 GDV @	0.50%		(12,420)
Marketing and Promotion (1)	2,483,951 GDV @	2.50%		(62,099)
Finance Costs -				
Finance Fees	2,065,525 @	1.00%		(20,655)
Interest allowance (land) (2)	10 months @	6.50%		(7,655)
Interest allowance (build) (3)	6 months @	6.50%		(59,308)
Developers Profit	2,483,951 @	18.00%		(447,111)
TOTAL COSTS				(2,600,254)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(116,303)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(116,303)	(328,558)	(134,909)	58,740	252,388	446,037
		(416,079)	(222,431)	(28,782)	164,867	358,516
		(503,601)	(309,952)	(116,303)	77,346	270,994
		(591,122)	(397,473)	(203,825)	(10,176)	183,473
		(678,644)	(484,995)	(291,346)	(97,697)	95,952

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land throughout the period
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE7.

ASSUMPTIONS				
Land Acquisition Value	200,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.17 hectares	0.43	acres	
Net Site Area	0.15 hectares	0.36	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	0		#DIV/0!
1 Bed Apartment	0	0		#DIV/0!
2 Bed Apartment	0	0		#DIV/0!
Residential density per ha	34 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	2	40.0%	290,000
3 Bed houses	175,000	2	40.0%	350,000
4+ Bed houses	235,000	1	20.0%	235,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0		0.0%	-
2 Bed Apartment	0		0.0%	-
		5	100%	875,000
less				
Affordable Housing Offsite Contribution	1% of mean sales value			8,750
GROSS DEVELOPMENT VALUE				866,250

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.15 ha	0.36 acres		
Site Purchase Price				(72,676)
SDLT	72,676 @	Rate		10,866
Acquisition Agent fees	72,676 @	1%		(727)
Acquisition Legal fees	72,676 @	0.5%		(363)
Initial Payments -				
Statutory Planning Fees				(2,772)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.43 acres (gross) @	0 per acre		-
Houses Build Costs	4,573 sqft @	100.00 psf		(457,300)
Bungalow Build Costs	- sqft @	0.00 psf		-
Apartment Build Costs	- sqft @	0.00 psf		-
External works inc. utilities reinforcement (allowance)	457,300 @	10%		(45,730)
Contingency	503,030 @	5%		(25,152)
Professional Fees	528,182 @	9%		(47,536)
Disposal Costs -				
Sale Agents Costs	866,250 GDV @	1.00%		(8,663)
Sale Legal Costs	866,250 GDV @	0.50%		(4,331)
Marketing and Promotion (1)	866,250 GDV @	2.50%		(21,656)
Finance Costs -				
Finance Fees	676,040 @	1.00%		(6,760)
Interest allowance (land) (2)	6 months @	6.50%		(2,044)
Interest allowance (build) (3)	6 months @	6.50%		(18,801)
Developers Profit	866,250 @	18.00%		(155,925)
TOTAL COSTS				(859,571)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	6,679

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	90%	(68,368)	(835)	66,698	134,231	201,763
	95%	(98,377)	(30,844)	36,688	104,221	171,754
	100%	(128,387)	(60,854)	6,679	74,212	141,745
	105%	(158,396)	(90,863)	(23,330)	44,203	111,736
	110%	(188,405)	(120,872)	(53,339)	14,193	81,726

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land assuming phased drawdown of site in 4 tranches	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

191028 Blackpool Plan Wide Viability Model - Urban Edge Sites v4 BUE8.

ASSUMPTIONS				
Land Acquisition Value	150,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.17 hectares	0.43	acres	
Net Site Area	0.15 hectares	0.36	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	700		0.0%
1 Bed Apartment	0	633		0.0%
2 Bed Apartment	0	760		0.0%
Residential density per ha	34.00 units per hectare			

VALUES				
	£	# units		
2 Bed houses	145,000	2	40.0%	290,000
3 Bed houses	175,000	2	40.0%	350,000
4+ Bed houses	235,000	1	20.0%	235,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		5	100%	875,000
less				
Affordable Housing Offsite Contribution	1% of mean sales value			8,750
GROSS DEVELOPMENT VALUE				866,250

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.15 ha	0.36 acres		
Site Purchase Price				(54,507)
SDLT	54,507 @	Rate		11,775
Acquisition Agent fees	54,507 @	1%		(545)
Acquisition Legal fees	54,507 @	0.5%		(273)
Initial Payments -				
Statutory Planning Fees				(2,772)
Construction Costs -				
Demolition and Site Clearance (allowance)	0.43 acres (gross) @	115,000 per acre		(49,163)
Houses Build Costs	4,573 sqft @	100.00 psf		(457,300)
Bungalow Build Costs	- sqft @	0.00 psf		-
Apartment Build Costs	- sqft @	0.00 psf		-
External works inc. utilities reinforcement (allowance)	457,300 @	10%		(45,730)
Contingency	503,030 @	5%		(25,152)
Professional Fees	577,345 @	10%		(57,734)
Disposal Costs -				
Sale Agents Costs	866,250 GDV @	1.00%		(8,663)
Sale Legal Costs	866,250 GDV @	0.50%		(4,331)
Marketing and Promotion (1)	866,250 GDV @	2.50%		(21,656)
Finance Costs -				
Finance Fees	716,052 @	1.00%		(7,161)
Interest allowance (land) (2)	6 months @	6.50%		(1,415)
Interest allowance (build) (3)	6 months @	6.50%		(20,730)
Developers Profit	866,250 @	18.00%		(155,925)
TOTAL COSTS				(901,283)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(35,033)

SENSITIVITY ANALYSIS						
	Values					
	(35,033)	80%	90%	100%	110%	120%
Construction Costs	90%	(109,529)	(41,997)	25,536	93,069	160,602
	95%	(139,814)	(72,281)	(4,748)	62,785	130,317
	100%	(170,099)	(102,566)	(35,033)	32,500	100,033
	105%	(200,383)	(132,850)	(65,318)	2,215	69,748
	110%	(230,668)	(163,135)	(95,602)	(28,069)	39,464

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

Value Assumptions Residential Development

Urban Infill / Inner Core

2 bed house	120000
3 bed house	145000
4+ bed house	190000
2 bed bungalow	125000
1 bed apartment	80000
2 bed apartment	95000

Urban Edge

2 bed house	145000
3 bed house	175000
4+ bed house	235000
2 bed bungalow	160000
1 bed apartment	100000
2 bed apartment	120000

Land Value Threshold

Urban Infill / Inner Core
Urban Edge

GF	BF
-	50000
200,000	150000

200524 Blackpool Plan Wide Viability Model - Urban Infill Sites v3 BUI1.

ASSUMPTIONS				
Land Acquisition Value	50,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	4.39 hectares	10.84	acres	
Net Site Area	2.63 hectares	6.50	acres	
Gross to Net Ratio	0.60			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	700	700		100.0%
1 Bed Apartment	538	633		85.0%
2 Bed Apartment	646	760		85.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	25	25.0%	3,000,000
3 Bed houses	145,000	31	31.0%	4,495,000
4+ Bed houses	190,000	25	25.0%	4,750,000
2 Bed Bungalow	125,000	9	9.0%	1,125,000
1 Bed Apartment	80,000	5	5.0%	400,000
2 Bed Apartment	95,000	5	5.0%	475,000
		100	100%	14,245,000
<i>less</i>				
Affordable Housing (total)	0%			-
(of which) Affordable Rented	70%	35% discount from MV		-
(of which) Intermediate	30%	24% discount from MV		-
GROSS DEVELOPMENT VALUE				14,245,000

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	2.63 ha	6.50 acres		
Site Purchase Price				(324,937)
SDLT	324,937 @	Rate		(1,747)
Acquisition Agent fees	324,937 @	1%		(3,249)
Acquisition Legal fees	324,937 @	0.5%		(1,625)
Initial Payments -				
Statutory Planning Fees				(43,559)
Construction Costs -				
Demolition and Site Clearance (allowance)	6.50 acres (gross) @	100,000 per acre		(649,873)
Houses Build Costs	78,115 sqft @	78.00 psf		(6,092,970)
Bungalow Build Costs	6,300 sqft @	113.62 psf		(715,806)
Apartment Build Costs	6,965 sqft @	113.81 psf		(792,687)
External works inc. utilities reinforcement (allowance)	7,601,463 @	20%		(1,520,293)
Contingency	9,121,755 @	5%		(456,088)
Professional Fees	10,227,716 @	9%		(920,494)
Disposal Costs -				
Sale Agents Costs	14,245,000 GDV @	1.00%		(142,450)
Sale Legal Costs	14,245,000 GDV @	0.50%		(71,225)
Marketing and Promotion (1)	14,245,000 GDV @	2.50%		(356,125)
Finance Costs -				
Finance Fees	12,093,127 @	1.00%		(120,931)
Interest allowance (land) (2)	40 months @	6.00%		(66,311)
Interest allowance (build) (3)	12 months @	6.00%		(671,506)
Developers Profit	14,245,000 @	18.00%		(2,564,100)
TOTAL COSTS				(15,515,976)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(1,270,976)

SENSITIVITY ANALYSIS						
	Values					
		80%	90%	100%	110%	120%
Construction Costs	(1,270,976)					
	90%	(2,304,773)	(1,281,937)	(259,102)	763,733	1,786,568
	95%	(2,810,709)	(1,787,874)	(765,039)	257,796	1,280,631
	100%	(3,316,646)	(2,293,811)	(1,270,976)	(248,140)	774,695
	105%	(3,822,583)	(2,799,748)	(1,776,912)	(754,077)	268,758
	110%	(4,328,519)	(3,305,684)	(2,282,849)	(1,260,014)	(237,179)

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

200524 Blackpool Plan Wide Viability Model - Urban Infill Sites v3 BUI2.

ASSUMPTIONS			
Land Acquisition Value	50,000 per acre		
Developers Profit	18.0% on GDV		
Gross Site Area	1.75 hectares	4.34	acres
Net Site Area	1.32 hectares	3.25	acres
Gross to Net Ratio	0.75		
	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%
Residential density per ha	38 units per hectare		

VALUES			
	£	# units	
2 Bed houses	120,000	12	24.0%
3 Bed houses	145,000	15	30.0%
4+ Bed houses	190,000	12	24.0%
2 Bed Bungalow	125,000	5	10.0%
1 Bed Apartment	80,000	3	6.0%
2 Bed Apartment	95,000	3	6.0%
		50	100%
			7,045,000
less			
Affordable Housing (total)	0%		
(of which) Affordable Rented	70%	35% discount from MV	-
(of which) Intermediate	30%	24% discount from MV	-
GROSS DEVELOPMENT VALUE			7,045,000

DEVELOPMENT COSTS			
Site Acquisition -			
Net Site Area	1.32 ha	3.25 acres	
Site Purchase Price			(162,566)
SDLT	162,566 @	Rate	6,372
Acquisition Agent fees	162,566 @	1%	(1,626)
Acquisition Legal fees	162,566 @	0.5%	(813)
Initial Payments -			
Statutory Planning Fees			(23,100)
Construction Costs -			
Demolition and Site Clearance (allowance)	4.34 acres (gross) @	105,000 per acre	(455,184)
Houses Build Costs	37,605 sqft @	82.00 psf	(3,083,610)
Bungalow Build Costs	3,500 sqft @	113.62 psf	(397,670)
Apartment Build Costs	4,179 sqft @	113.81 psf	(475,612)
External works inc. utilities reinforcement (allowance)	3,956,892 @	15%	(593,534)
Contingency	4,550,426 @	5%	(227,521)
Professional Fees	5,233,131 @	9%	(470,982)
Disposal Costs -			
Sale Agents Costs	7,045,000 GDV @	1.00%	(70,450)
Sale Legal Costs	7,045,000 GDV @	0.50%	(35,225)
Marketing and Promotion (1)	7,045,000 GDV @	2.50%	(176,125)
Finance Costs -			
Finance Fees	6,167,646 @	1.00%	(61,676)
Interest allowance (land) (2)	33 months @	6.00%	(26,174)
Interest allowance (build) (3)	12 months @	6.00%	(343,633)
Developers Profit	7,045,000 @	18.00%	(1,268,100)
TOTAL COSTS			(7,867,229)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(822,229)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(822,229)	(1,321,988)	(821,485)	(320,981)	179,522	680,025
		(1,572,612)	(1,072,109)	(571,605)	(71,102)	429,401
		(1,823,236)	(1,322,732)	(822,229)	(321,726)	178,777
		(2,073,860)	(1,573,356)	(1,072,853)	(572,350)	(71,847)
		(2,324,483)	(1,823,980)	(1,323,477)	(822,974)	(322,471)

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land assuming phased drawdown of site in 4 tranches
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

200524 Blackpool Plan Wide Viability Model - Urban Infill Sites v3 BUI3.

ASSUMPTIONS				
Land Acquisition Value	50,000 per acre			
Developers Profit	18.0% on GDV			
Gross Site Area	0.46 hectares	1.15	acres	
Net Site Area	0.39 hectares	0.98	acres	
Gross to Net Ratio	0.85			
	Net sales (sqft)	GIA (sqft)		Net to Gross %
2 Bed houses	753	753		100.0%
3 Bed houses	915	915		100.0%
4+ Bed houses	1,237	1,237		100.0%
2 Bed Bungalow	0	700		0.0%
1 Bed Apartment	0	633		0.0%
2 Bed Apartment	0	760		0.0%
Residential density per ha	38 units per hectare			

VALUES				
	£	# units		
2 Bed houses	120,000	4	26.7%	480,000
3 Bed houses	145,000	7	46.7%	1,015,000
4+ Bed houses	190,000	4	26.7%	760,000
2 Bed Bungalow	0	0	0.0%	-
1 Bed Apartment	0	0	0.0%	-
2 Bed Apartment	0	0	0.0%	-
		15	100%	2,255,000
less				
Affordable Housing (total)	0%			-
(of which) Affordable Rented	70%	35% discount from MV		-
(of which) Intermediate	30%	24% discount from MV		-
GROSS DEVELOPMENT VALUE				2,255,000

DEVELOPMENT COSTS				
Site Acquisition -				
Net Site Area	0.39 ha	0.98 acres		
Site Purchase Price				(48,770)
SDLT	48,770 @	Rate		12,062
Acquisition Agent fees	48,770 @	1%		(488)
Acquisition Legal fees	48,770 @	0.5%		(244)
Initial Payments -				
Statutory Planning Fees				(6,930)
Construction Costs -				
Demolition and Site Clearance (allowance)	1.15 acres (gross) @	110,000 per acre		(126,228)
Houses Build Costs	14,365 sqft @	92.00 psf		(1,321,580)
Bungalow Build Costs	- sqft @	0.00 psf		-
Apartment Build Costs	- sqft @	0.00 psf		-
External works inc. utilities reinforcement (allowance)	1,321,580 @	10%		(132,158)
Contingency	1,453,738 @	5%		(72,687)
Professional Fees	1,652,652 @	10%		(165,265)
Disposal Costs -				
Sale Agents Costs	2,255,000 GDV @	1.00%		(22,550)
Sale Legal Costs	2,255,000 GDV @	0.50%		(11,275)
Marketing and Promotion (1)	2,255,000 GDV @	2.50%		(56,375)
Finance Costs -				
Finance Fees	1,952,487 @	1.00%		(19,525)
Interest allowance (land) (2)	10 months @	6.50%		(2,028)
Interest allowance (build) (3)	6 months @	6.50%		(59,308)
Developers Profit	2,255,000 @	18.00%		(405,900)
TOTAL COSTS				(2,439,248)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(184,248)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(184,248)	(360,805)	(185,005)	(9,205)	166,595	342,394
		(448,326)	(272,526)	(96,726)	79,073	254,873
		(535,847)	(360,048)	(184,248)	(8,448)	167,352
		(623,369)	(447,569)	(271,769)	(95,969)	79,830
		(710,890)	(535,090)	(359,291)	(183,491)	(7,691)

NOTES	
(1)	marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.
(2)	interest on land throughout the period
(3)	interest on buildings based on build one - sell one unit per month
(4)	a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate
(4)	a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL

200524 Blackpool Plan Wide Viability Model - Urban Infill Sites v3

BUI4.

ASSUMPTIONS			
Land Acquisition Value	50,000 per acre		
Developers Profit	18.0% on GDV		
Gross Site Area	0.17 hectares	0.43	acres
Net Site Area	0.15 hectares	0.36	acres
Gross to Net Ratio	0.85		
	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	0	700	0.0%
1 Bed Apartment	0	633	0.0%
2 Bed Apartment	0	760	0.0%
Residential density per ha	34.00 units per hectare		

VALUES			
	£	# units	
2 Bed houses	120,000	2	40.0%
3 Bed houses	145,000	2	40.0%
4+ Bed houses	190,000	1	20.0%
2 Bed Bungalow	0	0	0.0%
1 Bed Apartment	0	0	0.0%
2 Bed Apartment	0	0	0.0%
		5	100%
less			
Affordable Housing Offsite Contribution	0% of mean sales value		0
GROSS DEVELOPMENT VALUE			720,000

DEVELOPMENT COSTS			
Site Acquisition -			
Net Site Area	0.15 ha	0.36 acres	
Site Purchase Price			(18,169)
SDLT	18,169 @	Rate	13,592
Acquisition Agent fees	18,169 @	1%	(182)
Acquisition Legal fees	18,169 @	0.5%	(91)
Initial Payments -			
Statutory Planning Fees			(2,772)
Construction Costs -			
Demolition and Site Clearance (allowance)	0.43 acres (gross) @	115,000 per acre	(49,163)
Houses Build Costs	4,573 sqft @	100.00 psf	(457,300)
Bungalow Build Costs	- sqft @	0.00 psf	-
Apartment Build Costs	- sqft @	0.00 psf	-
External works inc. utilities reinforcement (allowance)	457,300 @	10%	(45,730)
Contingency	503,030 @	5%	(25,152)
Professional Fees	577,345 @	10%	(57,734)
Disposal Costs -			
Sale Agents Costs	720,000 GDV @	1.00%	(7,200)
Sale Legal Costs	720,000 GDV @	0.50%	(3,600)
Marketing and Promotion (1)	720,000 GDV @	2.50%	(18,000)
Finance Costs -			
Finance Fees	671,502 @	1.00%	(6,715)
Interest allowance (land) (2)	6 months @	6.50%	(158)
Interest allowance (build) (3)	6 months @	6.50%	(20,730)
Developers Profit	720,000 @	18.00%	(129,600)
TOTAL COSTS			(828,704)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(108,704)

SENSITIVITY ANALYSIS						
	Values	Construction Costs				
		80%	90%	100%	110%	120%
Construction Costs	(108,704)	(160,398)	(104,266)	(48,135)	7,996	64,127
		(190,682)	(134,551)	(78,420)	(22,289)	33,843
		(220,967)	(164,836)	(108,704)	(52,573)	3,558
		(251,251)	(195,120)	(138,989)	(82,858)	(26,727)
		(281,536)	(225,405)	(169,274)	(113,142)	(57,011)

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

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BUI5.

ASSUMPTIONS			
Property Acquisition Value	100,000		
Developers Profit	18.0% on GDV		
Gross Site Area	0.14 hectares	0.34	acres
Net Site Area	0.12 hectares	0.29	acres
Gross to Net Ratio	0.85		
	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%
Residential density per ha	34.00 units per hectare		

VALUES			
	£	# units	
2 Bed houses	0	0	0.0%
3 Bed houses	0	0	0.0%
4+ Bed houses	0	0	0.0%
2 Bed Bungalow	0	0	0.0%
1 Bed Apartment	50,000	1	25.0%
2 Bed Apartment	60,000	3	75.0%
		4	100%
			230,000
less			
Affordable Housing Offsite Contribution	0% of mean sales value		0
GROSS DEVELOPMENT VALUE			230,000

DEVELOPMENT COSTS			
Site Acquisition -			
Site Purchase Price			(100,000)
SDLT	100,000 @	Rate	-
Acquisition Agent fees	100,000 @	1%	(1,000)
Acquisition Legal fees	100,000 @	0.5%	(500)
Initial Payments -			
Statutory Planning Fees			(1,848)
Construction Costs -			
Demolition and Site Clearance (allowance)	0.34 acres (gross) @	0 per acre	-
Houses Build Costs	- sqft @	0.00 psf	-
Bungalow Build Costs	- sqft @	0.00 psf	-
Apartment Build Costs (conversion)	2,913 sqft @	55.00 psf	(160,215)
External works inc. utilities reinforcement (allowance)	160,215 @	10%	(16,022)
Contingency	176,237 @	5%	(8,812)
Professional Fees	185,048 @	10%	(18,505)
Disposal Costs -			
Sale Agents Costs	230,000 GDV @	1.00%	(2,300)
Sale Legal Costs	230,000 GDV @	0.50%	(1,150)
Marketing and Promotion (1)	230,000 GDV @	2.50%	(5,750)
Finance Costs -			
Finance Fees	316,101 @	1.00%	(3,161)
Interest allowance (land) (2)	6 months @	6.50%	(3,299)
Interest allowance (build) (3)	6 months @	6.50%	(6,676)
Developers Profit	230,000 @	15.00%	(34,500)
TOTAL COSTS			(363,736)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(133,736)

SENSITIVITY ANALYSIS						
	Values	Values				
		80%	90%	100%	110%	120%
Construction Costs	(133,736)	(149,758)	(131,137)	(112,516)	(93,895)	(75,274)
		(160,368)	(141,747)	(123,126)	(104,505)	(85,885)
		(170,978)	(152,357)	(133,736)	(115,116)	(96,495)
		(181,588)	(162,967)	(144,347)	(125,726)	(107,105)
		(192,198)	(173,578)	(154,957)	(136,336)	(117,715)

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	

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ASSUMPTIONS			
Property Acquisition Value	300,000		
Developers Profit	18.0% on GDV		
Gross Site Area	0.35 hectares	0.86	acres
Net Site Area	0.29 hectares	0.73	acres
Gross to Net Ratio	0.85		
	Net sales (sqft)	GIA (sqft)	Net to Gross %
2 Bed houses	753	753	100.0%
3 Bed houses	915	915	100.0%
4+ Bed houses	1,237	1,237	100.0%
2 Bed Bungalow	700	700	100.0%
1 Bed Apartment	538	633	85.0%
2 Bed Apartment	646	760	85.0%
Residential density per ha	34.00 units per hectare		

VALUES			
	£	# units	
2 Bed houses	0	0	0.0%
3 Bed houses	0	0	0.0%
4+ Bed houses	0	0	0.0%
2 Bed Bungalow	0	0	0.0%
1 Bed Apartment	50,000	3	30.0%
2 Bed Apartment	60,000	7	70.0%
		10	100%
			570,000
less			
Affordable Housing Offsite Contribution	0% of mean sales value		0
GROSS DEVELOPMENT VALUE			570,000

DEVELOPMENT COSTS			
Site Acquisition -			
Site Purchase Price			(100,000)
SDLT	100,000 @	Rate	-
Acquisition Agent fees	100,000 @	1%	(1,000)
Acquisition Legal fees	100,000 @	0.5%	(500)
Initial Payments -			
Statutory Planning Fees			(6,468)
Construction Costs -			
Demolition and Site Clearance (allowance)	0.86 acres (gross) @	0 per acre	-
Houses Build Costs	- sqft @	0.00 psf	-
Bungalow Build Costs	- sqft @	0.00 psf	-
Apartment Build Costs (conversion)	7,219 sqft @	50.00 psf	(360,950)
External works inc. utilities reinforcement (allowance)	360,950 @	10%	(36,095)
Contingency	397,045 @	5%	(19,852)
Professional Fees	416,897 @	10%	(41,690)
Disposal Costs -			
Sale Agents Costs	570,000 GDV @	1.00%	(5,700)
Sale Legal Costs	570,000 GDV @	0.50%	(2,850)
Marketing and Promotion (1)	570,000 GDV @	2.50%	(14,250)
Finance Costs -			
Finance Fees	589,355 @	1.00%	(5,894)
Interest allowance (land) (2)	6 months @	6.50%	(3,299)
Interest allowance (build) (3)	6 months @	6.50%	(15,114)
Developers Profit	570,000 @	15.00%	(85,500)
TOTAL COSTS			(699,162)

S106 / CIL	
Surplus / (Deficit) for S106 / CIL (4)	(129,162)

SENSITIVITY ANALYSIS						
	Values	80%	90%	100%	110%	120%
Construction Costs	(129,162)	(173,648)	(127,501)	(81,354)	(35,207)	10,941
		(197,552)	(151,405)	(105,258)	(59,111)	(12,963)
		(221,456)	(175,309)	(129,162)	(83,014)	(36,867)
		(245,360)	(199,213)	(153,065)	(106,918)	(60,771)
		(269,264)	(223,116)	(176,969)	(130,822)	(84,675)

NOTES	
(1) marketing and promotion includes show house and incentives e.g. Stamp Duty paid / white goods / carpets etc.	
(2) interest on land throughout the period	
(3) interest on buildings based on build one - sell one unit per month	
(4) a surplus means that there is the potential to levy S106 obligations or a CIL, subject (in respect of CIL) to the overall infrastructure 'gap' and the appropriate	
(4) a deficit means that development is not viable and there is no development surplus for S106 obligations or to levy CIL	