

Marton Moss Housing Viability

- a Local Commentary

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Cover Photograph is housing development under construction at Birchwood Gardens on the former Baguley's Garden Centre Site, off Midgeland Road, Marton Moss

Introduction

1. This paper sets out a commentary on the Marton Moss Housing Site Viability Study which was prepared by consultants AECOM as a Locality commissioned Technical Support package. The aim of the paper is to provide an insight, a local perspective, in to the factors likely to affect the delivery of housing development as guided by the emerging Neighbourhood Plan. This paper provides context to be read alongside the AECOM work, it does not purport to be a housing viability appraisal but does refer to different information that is considered applicable to the Neighbourhood Area.
2. By its own admission the AECOM work is a very high level study which is heavily caveated. Its authors acknowledged that they had difficulty finding appropriate local data (due to the relatively small size of the Neighbourhood Area and a lack of recent local development). As such the findings of the Study should be treated with a 'higher degree of caution' (para 1.2.12) than would normally be the case with a piece of research of this kind, meaning the conclusions are not necessarily reflective of the on-the-ground situation at Marton Moss.
3. The AECOM Study is acknowledged by the Forum as a valuation industry standard compliant approach to developer-led housing delivery and land economics and is consistent with the advice in the national Planning Practice Guidance. That approach assumes housebuilders will only pursue schemes which are likely to achieve at least a minimum rate of return that provides sufficient 'cover' for the perceived risks involved – such as the possibility of finished house sales delays and other unforeseen circumstances arising. Also, that land will only be released by a 'willing seller' for development if the price achieved significantly exceeds its considered worth in its existing use.
4. However, Planning Practice Guidance also makes clear that development land valuations should be planning policy compliant and not include 'hope value' expectations of a different future situation. The Guidance also lists a wide range of information sources that can be used to indicate the state of the local market.
5. A standardised approach to viability, if slavishly followed, can equate to the production of standardised developments with 'off the peg' house types and layouts. Yet the Guidance fully recognises the need to take account of professional fees, and these include those for architectural services. There is no suggestion in the AECOM Study that application of the Marton Moss Design Code would impose exceptional build quality costs on new housing. The main concern by the Study authors is that low maximum build density standards would undermine the development viability of the housing sites being proposed for allocation in the Neighbourhood Plan.
6. The Design Code, like the remainder of the Neighbourhood Plan, is not yet firm policy, but in the context of the existing strict controls on development this planning process represents a rare opportunity to provide a modest relaxation to Local Plan Policy CS26 to allow locally appropriate schemes without re-opening the door to volume house builder solutions. This paper outlines an approach that recognises the factors that affect the delivery of small scale housing projects of the type envisaged by the Neighbourhood Plan.

The Character of Marton Moss

7. Understanding the existing character of Marton Moss (the 'Moss' for short) provides very useful context for considering local housing development viability. There is nowhere within the bounds of Blackpool Borough like the Moss Neighbourhood Area. It has a highly distinctive character that is directly derived from its horticultural and farming history.

8. Although there were plans over a decade ago to develop the Area, along with nearby lands, as an urban extension of Blackpool, those proposals were not pursued for the Moss. Instead, Blackpool Council adopted a strategic Local Plan policy (CS26) that continued previously applied open countryside type strict controls over new development to this locality. The intention of Policy CS26 is to protect the character of the Area but also to enable the pursuit of that aim in future through a neighbourhood planning approach. The Authority went on to endorse that protection by designating a Conservation Area across two-thirds of the Moss.

9. Much of Blackpool Borough is a quite densely developed urban area. Its central part contains some of the most deprived neighbourhoods in England which are characterised by flats accommodation and houses in multiple occupation converted from former holiday property. The town also has extensive more affluent suburban areas typically comprising 1930s and 1950s style housing built during the boom years of the tourist trade.

10. Marton Moss is very different to the remainder of Blackpool. It is a semi-rural area with a pleasant pastoral appearance, threaded with narrow country lanes and comprising generally very low density development. Up to a few decades ago, the Neighbourhood Area, supported highly productive horticultural activity, albeit operated on a small scale, with one acre or so sized plots. However quite large areas of the Moss were never so used and remain to this day as open fields.

11. Today market gardening has almost completely ceased locally, a victim of the intense competition to produce vegetable crops won by much larger enterprises elsewhere. However, the legacy across much of the Moss is the horticultural plot imprint, each originally with a single detached dwelling interspersed by short terraces of (now former) horticultural workers houses. Together this housing mix sets a distinctive architectural vernacular and spatial pattern of development that endures despite the introduction of some more modern individual houses as new additions or replacements.

Marton Moss Design Code

12. The Design Code work prepared to inform the preparation of the Neighbourhood Plan captures the vital essence of what makes up the architectural character of the Moss. Although the Code focusses on vernacular building styles, the use of external materials, layouts and building siting; it also encapsulates the overall vital open appearance trait of the Area. In particular it recognises the key importance of mostly keeping any new development to low density, facing an existing road frontage, in small scale schemes limited to no more than 8 dwellings per hectare in the Conservation Area and up to 15 dwellings per hectare elsewhere on the Moss. The only exception is recognising the appropriateness of new, short terraces of houses typically built at a density of 40 dwellings per hectare.

13. During the time Blackpool Council were finalising the long term strategic planning of the Moss and the wider area (around 2010), opportunities to capitalise on a possible growth agenda were seized upon by volume house builders intent on using their standard house types and estate layouts. Through the successful pursuit of planning appeals, when a shortfall in housing provision existed, these promoters' won permission for substantial development proposals of two housing schemes, one within and the other just outside the Area, with designs unsympathetic to the local style. These developments, still known locally by their marketing names of 'Magnolia Point' and 'Redwood Point' stand as the very antithesis of what counts as good design in terms of the local Moss vernacular.

14. The Design Code stipulations are at the very heart of the Forum's commitment to the emerging Neighbourhood Plan and directly underpin the associated positive effect outcomes of the Site Assessment work that was applied to the call for sites land as well as being fundamental to the positive conclusions of the Strategic Environmental Assessment. In short, the Code is the very embodiment of what constitutes locally sustainable development.

15. The AECOM Study acknowledges the work that has been done on the Design Code but concludes by suggesting the main way to make the housing sites more viable would be to allow development at densities significantly higher than those specified in the Code. For the Neighbourhood Plan this is not considered to be an aspect of acceptable flexibility. Where there is considered to be scope for flexibility is in the high level assumptions of the AECOM report.

Planning Policy Considerations

16. Understanding the evolution and application of local planning policies also provides useful context for understanding housing development deliverability on the Moss.

17. The strategic Local Plan policy that came to apply to the Moss – Policy CS26 – has two main parts. The first part advocates the adoption of a neighbourhood planning type approach to the Area and the second part, to apply in the meantime, sets a control of development regime akin to an area of open countryside. When asked in 2017 by the Council specifically how they wanted the future of the Moss to be planned, local people favoured preparing a fully-fledged Neighbourhood Plan themselves rather than a process embedded within the emerging part two Blackpool Local Plan.

18. The effect to date of Policy CS26 (and its 2001-16 Local Plan policy predecessor) has been to severely restrict new housing development over many years. In part this has choked-off demand for non-essential speculative accommodation and probably lowered hope value expectations. However, at the same time the situation has led to pent-up demand for 'within the family' next generation housing provision.

19. Land ownership across the Moss is typically held in small-scale family interests. This certainly applies to most if not all the sites considered appropriate for allocation for new housing in the emerging Neighbourhood Plan and probably would apply to most windfall site proposals that subsequently arise.

20. It is informative to compare the current pattern of development on the two sides of Division Lane. Land on the north side is within the Neighbourhood Area and due to Policy CS26 has seen no new housing in recent times and so has open stretches of unbuilt frontages. The south side of Division Lane is almost entirely built-up with individual detached housing, where new properties have been interspersed between older dwellings at densities as low as 4 dwellings per hectare. That side of Division Lane, in Fylde Borough, is in the Green Belt, where a commonly used relaxation of

that policy restriction – single plot infilling – has been allowed. This shows there would certainly be a market for a similar form of development in the Neighbourhood Area, which would in broad terms at least, accord with the Design Code and the data reproduced later in this report shows it would be property that would command high sales values.

Housing Viability Across Blackpool as a Whole

21. To inform the deliverability of the housing proposals in the emerging Part 2 Local Plan, Blackpool Council commissioned consultants Lambert Smith Hampton (LSH) to carry out a high level financial viability study taking account of the housing market across the town and the proposed policies in the Local Plan. That work identified a generally poor level of viability in Blackpool as a whole and typically that market housing developments would likely struggle to fund ‘planning gain’ Section 106 contributions, including those related to providing a proportion of affordable housing.

22. Whilst accepting the results of this standardised modelling of housing viability, the Council’s position on the likely delivery of residential sites proposed in the Local Plan remains positive. This is based on the fact that new developments continue to come forward and be built-out on various sites across Blackpool. This clearly demonstrates that local house builders are finding ways to achieve sufficient financial returns to pursue schemes and, it should be noted, are doing so without compromising build standards.

23. The Part 2 Local Plan has recently been subject to an examination hearing and the Council’s stance on housing viability has not been challenged by any party.

Landholdings on the Moss and Likely Forms of Development Coming Forward

24. Given that numerous small scale landholdings on the Moss are held in long standing family-occupied ownerships the normal conventional ways of assessing housing viability would not necessarily apply to their development. Many of the Neighbourhood Plan site promoters are planning to use the land they have long owned to pursue custom build type schemes for family members. The value of the land is therefore less material to the overall costs of the build. Also, in situations where the intended occupiers of the new homes are known there is far less risk of costly delays in achieving ‘sales’.

25. In such circumstances house builders act as contractors rather than developers and so work to lower financial margins. There is also likely to be less dependence on short term higher interest borrowed finance due to greater use of personal savings of the promoters to fund schemes. Furthermore, in situations where land is sold for speculative housing, it is likely that sales value expectations will have been dampened by the recent planning policy history but by the same token there is likely to be pent-up demand.

26. At the Regulation 14 consultation stage of producing the Neighbourhood Plan interviews were held with a local builder active in the area and a local estate agent – see Appendix A. Their responses to the questions show they are very positive about the prospects of housing development consistent with the policies in the Plan being viable to build and attractive to potential house buyers.

Supplementary Information on House Sales Values

27. In terms of establishing house sales values on the Moss, the AECOM Study is mainly based on prices achieved for new homes on the Redwood Point and Magnolia Point estate developments. Only one housing scheme has been permitted as an allowable exception under Policy CS26 in the Neighbourhood Area - at the former Baguley's Garden Centre site. This development (known as 'Birchwood Gardens') of 12 bungalows pre-dates the Design Code but in density terms only marginally exceeds the 15 dph maximum it sets for a site outside the Conservation Area.

28. All 12 bungalows at Birchwood Gardens were sold off-plan for either £300,000 or £325,000 depending on size, equating to a price per metre of £4,021/m.sq for the smaller two bed properties. This contrasts with the new build detached properties (all outside the Neighbourhood Area) for sale as of September 2021 of £2,748/m.sq. included in the AECOM Study. However, the Birchwood Gardens sales were not taken account of in the AECOM work because due to Land Registry delays they could not be verified through that record source. Only very limited attempts were made by AECOM to contact local estate agents despite this source being advocated by national planning guidance.

29. Also, AECOM only made limited use of second-hand property sales. A Neighbourhood Forum Committee member was able to assemble a list of nearly 50 second hand house sales over the 2017-21 period from reliable public sources. These properties are listed in Appendix B and refer to homes in or immediately adjoining the Neighbourhood Area. This a sample of properties that equates to approximately 10% of all the dwellings on the Moss. Also, these are all relate to individual homes in Design Code compliant settings. AECOM have conceded that the sales prices of these properties exceeded those they took account of by, on average, approximately £60,000. Also, by being second hand the values do not reflect the premium price effect relevant to new homes.

High Level Assumptions Used in the AECOM Study

30. The assumptions by AECOM are set in Section 4 of their Study report. However, before then AECOM rightly refer to the other development viability work that has been done to inform Development Plan preparation and in particular, they cite information used in the LSH work prepared for the Blackpool Local Plan. A highly informative feature of the LSH work includes development appraisals that included tables to show how sensitive viability calculations are to minor changes in cost assumptions – that approach is replicated in the AECOM Study in terms of land value assumptions.

31. Appendix C sets out key observations on the modelling assumptions use in the AECOM Study. The outcome of the viability of a site could also be affected by various permutations of existing use values, house size, developer profit and gross development value from the assumptions made in the AECOM Study report. Paragraph 6.1.4 of it acknowledges that the process is based on high level modelling and assumptions for developments costs and values – therefore it is reasonable that these could be different.

Conclusion

32. Taking account of the aspects that will typically apply to the small scale housing development on the sites proposed for allocation in the Neighbourhood Plan it is likely that the contingencies and margins assumed will be less than the 'industry standard developer approach' but that the sales values will be significantly higher than assumed in the AECOM study.

33. The preparation of the Neighbourhood Plan offers a once and for all chance to establish a carefully crafted set of policies that fully respect the character of the Moss without being hide-bound by standard notions of housing viability predicated on a volume developer approach to delivery. Also, although it is important that the policies and proposals in the Neighbourhood Plan should be capable of being implemented it should be remembered that Blackpool's housing requirement figure is not dependent on any provision being achieved in the Neighbourhood Area.

APPENDIX A – Interviews with a House Builder and an Estate Agent

About house building prospects and the local housing market at Marton Moss

With: James Kenyon of J W Kenyon Construction

Date: 4 April 2022

Q1	How do you rate the current state of the housing market/house building prospects at Marton Moss?
A	<i>The principle seems okay, I support using infill plots facing an existing road as these are in keeping with the area and also would be more viable than in-depth sites requiring more infrastructure. As such I agree with the Plan and would be interested in building on infill plots.</i>
Q2	Thinking just about the Moss, what types of houses sell/would sell best?
A	<i>A range of properties but particularly 3 and 4 bedrooomed detached houses as well as semi-detached properties – good family homes for semi-professional people. This is one of the better areas of Blackpool to build and sell new homes.</i>
Q3	What is the demand like for terraced housing?
A	<i>Not so much but could make money on them.</i>
Q4	What is the demand like for bungalows?
A	<i>I have never built any, but it is likely that any house type mix would work on the sites proposed.</i>
Q5	Is there particularly high demand/profit to be made from individual ‘one-off’ characterful properties built at a lower density compared to standard design higher density homes on an estate layout?
A	<i>Yes, individually designed new properties would be in most demand particularly on plots on private lanes even where the roadway is poorly maintained.</i>
Q6	Considering the range of potential housing sites proposed in the draft Neighbourhood Plan what sort of demand would there likely to be for new homes on these from house buyers/house builders?
A	<i>Yes, I am sure there would be good demand.</i>
Q7	How do you rate the AECOM Housing Site Viability Study?
A	<i>The viability of house building will vary from site to site depending on the amount of site preparation, the ground levels, infrastructure required including drainage and what has been paid for the land. As builders we approach one site at a time.</i>

Q8	Does the Housing Market Local Commentary document make valid points concerning the approach to viability likely to be followed by local builders?
A	<i>Yes, there is money (profit) to be made from building new individual homes on the sites proposed in the Plan.</i>
Q9	Do you have any further points to make concerning this matter?
A	<i>Being a 'Mosser' I agree with the Plan and now understand how the housing sites proposed have been selected. I agree with the overall approach of avoiding mass housing developments.</i>
Q10	Does your company currently own or have any other contractual interest in any of the sites proposed for house building in the Neighbourhood Plan?
A	<i>No</i>

With: Stephen Tew of Stephen Tew Estate Agents

Date: 4 April 2022

Q1	How do you rate the current state of the housing market/house building prospects at Marton Moss?
A	<i>Very good, there is a shortage of property on the market and prospective buyers are looking to move in to the area.</i>
Q2	Thinking just about the Moss, what types of houses sell/would sell best?
A	<i>Semi-detached and detached properties mostly but any type of really.</i>
Q3	What is the demand like for terraced housing?
A	<i>It depends on the price; terraced house are popular with first time buyers as starter homes for owner occupation but not for investors as buy-to-let properties.</i>
Q4	Are house buyers willing to pay more, like for like, for new homes compared to second-hand? If so, what proportion more?
A	<i>Yes, the new house premium would be between 5% and 10% higher than for the equivalent second-hand property.</i>

Q5	How did the sales go for the new bungalows at Birchwood Gardens (the former Baguley's Garden Centre site)?
A	<i>It was a slow start as potential buyers find it difficult to commit to off-plan schemes but there were no issues with selling these bungalows once they were coming out of the ground. There is a waiting list for the second phase.</i>
Q6	Was that because they were bungalows, or would new houses also sell well on the Moss?
A	<i>Houses would have also sold well.</i>
Q7	Is there particularly high demand/profit to be made from individual 'one-off' characterful properties built at a lower density compared to standard design higher density homes on an estate layout?
A	<i>There is at least as much if not more demand for individual homes.</i>
Q8	Considering the range of potential housing sites proposed in the draft Neighbourhood Plan what sort of demand would there likely to be for new homes on these from house buyers/house builders?
A	<i>There is a lot of interest from people who want to pursue a self-build project, a big demand for that type of scheme.</i>

APPENDIX B – Sales of Second Hand Design Code Compliant Dwellings 201-2021 In and Adjacent to The Moss

Date Sold	Address	Postcode	Type	Price	In Area
03/06/2021	57 Midgeland Road	FY4 5HD	3 bed detached house	£245,000	Yes
21/04/2021	229 Common Edge Road	FY4 5DJ	3 bed detached bungalow	£240,000	No
26/03/2021	205 Common Edge Road	FY4 5DJ	4 bed detached house	£350,000	No
19/03/2021	161 Midgeland Road	FY4 5HL	3 bed semi-detached bungalow	£167,500	Yes
21/03/2021	Delwood, Division Lane	FY4 5EA	5 bed detached house	£825,000	No
11/03/2021	5, Halls Cottages	FY4 5HN	Terraced house	£135,950	Yes
19/02/2021	7 Fishers Lane	FY4 5DN	3 bed semi-detached house	£74,000	Yes
21/02/2021	The Willows, Division Lane	FY4 5EA	4 bed detached house	£725,000	No
28/01/2021	Ashleigh House, School Road	FY4 5EJ	4 bed detached house	£505,000	Yes
22/01/2021	1 Pleasant View	FY4 5DU	Terraced house	£89,000	Yes
08/01/2021	Little Pippins, Jubilee Lane	FY4 5FF	3 bed detached bungalow	£350,000	Yes
11/12/2020	183 School Road	FY4 5EL	Terraced house	£139,950	Yes
02/10/2020	Silver Cloud, Division Lane	FY4 5EA	4 bed detached house	£749,950	No
19/08/2020	159 Midgeland Road	FY4 5HL	Semi-detached house	£90,000	Yes
10/07/2020	1 Stockydale	FY4 5HW	2 bed semi-detached bungalow	£116,000	Yes
24/06/2020	7 School Road	FY4 5DS	Detached bungalow	£170,000	Yes
24/03/2020	147 Midgeland Road	FY4 5HE	3 bed semi-detached bungalow	£140,000	Yes
24/02/2020	155 Midgeland Road	FY4 5HE	2 bed semi-detached bungalow	£108,000	Yes
20/12/2019	Dalewood, Worthington Road	FY4 5EH	3 bed detached bungalow	£295,000	Yes
02/12/2019	19 Stockydale Road	FY4 5HW	5 bed detached house	£350,000	Yes
05/12/2019	3 School Road	FY4 5DS	2 bed semi-detached bungalow	£140,000	Yes
06/09/2019	The Mallards, Sandy Lane	FY4 5EQ	Detached house	£400,000	Yes
06/08/2019	Moss View, Division Lane	FY4 5EA	4 bed detached house	£510,000	No
19/07/2019	187 School Road	FY4 5EL	3 bed terraced house	£117,652	Yes
03/07/2019	Silver Holme, Division Lane	FY4 5EA	5 bed detached house	£610,000	No
28/06/2019	151 Midgeland Road	FY4 5HE	2 bed semi-detached bungalow	£125,000	Yes
17/05/2019	4 Laundry Road	FY4 5JH	2 Bed terraced house	£80,000	Yes
07/05/2019	Bir Enba, Division Lane	FY4 5EA	3 bed detached house	£275,000	No
26/04/2019	Derryn, School Road	FY4 5EL	5 bed detached house	£460,000	Yes
27/02/2019	Alpha, New Hall Avenue	FY4 5JQ	2 bed detached bungalow	£214,000	Yes
28/01/2019	Briarfield, Division Lane	FY4 5EA	Detached house	£327,000	No
04/01/2019	Jubilee Cottage, Jubilee Lane	FY4 5EP	5 bed detached house	£540,000	Yes
19/12/2018	Larbreck Villa, Division Lane	FY4 5DZ	6 bed detached house	£550,000	Yes
18/12/2018	Deeway, Division Lane	FY4 5EA	4 bed detached house	£412,500	No
05/11/2018	Moss Dene, St Nicholas Road	FY4 5JB	3 bed detached bungalow	£139,500	Yes
24/10/2018	Swiss Cottage, Kitty Lane	FY4 5EG	5 bed detached house	£440,000	Yes
04/10/2018	37 School Road	FY4 5DS	2 bed terraced house	£88,000	Yes
24/08/2018	11 Stockydale Road	FY4 5HW	Semi-detached bungalow	£115,000	Yes
20/08/2018	4 Pleasant View	FY4 5DU	Terraced house	£135,000	Yes
24/07/2018	60a Stockydale Road	FY4 5HR	Semi detached house	£238,000	Yes
11/06/2018	3 Midgeland Terrace	FY4 5EW	Terraced house	£87,000	Yes
09/03/2018	7 Stockydale Road	FY4 5HW	2 bed semi-detached bungalow	£130,000	Yes
22/01/2018	442 Midgeland Road	FY4 5EE	Detached house	£640,000	Yes

07/12/2017	Victoria Villa, Jubilee Lane	FY4 5EP	5 bed detached house	£320,000	Yes
04/10/2017	Toxophilus, St Nicholas Rd	FY4 5JB	3 bed detached bungalow	£213,000	Yes
29/09/2017	478 Midgeland Road	FY4 5EE	5 bed detached house	£518,500	Yes
28/09/2017	Wayside, Chapel Road	FY4 5BP	Detached house	£360,000	Yes
18/08/2017	Woodlands, Division Lane	FY4 5EA	5 bed detached house	£750,000	No

APPENDIX C - Observations on Modelling Assumptions Used in AECOM Study

From Section 4 of the AECOM report:

Modelling Assumption	Observations
Residential Unit Size Based on Nationally Described Space Standards	This may not reflect the larger properties likely to be built as part of self-build proposals, similar to others in the area. There is some evidence from second hand home sales that this would be larger. Given the size of plots compared to the number of homes it is not unreasonable to suggest these would be larger. The difference between build cost per sq m and Gross development value per sq m would mean a higher residual value from larger homes.
Market Housing Price Assumptions For each size of dwelling these have a price per sq m of £2,450 or £228 per sq ft this is based on a broad-brush analysis of sales in the wider NP area. This compares to LSH assumptions which range from £185 to £229 per sq ft for homes in the Blackpool outer area depending on type / size.	Further evidence suggests much higher values have been achieved in the Moss, such as at Birchwood Gardens.
Policy Costs and S106 Planning Obligations Zero to assume a baseline of viability, with further testing for affordable housing where a site achieved baseline viability	None
Construction costs A build cost figure of £1,250 per sq m / £116 per sq ft based on median BCIS build costs 2021, that have been rebased to Blackpool. The LSH study build costs are based on a range depending on site type. £78 per sq ft for large sites to £100 per sq ft for small sites. LSH study notes that volume housebuilders tend to build below lower quartile prices.	Is the approach using median rather than lower quartile in AECOM study justified, particularly regarding the difference between it and LSH work?
External Costs 4.5.1 of AECOM report states 10% of build costs, plus additional items such as garages for larger detached homes. LSH work took a 10-20% range.	On some sites this is slightly above 10% build costs, even before build costs are added.
Contingency Both AECOM and LSH use 5% of build costs.	None
VAT Assumed in full	None
Interest Rate AECOM assumes 5.5% interest rate and 5.5% on credit balance reinvestment and LSH assumes 6.5% to 7.5% finance costs.	Is the interest applied to build costs or land? It is difficult to identify this in Appendix E.

<p>Voids A three month void period (time before income accrued by developer)</p>	None
<p>Phasing and Timetable The average sales rate for the 6 sites modelled varies between 0.09 and 1.36 per month, depending on the size of the development and location, with a sales period of around 10 months. The LSH 2020 Viability Assessment assumes a 9 month pre-construction and construction period and 2 sales per month on small and medium residential sites</p>	None
<p>Site Holding Costs None, besides interest</p>	None
<p>Site Purchase Costs 1.5% for surveyor's fees and legal fees (1% for agents' fees and 0.5% for legal fees and SDLT – reflective of LSH report</p>	Where sites are being retained for self-build type projects, this would not be a factor.
<p>Sales and Marketing Costs Agents' fees and marketing fees are assumed to be a rate of 4.5%.</p>	Where sites are being retained for self-build type projects, this would not be a factor.
<p>Developers Profit 18% of GDV, same as LSH report and recognising PPG of 15-20% range</p>	Justification could be provided for lower expected rates of return given nature of sites and self-build type development
<p>Landowners Return Existing use values before planning consent have been applied in the study, these are £22,000 per hectare for agriculture and £300,000 for industrial. Para 4.16.5 refers to benchmark land value of £50,000 - £200,000 per ha.</p>	<p>Are any of the sites given an industrial EUV justified? Is the EUV for industrial use exceeding the benchmark land value for housing a sound approach?</p> <p>This is noted but given that in many custom build situations the land is often already owned and no dependent on open market land prices.</p> <p>In any event the various land values used in Tables 6.1 to 6.3 shows how viability outcomes are highly sensitive to land value assumptions.</p>