



Maldon District Council

Local Plan and CIL Development Viability
Study – **May 2014 Update**

May 2014

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1. Introduction

- 1.1 In early 2013, HDH Planning & Development Ltd (HDH) was commissioned by Maldon District Council (MDC) to assist with the preparation of a Site Allocations and Development Management Policies Viability Assessment to support the production of the Maldon District Local Development Plan (LDP). The scope of the project was extended beyond the initial brief to provide a viability assessment in connection with the introduction of Community Infrastructure Levy (CIL). The Local Plan and CIL Viability Study was published in August 2013. Following a period of consultation the Viability Study was updated in November 2013.
- 1.2 This brief paper has been produced to address further points raised either by consultees and stakeholders or by the Council in the period in the run up to the independent examination of the Local Plan. In addition, since the completion of the Viability Study, further amendments have been made to the CIL Regulations (February 2014) and the Government as finalised the National Planning Practice Guidance (NPPG) (March 2014). The consequences of these new documents have also been considered.
- 1.3 This paper will not repeat the methodology and assumptions used in the Viability Study and should be read with that study and the November 2013 Update.
- 1.4 The following main topics have been addressed:
 - a) The NPPG and amendments to the CIL Regulations
 - b) Older People's Housing
 - c) Retail rates for smaller/discount supermarkets
 - d) Instalments policy
 - e) Residential Price Assumptions in South Maldon
 - f) The impact on updated infrastructure costs on deliverability.





2. The NPPG and amendments to the CIL Regulations.

- 2.1 On the 24th of February 2014 further amendments to the CIL Regulations came into effect and on 6th March 2014 the Government published National Planning Practice Guidance (NPPG). The NPPG is in the form of a website¹ and carries equal weight to the NPPF. In this chapter, we have considered whether work carried out as part of the Viability Study is consistent with these changes.

NPPG

- 2.2 The NPPF introduced a requirement to assess the viability of the delivery of the Local Plan and the impact on development of policies contained within it. The NPPF includes the following paragraphs:

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

174. Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.

- 2.3 This requirement remains unchanged however the NPPG provides further detail as to what this means. Viability is a recurring theme through the NPPG, and it includes specific sections on viability in both the plan-making and the development management processes. The NPPF says that plans should be deliverable and that the scale of development identified in the Plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The NPPG says:

Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of an understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery.

¹ <http://planningguidance.planningportal.gov.uk/>



... viability can be important where planning obligations or other costs are being introduced. In these cases decisions must be underpinned by an understanding of viability, ensuring realistic decisions are made to support development and promote economic growth. Where the viability of a development is in question, local planning authorities should look to be flexible in applying policy requirements wherever possible. NPPG ID: 10-001-20140306

2.4 These requirements are not new and are simply stating best practice and are wholly consistent with the approach taken through the preparation of the Plan. An example is the inclusion of viability testing in relation to the affordable housing policy.

2.5 In the section on considering land availability, the NPPG says:

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 sell the development over a certain period. NPPG ID: 3-021-20140306

2.6 The NPPG does not prescribe a single approach for assessing viability. The NPPF and the NPPG both set out the policy principles relating to viability assessments.

There is no standard answer to questions of viability, nor is there a single approach for assessing viability. The National Planning Policy Framework, informed by this Guidance, sets out the policy principles relating to viability assessment. A range of sector led guidance on viability methodologies in plan making and decision taking is widely available. NPPG 10-002-20140306.

2.7 The Viability Study was carried out under the Harman Guidance and in accordance with the RICS Guidance, it also drew on the Planning Advisory Service (PAS) resources and was informed by appeal decisions and CIL Examiners' reports.

2.8 The NPPG does not require every site to be tested:

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level. Assessment of samples of sites may be helpful to support evidence and more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies. NPPG ID: 10-006-20140306

2.9 This supports the approach that was taken in the Viability Study where the analysis is based on a set of typologies that represented the expected development to come forward over the plan-period. These typologies were agreed through the consultation process and the methodology is fully consistent with the NPPG. In addition, the strategic sites within the Plan have been assessed.

2.10 During the consultation process, the Viability Thresholds were a controversial matter and it is clear that different landowners will take different approaches depending on their personal and corporate priorities. The assessment was based on an informed assumption being made about the 'uplift', being the margin above the 'existing use value' which would be sufficient to incentivise the landowner sell. Both the RICS Guidance and the NPPG make it clear that, when considering land value, that this must be done in the context of current and emerging policies:

Site Value definition Site Value either as an input into a scheme specific appraisal or as a benchmark is defined in the guidance note as follows: ‘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.’ Box 7, Page 12, RICS Guidance

In all cases, estimated land or site value should: ...reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;... NPPG ID 10-014-20140306

2.11 This supports the approach taken in the Viability Study.

2.12 The NPPG stresses the importance of working from evidence and in collaboration with the development industry:

Evidence based judgement: *assessing viability requires judgements which are informed by the relevant available facts. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.*

Understanding past performance, such as in relation to build rates and the scale of historic planning obligations can be a useful start. Direct engagement with the development sector may be helpful in accessing evidence.

Collaboration: *a collaborative approach involving the local planning authority, business community, developers, landowners and other interested parties will improve understanding of deliverability and viability. Transparency of evidence is encouraged wherever possible. Where communities are preparing a neighbourhood plan (or Neighbourhood Development Order), local planning authorities are encouraged to share evidence to ensure that local viability assumptions are clearly understood. ID: 10-004-20140306*

2.13 Considerable emphasis has been put on consultation and collaboration.

2.14 The meaning of *competitive returns* is discussed in the Viability Study and is at the core of a viability assessment. The RICS Guidance includes the following definition:

Competitive returns - *A term used in paragraph 173 of the NPPF and applied to ‘a willing land owner and willing developer to enable development to be deliverable’. A ‘Competitive Return’ in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. 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. A ‘Competitive Return’ in the context of a developer bringing forward development should be in accordance with a ‘market risk adjusted return’ to the developer, as defined in this guidance, in viably delivering a project.*

2.15 The NPPG now adds to this saying:

Competitive return to developers and land owners

The National Planning Policy Framework states that viability should consider “competitive returns to a willing landowner and willing developer to enable the development to be deliverable.” This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible.

A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy. NPPG ID: 10-015-20140306.



Community Infrastructure Levy (CIL) Regulations

- 2.16 A further amendment to the CIL Regulations came into effect on 24th February 2014. These make some important changes across the whole CIL regime. For the purpose of this work the most important change is to CIL Regulation 14 which has been altered as follows:

Setting rates

14.—(1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

(2) In setting rates

- 2.17 The precise meaning of these changes has not yet been, explicitly confirmed through the examination and legal process, however this does reduce some of the latitude that a council had in the approach taken to setting CIL. In the case of Maldon the impact is minimal as the Council has already taken a cautious approach through the Viability Study in terms of the assumptions taken.

- 2.18 In March 2010 CLG published Community Infrastructure Levy Guidance, Charge setting and charging schedule procedures to support the CIL Regulations. These were replaced by Community Infrastructure Levy, Guidance (April 2013). These have now been replaced by Community Infrastructure Levy, Guidance (February 2014). On preparing the evidence base on economic viability the CIL Guidance now says:

A charging authority must use ‘appropriate available evidence’ (as defined in the Planning Act 2008 section 211(7A)) to inform their draft charging schedule. The Government recognises that the available data is unlikely to be fully comprehensive. Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole.

A charging authority should draw on existing data wherever it is available. They may consider a range of data, including values of land in both existing and planned uses, and property prices – for example, house price indices and rateable values for commercial property. They may also want to build on work undertaken to inform their assessments of land availability.

In addition, a charging authority should directly sample an appropriate range of types of sites across its area, in order to supplement existing data. This will require support from local developers. The exercise should focus on strategic sites on which the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London) relies, and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites).

The sampling should reflect a selection of the different types of sites included in the relevant Plan, and should be consistent with viability assessment undertaken as part of plan-making.

CIL Guidance February 2014, Section 2:2:2:4

- 2.19 The test that will be applied to the proposed rates of CIL are set out in Section 2.2 of the CIL Guidance, putting greater emphasis on demonstrating how CIL will be used to deliver the infrastructure required to support the Plan.



The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

- 2.20 The test is whether the sites and the scale of development identified in the Plan are subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened by CIL. This is somewhat more cautious than the approach set out in earlier guidance. In the March 2010 CIL Guidance, the test was whether the Plan was put at 'serious risk', and in the April 2013 CIL Guidance, the test was whether CIL 'threatened the development plan as a whole'.
- 2.21 From the outset, the approach taken by Maldon District Council has been cautious and recognises the challenges of development across the District. This approach is consistent with the February 2014 CIL Guidance. It is relevant to note that CIL may make some sites unviable, just as some schemes are unviable anyway due to factors such as site clearance and decontamination, however the Council has set CIL and its other policy requirements (such as affordable housing) at a level as to ensure the Plan is deliverable and the broad range of priorities and needs (including paying for infrastructure and delivering the quantum and mix of housing identified in the SHMA) are met.

Payments in Kind

- 2.22 Under changes to CIL Regulation 73 a local authority (at its discretion) can accept CIL 'in kind'. The changes to this Regulation have extended this provision from the payment of CIL through the transfer of land, to the payment through the transfer of infrastructure as well as land.

These changes give the increased flexibility to both the Charging Authority and the developer allowing CIL to be 'paid' through the provision of infrastructure. This may be on site or nearby.



3. Older People’s Housing

3.1 Older people’s housing is an important part of the Plan. The Council’s Strategic Housing Market Assessment says²:

The population of the District is predicted to grow by 10,800 between 2011 and 2035, 10,700 of which will be aged 65+. This is a net increase of 17% and an increase of 85% of the population age 65+.

3.2 Two areas of concern were raised through the consultation process with regard to older people’s housing. Firstly, in connection to the modelling of extracare housing where the values used were questioned. Secondly, the modelling carried out to date has not considered the affordable housing target in relation to older people’s housing (because at the time of the report it was not thought to apply to this sector).

Price assumptions

3.3 The modelling in the report was based on recommendations from the Retirement Housing Group (RHG) being a trade group representing private sector developers and operators of retirement, care and extracare homes. They set out a case that these products should be tested separately.

3.4 In line with the RHG recommendations, it was assumed the price of a 1 bed sheltered property is about 75% of the price of an existing 3 bed semi-detached house, and the price of a 2 bed sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition and in line with the RHG recommendations we assumed extracare housing is 25% more expensive than sheltered. In Maldon District, at the time of the Viability Study, the median price of a 3 bed semi-detached home was £220,000 so we used this as a starting point. On this basis we assumed older people’s housing has the following worth:

Worth of Retirement and Extracare			
	Area	£	£/m ²
3 bed semi-detached		220,000	
1 bed Sheltered	50	165,000	3,300
2 bed Sheltered	75	220,000	2,933
1 bed Extracare	65	206,250	3,173
2 bed Extracare	80	275,000	3,438

Source: Table 5.1 MDC Viability Study HDH 2013

² Paragraph 3.3 Strategic Housing Market Assessment Update Explanatory Note



- 3.5 The above prices were applied to the net saleable areas of market housing.
- 3.6 Whilst consultees confirmed the basis of the modelling, concern was expressed (PDCS008) about the value attributed to extracare being too high and that a more appropriate price was about £200,000 which equates to about £2,500/m² – although it should be noted that another consultee representing a group associated with the delivery of retirement housing (PDCS035) did not raise the value assumptions as a concern.
- 3.7 We have revisited the assumption. The reason for the concern was that the price suggested was too high to allow the buyer to access equity from an existing home, through downsizing, to a smaller home. This is reflective of that developer's local experience rather than being based on comparable evidence and no alternative prices were suggested.
- 3.8 At the time of this update, the median asking price for a 3 bed semi-detached home in Maldon/Heybridge is £270,000, and is higher in the outlying villages. This is a notable increase over the last year, when the price for semi-detached houses across Maldon and Heybridge was around £220,000.
- 3.9 We have been provided (in confidence) with a development appraisal, submitted through the development management process in connection with a Sheltered Housing scheme in Maldon. This was based on the value of £3,345/m² being significantly higher than that used in the Viability Study.
- 3.10 The prices for extracare housing units that are currently being marketed (May 2014) in the area are all somewhat below £200,000 per unit.
- 3.11 The value of older people's housing as derived through the RHG formula does not properly reflect the value in Maldon. In this update we have adjusted these to £3,345/m² for sheltered housing and £2,500/m² for extracare housing.
- 3.12 In these revised figures we have not added a further amount to reflect the value for the ground rent of the units. Typically this will be in the region of £450/flat/year. When capitalised at a yield of 6%, a further value of £7,500 per flat is derived. Not adding this in underlines the fact that we have taken a cautious approach.

The modelling and impact of affordable housing

- 3.13 In the Viability Study older people's housing was modelled without affordable housing. Following the receipt of several consultation responses (PDCS032 and PDCS035) this has been revisited and the Council has clarified that it will now seek affordable housing from sheltered housing schemes (but not extracare). It is therefore necessary to re-run the viability assessment to ensure that the requirement to provide an element of affordable housing does not put this development type at serious risk and that CIL is set in the context of the affordable housing requirement.



- 3.14 We have considered the value of the units where provided as affordable housing. We have not been able to find any direct comparables where housing associations have purchased social units in a market led extracare scheme. We have consulted private sector developers of extracare housing who have indicated that they would not dispose of units within a block to a housing association, if they were to develop a block of affordable units beside a market block, they would expect the value to be in line with that of general needs affordable housing. In the Viability Study affordable housing to rent is assumed to have a value of £1,300/m² and affordable housing for sale to have a value of 70% of open market value.
- 3.15 In practice we believe that it is unlikely that a private sector developer would develop extracare housing where some of it is social housing. It is more likely that a scheme will be developed by or for a Registered Provider. We have assumed, that in such a case, the social rent extracare housing is valued at 50% of the market value.
- 3.16 In the Viability Study we modelled a private extracare scheme and a sheltered scheme, each on a 0.5 ha site as follows.
- a. Retirement scheme of 20 x 1 bed units of 50m² and 25 x 2 bed units of 75m² to give a net saleable area (GIA) of 2,875m². We have assumed a further 20% non-saleable service and common areas to give a scheme GIA of 3,450m².
 - b. Extracare scheme of 24 x 1 bed units of 65m² and 16 x 2 bed units of 80m² to give a net saleable area (GIA) of 2,840m². We have assumed a further 35% non-saleable service and common areas to give a scheme GIA of 3,834m².
- 3.17 It has now been suggested that the common areas in the sheltered scheme are too low at 20% and this should be closer to 30%. We have increased this to 25%.
- 3.18 Having made these adjustments we have rerun the appraisal, firstly assuming the affordable housing is provided as shared ownership housing, and then as affordable rent. The appraisals are set out in **Appendix 1**:



SHARED OWNERSHIP							
Greenfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Residual Land Worth	Site	2,348,218	2,129,438	1,910,658	1,691,878	1,473,098	-351,556
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000
Residual Value	£/ha	4,696,436	4,258,876	3,821,316	3,383,756	2,946,196	-703,111
Brownfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Residual Land Worth	Site	1,702,962	1,484,182	1,265,402	1,046,622	827,842	-992,427
Existing Use Value	£/ha	550,000	550,000	550,000	550,000	550,000	550,000
Viability Threshold	£/ha	660,000	660,000	660,000	660,000	660,000	660,000
Residual Value	£/ha	3,405,924	2,968,364	2,530,804	2,093,244	1,655,684	-1,984,853
AFFORDABLE RENT							
Greenfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Residual Land Worth	Site	2,348,218	1,902,373	1,456,529	1,010,684	564,839	-351,556
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000
Residual Value	£/ha	4,696,436	3,804,747	2,913,057	2,021,368	1,129,678	-703,111
Brownfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Residual Land Worth	Site	1,702,962	1,257,117	811,272	365,428	-80,417	-992,427
Existing Use Value	£/ha	550,000	550,000	550,000	550,000	550,000	550,000
Viability Threshold	£/ha	660,000	660,000	660,000	660,000	660,000	660,000
Residual Value	£/ha	3,405,924	2,514,234	1,622,545	730,855	-160,834	-1,984,853

- 3.19 The above table shows that extracare housing is unlikely to be viable and therefore unlikely to be able to bear CIL.
- 3.20 It shows that Sheltered Housing is likely to be viable and can bear significant levels of affordable housing. The exception is in relation to brownfield sites at 40% affordable housing (when the affordable housing is delivered as affordable rent).
- 3.21 The Residual Value is substantially above the Existing Use Value (EUV) at well over £1,000,000 indicating that the requirement to provide affordable housing is not pushing development to the limits of viability.
- 3.22 From the above, and bearing in mind that a very large proportion of the development over the plan-period will be on greenfield sites, we conclude that the requirement for Retirement / Sheltered housing to be subject to the affordable housing policy would not put the Plan at serious risk.**
- 3.23 The above results do not give an indication of the ability to bear CIL. The following table sets out the additional profit for the different development scenarios:



SHARED OWNERSHIP							
Greenfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Additional Profit		2,183,218	1,964,438	1,745,658	1,526,878	1,308,098	-516,556
	£/m2	608	547	486	425	364	-166
Brownfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Additional Profit		1,372,962	1,154,182	935,402	716,622	497,842	-1,322,427
	£/m2	382	321	260	199	139	-424
AFFORDABLE RENT							
Greenfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Additional Profit		2,183,218	1,737,373	1,291,529	845,684	399,839	-516,556
	£/m2	608	483	359	235	111	-166
Brownfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	10%	20%	30%	40%	0%
Additional Profit		1,372,962	927,117	481,272	35,428	-410,417	-1,322,427
	£/m2	382	258	134	10	-114	-424

- 3.24 When considering the levels of CIL, it is important to consider where development is expected. Due to the overwhelming requirement for older people's housing, as set out in the SHMA, it is expected that much of the older people's housing will be on greenfield sites and within the Garden Suburbs and Strategic Allocations in the LDP.
- 3.25 In Table 13.1 of the November 2013 update to the Viability study we recommended a rate of CIL of £150/m² for both sheltered and extracare housing and these recommendations were carried into the Preliminary Draft Charging Schedule (PDCS). Based on the forgoing analysis we now recommend a zero rate on extracare housing.
- 3.26 The rate of £150/m² for retirement housing is not sustainable in the context of the 40% affordable housing requirement.
- 3.27 The affordable housing policy H1 in the LDP includes the following sub areas – although in relation to older peoples housing it does not differentiate between affordable housing for rent or to buy (i.e. shared ownership):

North Heybridge Garden Suburb:	
North of Heybridge - S2(d)	25%
North of Holloway Road - S2(e)	40%
West of Broad Street Green Road - S2(f)	40%
South Maldon Garden Suburb	40%
Strategic Allocations at Maldon, Heybridge and Burnham-on-Crouch	40%
All other developments:	
Northern Rural, Maldon Central and South and Rural South*	40%
Maldon North and Rural South East Higher	30%
Rural South East Lower	25%



- 3.28 **Taking a cautious view, we would recommend that the rate of CIL for Sheltered Housing is reduced to the level as for wider residential development (ie £70/m²).** The exception to this is in relation to the development within the urban area of Maldon and Heybridge where development may come forward on brownfield sites. It is clear that, in this area, with 40% affordable housing CIL is likely to render schemes unviable. There are several alternatives open to the Council being either to maintain the affordable housing requirement and set a zero rate of CIL or alternatively reduce the affordable housing target. Should the Council decide to maintain the rate of CIL in this area we would recommend that the affordable housing requirement is reduced to 20%.



4. Do the rates of CIL reflect the smaller ‘discount’ supermarket operators?

4.1 The Council received a consultation response (PDCS028) with regard to the smaller ‘discount’ supermarket operators suggesting that these should be considered separately. No objections have been made about the assumptions used in the Viability Study, however we have reviewed these and confirm that, as far as they relate to the typologies they were applied, they remain appropriate.

4.2 In the Viability Study, we modelled the following distinct types of retail development. During the duration of this project there have been a number of CIL Examiners’ reports that clarify the use of differential rates in this sector. The modelling was changed to reflect this.

- i. **Supermarket** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000 m². It is assumed to require 400 car parking spaces, and to occupy a total site area of 2.6 ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.
- ii. **Retail Warehouse** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000 m². It is assumed to require 150 car parking spaces, and to occupy a total site area of 1.8ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.
- iii. **Town Centre Shop** is a brick built development on two storeys, of 150 m². No car parking or loading space is allowed for, and the total site area (effectively the building footprint) is 0.017 ha.

4.3 In this context it was recommended that the definition set out by the examiner at the Wycombe District Council CIL Examination be used when setting rates of CIL, and in the Charging Schedule:

***Superstores/supermarkets** are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.*

***Retail warehouses** are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods) DIY items and other ranges of goods catering for mainly car-borne customers.*

4.4 In line with the Guidance, we only assessed developments of over 100 m². There are other types of retail development, such as small single farm shops, petrol filling stations and garden centres. We have not included these in this high level study due to the great diversity of development and little such development is anticipated.

4.5 In developing the typologies, we made assumptions about the site coverage and density of development on the sites. We assumed 15% building coverage on the supermarket, and 22% building coverage on the retail warehouse, on the town centre shops we assumed 100% coverage. The remainder of the larger sites are car parking, internal roads and



landscaping. In both supermarkets and retail warehouses, we assumed simple, single story construction, without mezzanine floors..

- 4.6 Since undertaking this work, the February 2014 amendments to the CIL Regulations have allowed, subject to viability evidence, for rates of CIL to be set relative to development size. It is therefore appropriate to reconsider the proposed retail rates in light of this.
- 4.7 In addition, it has been suggested that the proposed CIL rates do not reflect the size of store that is likely to be promoted by the 'discount' operators such as Lidl and Aldi and others. It is therefore appropriate to reconsider the proposed retail rates in light of this. No objections have been made about the assumptions used in the Viability Study, however we have reviewed these and confirm that, as far as they relate to the typologies they were applied to, they remain appropriate.
- 4.8 We have added an extra typology to the retail analysis. Having discussed this further with the consultee (a discount supermarket operator), we have based this on a smaller discount supermarket. We have assumed a 1,700m² unit on a 0.5ha site (35% coverage). We have assumed a rent of £150/m² (being at the lower end of the expected range of £180m² to £150m²) and a 6.5% yield (being at the higher end of the expected range of 6.25% to 6.5%) to derive a capital value of £2,300/m².
- 4.9 We have set out the revised appraisals below:



- 4.10 These results show the different levels of viability that relates to the smaller discount supermarket operations. This is as a result of the value being lower than for larger supermarkets and the costs of construction being higher than for the retail warehousing.
- 4.11 The test for CIL, under the February 2014 Guidance, is whether CIL will threaten development – although this needs to be considered in the context of the delivery of the Plan and the wider objectives of the Council. The Viability Study concluded with a recommendation that a CIL rate of £150/m² for ‘supermarkets and retail warehouses’. This was based on the assumption that the supermarkets and retail warehouses would be coming forward on greenfield sites rather than on brownfield sites.
- 4.12 Supermarkets and retail warehouses are likely to come forward on greenfield sites rather than brownfield sites, however it is possible that smaller discount supermarkets could come forward on brownfield sites in the Maldon/Heybridge area. It is important to note that whilst the Council wish to see diverse and comprehensive retail provision no such stores are provided for in the Plan. In light of these results we would recommend that a zero rate of CIL is applied for all retail uses within the Maldon / Heybridge urban area.
- 4.13 It will be necessary for this area to be plotted on an ordnance survey map. This should be the same area as for Sheltered Housing suggested in the previous chapter.



5. Instalments Policy

- 5.1 In the Viability Study it was recommended that an instalment policy was introduced. As we set out, CIL Regulation 69 sets out when CIL is payable. This is summarised as follows:

Payment of CIL	
Equal to or greater than £40,000	Four equal instalments at the end of the periods of 60, 120, 180 and 240 days from commencement
£20,000 and less than £40,000	Three equal instalments at the end of the periods of 60, 120 and 180 days from commencement
£10,000 and less than £20,000	Two equal instalments at the end of the periods of 60 and 120 days from commencement
less than £10,000	In full at the end of the period of 60 days from commencement

Source: CIL Regulation 123

- 5.2 The 2011 amendment to CIL Regulation 32F³ introduced at 69B, allows the ability for Charging Authorities to adopt an Instalment Policy. If an Instalment Policy is not adopted then payment is due as set out in the table above. To require payment, particularly on large schemes in line with the above, could have a dramatic and serious impact on the delivery of projects.
- 5.3 It is our firm recommendation that the Council introduces an instalment policy. Not to do so could put the LDP at serious risk. The modelling in this study is on the basis that the Council does introduce an instalment policy that enables CIL to be paid, through the life of a project, in equal instalments. We suggest the following instalment policy, but this should have a provision whereby, in all cases, the full balance is payable on occupation/opening of the development if this is earlier than the due instalment dates set out in the table.

³ SI 2011 No. 987 COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES The Community Infrastructure Levy (Amendment) Regulations 2011. Made 28th March 2011 Coming into force 6th April 2011



Number of dwellings / 1000m2 non-residential development	Number of Instalments	Total Timescale for Instalments	Payment Amounts	Payment Periods
1	2	270 days (9 months)	10%	60 days from commencement.
			90%	270 days from commencement.
2 to 5	3	365 days (1 year)	10%	60 days from commencement.
			45%	270 days from commencement.
			45%	365 days from commencement.
6 to 25	3	548 days (18 months)	10%	60 days from commencement.
			45%	365 days from commencement.
			45%	548 days from commencement.
26 to 50	4	730 days (2 years)	10%	60 days from commencement.
			30%	365 days from commencement.
			30%	548 days from commencement.
			30%	730 days from commencement.
51 to 100	5	1095 days (3 years)	10%	60 days from commencement.
			23%	365 days from commencement.
			23%	548 days from commencement.
			23%	730 days from commencement.
			23%	1095 days from commencement.
101 to 200	6	1460 days (4 years)	10%	60 days from commencement.
			18%	365 days from commencement.
			18%	548 days from commencement.
			18%	730 days from commencement.
			18%	1095 days from commencement.
			18%	1460 days from commencement.
201 to 300	7	1825 days (5 years)	10%	60 days from commencement.
			15%	365 days from commencement.
			15%	548 days from commencement.
			15%	730 days from commencement.
			15%	1095 days from commencement.
			15%	1460 days from commencement.
301+	8	2190 days (5 years)	10%	60 days from commencement.
			13%	365 days from commencement.
			13%	548 days from commencement.
			13%	730 days from commencement.
			13%	1095 days from commencement.
			13%	1460 days from commencement.
			13%	1825 days from commencement.
			12%	1826 days from commencement.



6. Residential Price Assumptions for South Maldon Area.

- 6.1 As set out in Chapter 1 of the Viability Study, the preparation of the Viability Study involved a detailed (and somewhat protracted) consultation process. An important aspect was the discussion of the value assumptions used in the study for both residential and non-residential development. Following the completion of the Viability Study, the discussions with the promoters of the strategic sites has continued.
- 6.2 CIL consultation representation PDCS20 suggested that the value assumptions used in the study are too high, however the representation has not provided comparable evidence supporting such a position (the Council met with the relevant party and specifically requested this).
- 6.3 It is important to note, unusually in study of this type, that the general response on house prices through the consultation process was that the prices used in the first iteration of the study were too low and as a result they were revised up. This is reflective of the open and transparent approach that was taken to the Viability Study, the adherence to the Harman Guidance and very much with the spirit of collaboration as set out at ID: 10-004-20140306 of the NPPG.
- 6.4 In the first iteration of the Viability Study, the price assumption for this South Maldon site was £2,600/m². This was then increased to £2,800/m².
- 6.5 We have undertaken a further survey of new build house prices in the area. There are very few new build 'estate houses' for sale in the immediate vicinity of the site, so we have looked further afield, including at the development around Chelmsford, Witham, Braintree and Colchester. Generally prices in Maldon are about 5% lower than Chelmsford, 9% higher than Braintree and 14% higher than Colchester.
- 6.6 The table below shows the current (April 2014) asking prices for 60 or so newbuild homes currently being marketed. Even allowing for a 3% to 5% reduction from the asking prices these point towards a price in and around Maldon of £2,800/m² to £3,000/m².



			Beds	£/m2	Less adjustment		Average	
					5%			
34 to 38 Southway	Colchester	1	2	2,357	2,239	14%	2,552	2,958
		2	2	2,469	2,346	14%	2,674	
		3	1	2,813	2,672	14%	3,046	
		4	1	2,854	2,711	14%	3,091	
		5	2	2,577	2,448	14%	2,791	
		6	2	2,237	2,125	14%	2,422	
		7	1	2,876	2,732	14%	3,114	
		8	2	2,947	2,800	14%	3,191	
		9	2	2,758	2,620	14%	2,987	
		10	2	3,065	2,911	14%	3,319	
		11	2	2,371	2,253	14%	2,568	
		12	2	2,539	2,412	14%	2,750	
		13	1	2,984	2,835	14%	3,232	
		14	2	2,368	2,250	14%	2,565	
		15	2	2,545	2,417	14%	2,756	
		16	2	3,166	3,008	14%	3,429	
		17	2	2,947	2,800	14%	3,191	
		18	1	2,876	2,732	14%	3,114	
		19	2	3,065	2,911	14%	3,319	
		20	2	2,809	2,669	14%	3,042	
St Johns	Chelmsford	C3	2	3,813	3,622	-5%	3,441	3,305
		C2	2	3,797	3,607	-5%	3,427	
		NB76	3	3,634	3,453	-5%	3,280	
		NB91	3	3,634	3,453	-5%	3,280	
		NB62	3	3,745	3,558	-5%	3,380	
		NB63	3	3,745	3,558	-5%	3,380	
		C39	2	3,462	3,289	-5%	3,124	
		C40	2	3,462	3,289	-5%	3,124	
Northfields	Colchester	A25	1	2,637	2,505	14%	2,856	3,114
		A27	1	2,898	2,753	14%	3,139	
		A28	1	3,091	2,936	14%	3,347	
Silk Meadows	Braintree	Southorpe	2	2,691	2,556	9%	2,786	3,122
		Kingsthorpe	2	3,245	3,083	9%	3,360	
		Kingsthorpe	2	3,240	3,078	9%	3,355	
		Chettisham	4	2,921	2,775	9%	3,025	
		Foxlease	4	2,977	2,829	9%	3,083	
Rosewood	Colchester	Corvedale	3	#DIV/0!	#DIV/0!	14%	#DIV/0!	#DIV/0!
		Jade	2	#DIV/0!	#DIV/0!	14%	#DIV/0!	#DIV/0!
Templar's Green	Witham	Rufford	3	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
Hooper Avenue	Colchester	Maypole 430	4	2,177	2,069	14%	2,358	3,054
		Yewdale 423	3	2,941	2,794	14%	3,185	
		Yewdale 431	3	2,941	2,794	14%	3,185	
		Easedale 425	3	2,882	2,738	14%	3,122	
		Easedale 424	3	2,882	2,738	14%	3,122	
		Harebell	3	2,791	2,651	14%	3,022	
		Denford 422	2	2,973	2,824	14%	3,220	
		Denford 426	2	2,973	2,824	14%	3,220	
Praecedo	Colchester	Vaughan 30	3	2,471	2,348	14%	2,676	2,705
		Vaughan 31	3	2,471	2,348	14%	2,676	
		Vaughan 36	3	2,471	2,348	14%	2,676	
		Vaughan 37	3	2,471	2,348	14%	2,676	
		Middlebrook 257	3	2,571	2,443	14%	2,785	
		Middlebrook 258	3	2,467	2,344	14%	2,672	
		Middlebrook 260	3	2,467	2,344	14%	2,672	
		Pelle 240	2	2,403	2,283	14%	2,602	
		Pelle 241	2	2,851	2,708	14%	3,087	
		Pelle 262	2	2,328	2,212	14%	2,522	
Indigo Wharf	Chelmsford	34	1	4,022	3,821	9%	4,164	4,164
		38	1	4,022	3,821	9%	4,164	



			Beds	Flats	Houses		m2	sqft
34 to 38 Southway	Colchester	1	2	2,357		139,995	59.40	0
		2	2	2,469		134,995	54.67	
		3	1	2,813		119,995	42.66	
		4	1	2,854		109,995	38.54	
		5	2	2,577		134,995	52.38	
		6	2	2,237		155,000	69.30	
		7	1	2,876		109,995	38.25	
		8	2	2,947		134,995	45.81	
		9	2	2,758		134,995	48.95	
		10	2	3,065		134,995	44.05	
		11	2	2,371		139,995	59.04	
		12	2	2,539		134,995	53.16	
		13	1	2,984		115,000	38.54	
		14	2	2,368		142,500	60.17	
		15	2	2,545		134,995	53.05	
		16	2	3,166		134,995	42.64	
		17	2	2,947		134,995	45.81	
		18	1	2,876		109,995	38.25	
		19	2	3,065		134,995	44.05	
				20	2	2,809		137,500
St Johns	Chelmsford	C3	2	3,813		262,495	68.84	741
		C2	2	3,797		259,995	68.47	737
		NB76	3	3,634	352,500		96.99	1,044
		NB91	3	3,634	352,500		96.99	1,044
		NB62	3	3,745	357,000		95.32	1,026
		NB63	3	3,745	357,000		95.32	1,026
		C39	2	3,462	329,995		95.32	1,026
		C40	2	3,462	329,995		95.32	1,026
Northfields	Colchester	A25	1	2,637		134,500	51.00	549
		A27	1	2,898		129,500	44.69	481
		A28	1	3,091		129,500	41.90	451
Silk Meadows	Braintree	Southorpe	2	2,691	204,995		76.18	820
		Kingsthorpe	2	3,245	204,995		63.17	680
		Kingsthorpe	2	3,240	204,995		63.27	681
		Chettisham	4	2,921	319,995		109.53	1,179
		Foxlease	4	2,977	329,995		110.83	1,193
Rosewood	Colchester	Corvedale	3	#DIV/0!	275,000			
		Jade	2	#DIV/0!	212,500			
Templar's Green	Witham	Rufford	3	#DIV/0!	274,995			
Hooper Avenue	Colchester	Maypole 430	4	2,177	269,995		124.00	
		Yewdale 423	3	2,941	249,995		85.00	
		Yewdale 431	3	2,941	249,995		85.00	
		Easedale 425	3	2,882	244,995		85.00	
		Easedale 424	3	2,882	244,995		85.00	
		Harebell	3	2,791	239,995		86.00	
		Denford 422	2	2,973	219,995		74.00	
		Denford 426	2	2,973	219,995		74.00	
Praecedo	Colchester	Vaughan 30	3	2,471	214,995		87.00	
		Vaughan 31	3	2,471	214,995		87.00	
		Vaughan 36	3	2,471	214,995		87.00	
		Vaughan 37	3	2,471	214,995		87.00	
		Middlebrook 257	3	2,571	197,995		77.00	
		Middlebrook 258	3	2,467	189,995		77.00	
		Middlebrook 260	3	2,467	189,995		77.00	
		Pelle 240	2	2,403		160,995	67.00	
		Pelle 241	2	2,851		190,995	67.00	
		Pelle 262	2	2,328		155,995	67.00	
Indigo Wharf	Chelmsford	34	1	4,022		184,995	46.00	
		38	1	4,022		184,995	46.00	





7. Updated Infrastructure Costs and Affordable Requirements

7.1 The base appraisals in the Local Plan and CIL Viability Study – Post Consultation update (November 2013) were based on the following assumptions:

- a. Affordable Housing As per policy requirements:
- | Sub Market | Parish Areas | |
|--------------------------|---|-----|
| Strategic Sites | Garden Suburbs and at Maldon and Heybridge | 40% |
| | At Burnham-on-Crouch | 30% |
| Northern Rural | Wickham Bishops, Little Braxted, Great Braxted, Great Totham, Little Totham, Goldhanger, Tolleshunt D'Arcy, Tolleshunt Major, Tolleshunt Knights, Tollesbury, | 40% |
| Maldon North | Langford, Heybridge | 30% |
| Maldon Central and South | Maldon, Ulting, Woodham Walter, Woodham Mortimer, Mundon, Hazeleigh | 40% |
| Rural South | Purleigh, Cold Norton, Stow Maries, North Fambridge, Latchingdon, Althorne, Mayland | 40% |
| Rural South East Higher | Burnham-on-Crouch, Southminster | 30% |
| Rural South East Lower | Steeple, St Lawrence, Asheldham, Dengie, Tillingham, Bradwell-on-Sea | 25% |
- b. Environmental Standards Building Regulations (Part L) and enhanced standards (BCIS+2%), Energy Policies (£11/m²).
- c. Developer contribution As assessed by PBA plus allowances for sewage connections and summarised as follows:

	Scenario 1	Scenario 2
South of Maldon masterplanned area		
Site S2 (a) - South Maldon – South of Limebrook Way	19,459,638	19,760,993
Site S2 (c) - South Maldon – Wycke Hill South	2,034,536	1,534,023
Site S2 (b) - South Maldon – Wycke Hill North	7,872,225	6,325,057
Site S2 (f) - South Maldon – Park Drive	53,899	53,899
North Heybridge masterplanned area		
Site S2 (d) - North of Heybridge	27,349,142	27,801,632
Site S2 (e) - North Heybridge – North of Holloway Road	3,366,737	2,656,571
Site S2 (g) - North Heybridge – Heybridge Swifts	33,700	33,700
Additional Site		2,004,002
Burnham on Crouch		
Site S2 (h) - Burnham on Crouch – West	324,871	324,871
Sites S2 (i) – Burnham on Crouch - North West	398,851	398,851
Sites S2 (j) - Burnham on Crouch – North East	199,425	199,425



- d. Abnormals As modelled.
- e. Developers' Return 20% on GDV.

7.2 Since then the affordable housing policy has been altered to require the following:

North Heybridge Garden Suburb:	
North of Heybridge - S2(d)	25%
North of Holloway Road - S2(e)	40%
West of Broad Street Green Road - S2(f)	40%
South Maldon Garden Suburb	40%
Strategic Allocations at Maldon, Heybridge and Burnham-on-Crouch	40%
All other developments:	
Northern Rural, Maldon Central and South and Rural South*	40%
Maldon North and Rural South East Higher	30%
Rural South East Lower	25%

7.3 As part of the continued refinement of the Infrastructure Delivery Plan (IDP, May 2014 update), the additional infrastructure costs have been identified. These are summarised in the following table. A summary of all infrastructure costs is provided in **Appendix 2**:

Pooled S106 items	S2a	S2b	S2c	S2d	S2e	ADD
Public transport improvements to serve Maldon GS	£2,925,000	£643,500	£146,250			
Public transport improvements to serve North Heybridge				£2,457,000	£234,000	£234,000
Medical facilities to serve South Maldon GS	£329,230	£99,220	£22,550			
Medical facilities to serve North Heybridge GS				£340,200	£32,400	£32,400
Allotments to serve South Maldon GS	£48,180	£14,520	£3,300			
Allotments to serve North Heybridge				£49,560	£4,720	£4,720
Total additional cost	£3,302,410	£757,240	£172,100	£2,846,760	£271,120	£271,120

7.4 We have re-run the appraisals reflecting these additional costs and the revised affordable housing requirements:



	November 2013 Scenario 2	April 2014 Update	Total
South of Maldon masterplanned area			
Site S2 (a) - South Maldon – South of Limebrook Way	19,760,993	+3,302,410	23,063,403
Site S2 (c) - South Maldon – Wycke Hill South	1,534,023	+172,100	1,706,123
Site S2 (b) - South Maldon – Wycke Hill North	6,325,057	+757,240	7,082,297
Site S2 (f) - South Maldon – Park Drive	53,899		53,899
North Heybridge masterplanned area			
Site S2 (d) - North of Heybridge	27,801,632	+2,846,760	30,648,392
Site S2 (e) - North Heybridge – North of Holloway Road	2,656,571	+271,120	2,927,691
Site S2 (g) - North Heybridge – Heybridge Swifts	33,700		33,700
Additional Site	2,004,002	+271,120	2,275,122
Burnham on Crouch			
Site S2 (h) - Burnham on Crouch – West	324,871		324,871
Sites S2 (i) – Burnham on Crouch - North West	398,851		398,851
Sites S2 (j) - Burnham on Crouch – North East	199,425		199,425

7.5 We have set out the results below:



UPDATED Table 10.3 Strategic Sites Residual Values – Base Appraisals Scenario 2										
25% Affordable Housing at site S2d North Heybridge, 40% Affordable Housing on all other sites, Full Infrastructure Requirement										
					Area		Units	Residual Value		
					Gross ha	Net ha		Gross ha	Net ha	£ site
1	S2a Limebrook Way	Sth Maldon	Green	Agricultural	42.00	25.00	1,000	405,473	681,194	17,029,852
2	S2c Wycke Hill South	Sth Maldon	Green	Agricultural	3.20	1.88	75	529,095	900,587	1,693,103
3	S2b Wycke Hill North	Sth Maldon	Green	Agricultural	12.50	7.50	300	463,996	773,327	5,799,954
4	S2f Park Drive	Sth Maldon	Green	Agricultural	4.90	3.00	120	1,032,441	1,686,320	5,058,961
5	S2d North of Heybridge	Nth Heybridge	Green	Agricultural	45.00	25.88	1,035	314,393	546,664	14,147,676
6	S2e North Holloway Rd	Nth Heybridge	Green	Agricultural	3.80	2.50	100	344,751	524,021	1,310,054
7	S2g Swifts	Nth Heybridge	Green	Agricultural	3.20	2.50	100	1,219,776	1,561,313	3,903,283
8	Additional Heybridge	Nth Heybridge	Green	Agricultural	4.20	2.50	100	452,715	760,562	1,901,404
9	S2h WEST Burnham on Crouch	Burnham on Crouch	Green	Agricultural	6.20	4.50	180	706,898	973,948	4,382,768
10	S2i NW Burnham on Crouch	Burnham on Crouch	Green	Agricultural	7.50	4.50	180	575,991	959,986	4,319,935
11	S2j NE Burnham on Crouch	Burnham on Crouch	Green	Agricultural	3.75	2.25	90	622,567	1,037,612	2,334,628

Note: No differentiation has been made as to whether the infrastructure is delivered via a s106 agreement or under CIL, the assessment is of the site's total ability to bear this level of cost. In due course a decision can be made as to the most appropriate CIL/s106 strategy. Source: HDH 2014



7.6 In the following table we have compared the Residual Value with the Viability Threshold (see Chapter 6 of the Viability Study).

UPDATED Table 10.6 Base Appraisals. Residual Value compared to Viability Threshold Scenario 2					
25% affordable housing on site S2d North Heybridge, 40% affordable housing on all other sites, Full Infrastructure Requirement					
			Alternative Use Value	Viability Threshold	Residual Value
			£/ha	£/ha	£/ha
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	405,473
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	529,095
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	463,996
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,032,441
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	314,393
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	344,751
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,219,776
8	Additional Heybridge	Nth Heybridge	25,000	330,000	452,715
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	706,898
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	575,991
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	622,567

Note: No differentiation has been made as to whether the infrastructure is delivered via a s106 agreement or under CIL, the assessment is of the site's total ability to bear this level of cost. In due course a decision can be made as to the most appropriate CIL/s106 strategy. Source: HDH 2014

7.7 The Residual Value has fallen significantly on sites where the infrastructure costs are increased and on the Burnham on Crouch sites where the requirement for affordable housing has been increased: Generally, as shown below, the reduction is about £50,000/ha or up to 20%.

7.8 The notable exception is S2d North of Heybridge. On this site the Council has reduced the affordable housing requirement to 25%. The Residual Value remains just below the Viability Threshold when considered on a per hectare basis, however when considered over the whole site the Residual Value is substantial at over £14,000,000. Policy H1 of the Pre-Submission LDP has allocated site S2d North of Heybridge for 25% affordable housing (and the PDCS identified this site for Zero CIL). Based on the ongoing discussions between the Council and Developer there is every likelihood that this site will come forward at this level of affordable housing.



Change in Residual Values based on updated infrastructure requirements and revised affordable housing targets set out in Policy H1 of the Pre-Submission LDP.						
			Nov 2013	April 2014	Change	% Change
1	S2a Limebrook Way	Sth Maldon	462,774	405,473	-57,301	-12.38%
2	S2c Wycke Hill South	Sth Maldon	578,870	529,095	-49,775	-8.60%
3	S2b Wycke Hill North	Sth Maldon	513,091	463,996	-49,095	-9.57%
4	S2f Park Drive	Sth Maldon	1,032,441	1,032,441	0	0.00%
5	S2d North of Heybridge	Nth Heybridge	205,190	314,393	109,203	53.22%
6	S2e North Holloway Rd	Nth Heybridge	410,579	344,751	-65,828	-16.03%
7	S2g Swifts	Nth Heybridge	1,219,776	1,219,776	0	0.00%
8	Additional Heybridge	Nth Heybridge	510,369	452,715	-57,654	-11.30%
9	S2h West Burnham on Crouch	Burnham on Crouch	847,454	706,898	-140,556	-16.59%
10	S2i NW Burnham on Crouch	Burnham on Crouch	692,184	575,991	-116,193	-16.79%
11	S2j NE Burnham on Crouch	Burnham on Crouch	746,271	622,567	-123,704	-16.58%

- 7.9 In the above analysis we have simply tested the sites ability to bear infrastructure costs – making no distinction between items to be delivered through the s106 regime, and that infrastructure that would be funded through CIL contributions.
- 7.10 We have developed this analysis further in the following chapter to consider the relationship between affordable housing, CIL and the ability to sustain site specific infrastructure costs.



8. CIL / s106 / Affordable Housing.

- 8.1 In the previous chapter, we set out the impact of the additional infrastructure costs identified since the publication of the Post Consultation update of the Viability Study (November 2013). In that analysis we simply tested the sites' ability to bear infrastructure costs – making no distinction between items to be delivered through the s106 regime and that infrastructure that would be funded through CIL contributions.
- 8.2 We have developed this analysis further in this chapter to consider the relationship between affordable housing, CIL and the ability to sustain site specific infrastructure costs.
- 8.3 In the following table we have shown the residual value for the strategic sites with a range of affordable housing from 20% to 50%, and with a range of CIL payments from £0/m² to £150/m² over and above the following site specific infrastructure costs:

	Total
South of Maldon masterplanned area	
Site S2 (a) - South Maldon – South of Limebrook Way	23,063,403
Site S2 (c) - South Maldon – Wycke Hill South	1,706,123
Site S2 (b) - South Maldon – Wycke Hill North	7,082,297
Site S2 (f) - South Maldon – Park Drive	53,899
North Heybridge masterplanned area	
Site S2 (d) - North of Heybridge	30,648,392
Site S2 (e) - North Heybridge – North of Holloway Road	2,927,691
Site S2 (g) - North Heybridge – Heybridge Swifts	33,700
Additional Site	2,275,122
Burnham on Crouch	
Site S2 (h) - Burnham on Crouch – West	324,871
Sites S2 (i) – Burnham on Crouch - North West	398,851
Sites S2 (j) - Burnham on Crouch – North East	199,425

- 8.4 As currently worded in Policy H1 of the LDP, the requirement is for 40% affordable housing on all of the sites other than S2d North of Heybridge where the requirement has been adjusted to 25%. The CIL Preliminary Draft Charging Schedule included a zero CIL rate for sites S2d North of Heybridge and S2e North of Holloway Road, and a rate of £70/m² for all remaining areas.



50% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	270,916	249,707	241,223	228,498	211,531	185,541	163,647	141,752
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	362,215	336,195	325,787	312,500	292,103	260,583	234,317	208,050
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	312,782	288,421	278,677	264,061	244,573	215,340	190,980	166,619
4	S2f Park Drive	Sth Maldon	25,000	330,000	862,982	836,575	826,011	810,167	789,040	757,351	730,943	704,535
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	53,413	34,271	26,615	15,273	-192	-25,062	-45,909	-66,755
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	167,972	138,159	127,442	109,383	85,304	50,145	19,651	-11,337
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,013,891	979,942	966,362	945,993	918,833	878,094	844,145	810,196
8	Additional Heybridge	Nth Heybridge	25,000	330,000	293,902	267,181	256,493	240,460	221,161	188,792	161,818	134,844
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	558,993	529,077	517,110	499,161	475,228	439,329	409,413	379,498
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	453,723	428,992	419,100	404,262	384,478	354,801	330,071	305,340
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	492,396	466,165	455,372	439,181	417,594	385,213	358,229	331,245

45% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	339,106	316,089	306,882	293,071	274,657	247,036	224,019	200,744
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	446,786	418,547	407,252	390,309	367,718	333,832	308,490	279,984
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	389,516	363,893	353,644	338,271	317,411	285,685	259,248	232,810
4	S2f Park Drive	Sth Maldon	25,000	330,000	948,860	920,200	908,736	891,540	868,613	834,221	805,561	776,901
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	109,739	89,640	81,600	69,153	52,534	27,606	6,963	-15,038
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	259,216	226,860	213,918	194,505	168,621	131,036	98,371	65,789
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,118,229	1,081,385	1,066,647	1,044,541	1,015,066	970,853	934,009	897,165
8	Additional Heybridge	Nth Heybridge	25,000	330,000	375,346	346,681	335,081	317,682	294,483	259,684	232,871	203,597
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	633,948	601,482	588,495	569,015	543,041	504,081	471,615	439,148
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	515,686	488,847	478,111	462,008	440,537	408,330	381,490	354,651
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	558,365	529,930	518,557	501,496	478,729	443,587	414,302	385,017

40% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	405,473	380,695	370,784	355,918	336,096	306,363	281,586	256,808
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	529,095	498,697	486,538	468,300	443,982	407,504	377,107	346,709
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	463,996	436,414	425,382	408,832	386,767	353,669	325,691	297,232
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,032,441	1,001,590	989,249	970,739	946,058	909,036	878,185	847,334
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	163,764	142,128	133,474	120,492	103,183	77,007	54,645	32,284
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	344,751	310,249	296,448	275,746	250,496	208,701	173,872	139,042
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,219,776	1,180,115	1,164,250	1,140,454	1,108,725	1,061,131	1,021,470	981,809
8	Additional Heybridge	Nth Heybridge	25,000	330,000	452,715	422,497	410,410	392,279	367,865	330,405	299,189	267,973
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	706,898	671,949	657,969	637,000	609,040	567,101	532,152	497,203
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	575,991	547,100	535,543	518,209	495,095	460,426	431,534	402,643
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	622,567	591,959	579,716	561,350	536,864	500,134	468,875	437,351

35% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	469,940	443,771	433,173	417,275	396,078	364,282	337,786	311,290
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	609,454	576,948	563,946	544,442	518,437	479,429	446,923	414,417
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	536,713	507,217	495,419	477,722	454,126	418,731	389,236	359,740
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,114,042	1,081,051	1,067,854	1,048,060	1,021,667	982,077	949,086	916,094
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	215,756	193,277	184,119	170,236	151,727	123,962	100,825	77,411
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	430,483	393,742	378,984	356,846	327,329	283,054	248,492	211,246
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,318,919	1,276,507	1,259,542	1,234,094	1,200,164	1,149,269	1,106,857	1,064,444
8	Additional Heybridge	Nth Heybridge	25,000	330,000	528,253	495,939	483,013	463,625	437,773	398,996	366,068	332,686
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	778,125	740,751	725,801	703,377	673,478	628,630	591,256	553,882
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	634,872	603,976	591,618	573,081	548,364	511,290	480,394	449,498
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	685,254	652,522	639,429	619,790	593,605	554,327	521,595	488,445



30% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	531,686	504,235	493,255	476,784	454,450	420,646	392,476	364,306
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	687,662	653,102	639,278	618,542	590,894	549,422	514,862	480,302
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	607,482	576,123	563,579	544,764	519,677	482,046	450,688	419,329
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,193,459	1,158,383	1,144,353	1,123,307	1,095,247	1,053,156	1,018,080	983,004
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	265,769	241,870	232,310	217,971	198,851	169,451	144,852	120,253
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	511,739	473,767	458,578	435,773	404,392	357,320	318,093	278,866
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,415,411	1,370,319	1,352,282	1,325,227	1,289,153	1,235,043	1,189,951	1,144,859
8	Additional Heybridge	Nth Heybridge	25,000	330,000	601,770	567,415	553,672	533,059	505,574	464,347	429,991	395,635
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	847,454	807,719	791,825	767,984	736,196	688,514	648,779	609,044
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	692,184	659,337	646,198	626,489	600,211	560,794	527,947	495,099
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	746,271	711,471	697,551	676,671	648,831	607,071	572,272	537,472

25% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	591,720	562,685	551,071	533,650	510,421	475,455	445,659	415,864
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	763,701	727,147	712,525	690,592	661,349	617,484	580,930	544,376
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	676,288	643,119	629,852	609,951	583,417	543,615	510,447	477,278
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,270,162	1,233,573	1,218,733	1,196,473	1,166,793	1,122,274	1,085,174	1,048,075
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	314,393	289,114	279,003	263,836	243,614	213,280	187,664	161,646
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	590,737	550,573	534,508	510,410	478,280	429,532	388,042	346,552
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,509,221	1,461,527	1,442,449	1,413,833	1,375,678	1,318,445	1,270,751	1,223,058
8	Additional Heybridge	Nth Heybridge	25,000	330,000	673,245	636,906	622,371	600,568	571,498	527,892	491,554	455,216
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	914,842	872,815	856,004	830,787	797,165	746,732	704,704	662,677
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	747,892	713,149	699,252	678,406	650,612	608,921	574,178	539,435
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	805,579	768,771	754,048	731,964	702,517	658,348	621,540	584,733

20% Affordable Housing												
			Alternative Use Value	Viability Threshold	Residual Value							
CIL £/m2					£0	£25	£35	£50	£70	£100	£125	£150
1	S2a Limebrook Way	Sth Maldon	25,000	330,000	650,462	619,875	607,641	589,289	564,820	528,116	497,529	467,942
2	S2c Wycke Hill South	Sth Maldon	25,000	330,000	838,102	799,595	784,192	761,088	730,283	684,074	645,567	604,074
3	S2b Wycke Hill North	Sth Maldon	25,000	330,000	743,613	708,672	694,696	673,732	645,780	603,852	568,912	530,852
4	S2f Park Drive	Sth Maldon	25,000	330,000	1,344,712	1,306,458	1,291,157	1,268,060	1,236,795	1,189,897	1,150,815	1,111,897
5	S2d North of Heybridge	Nth Heybridge	25,000	330,000	361,359	335,342	324,691	308,714	287,411	255,456	228,827	205,456
6	S2e North Holloway Rd	Nth Heybridge	25,000	330,000	668,037	625,728	608,804	583,419	549,572	498,801	456,479	418,801
7	S2g Swifts	Nth Heybridge	25,000	330,000	1,601,014	1,550,773	1,530,676	1,500,531	1,460,337	1,400,047	1,349,805	1,300,047
8	Additional Heybridge	Nth Heybridge	25,000	330,000	743,183	704,903	689,591	666,624	636,000	590,065	551,785	510,065
9	S2h WEST Burnham on Crouch	Burnham on Crouch	25,000	330,000	980,791	936,518	918,809	892,246	856,827	803,700	759,427	713,700
10	S2i NW Burnham on Crouch	Burnham on Crouch	25,000	330,000	802,410	765,811	751,171	729,212	699,933	656,014	619,415	584,014
11	S2j NE Burnham on Crouch	Burnham on Crouch	25,000	330,000	863,621	824,846	809,337	786,072	755,053	708,524	669,750	631,524

8.5 The Viability Study (November 2013) concluded at 12.12 and 12.13:

If the Council prefer the distribution under Scenario 2 all but site S2d North of Heybridge can bear the full affordable housing requirement as well as the infrastructure costs. Site S2d North of Heybridge is a large site that is important to the overall delivery of the Council's housing targets. It is a large site with capacity to bear more than the 1,035 units modelled. The extra high level analysis we have carried out indicates that increasing the number of units will further improve the viability position. If the Council do decide to pursue an increase in the number of units on site S2d North of Heybridge it will be necessary to make further investigations as to the infrastructure requirements. We would recommend that the Council continue the discussions with the site promoters.

The policy as drafted sets a lower affordable housing target of 30% for the three strategic sites adjacent to Burnham on Crouch rather than 40% as required in the other strategic sites. The analysis set out above shows that these sites are able to bear the full 40% affordable housing requirement. This is largely due to the less infrastructure costs included in the modelling.

8.6 The situation with regard to the Heybridge site is largely resolved with the lower (25%) affordable housing target and zero rate of CIL. It will be necessary for the Council to continue to take a flexible approach as to the scale of development, the details of the s106 requirements, and the precise mix of housing as the requirements for infrastructure are further clarified as the site promoters continue to move towards a planning application.



- 8.7 The South Maldon sites are shown as viable at 40% affordable housing and £70/m² CIL – but there is very little cushion, the Residual Value being very close to the viability threshold. We would advise against setting CIL and affordable housing so close to the limits of viability. There are two routes open to the Council to address this, to reduce the amount of affordable housing or to reduce the rate of CIL. In the absence of alternative funding sources there is little scope to reduce the direct funding / delivery of infrastructure through s106.
- 8.8 We therefore recommend that if 40% affordable housing is preferred, the Council reduces the rates of CIL on the S2a Limebrook Way, S2c Wycke Hill South and S2b Wycke Hill North sites at South Maldon to zero. As an alternative the affordable housing requirement could be reduced to 30% and a £70/m² CIL rate maintained. We suggest that a zero rate is also extended to the Additional Heybridge site if the 40% affordable housing is to be required, again on this site, as an alternative strategy the Council could reduce the affordable housing requirement to 30% affordable housing, and maintain a £70/m² CIL rate. On site S2e North of Holloway Road, we would recommend that the affordable housing requirement is reduced to 30% (the CIL rate is currently zero).
- 8.9 The assessment tables on pages 36 and 37 assist in clarifying the conclusions of the Viability Study Post Consultation Update (November 2013) in relation to Strategic Allocations in Maldon, Heybridge, and Burnham-on-Crouch. Sites S2f, S2g, S2h, S2i, and S2j remain viable at 40% affordable housing and a £70/m² CIL rate
- 8.10 It is important to note that this advice is conditional on the Council continuing to pursue the strategy whereby the site specific infrastructure (as identified by PBA) is delivered by these developments through s106.
- 8.11 We qualify this advice with one regard. These strategic sites are large strategic sites that will be delivered over the plan-period and it is likely that the viability of development will change (both for the better and the worse) across the economic cycle. We would recommend that the Council considers a mechanism to review the affordable housing (relative to the prevailing CIL rate) as the phases of development are delivered. This will ensure that the local housing needs and requirements can be met – whilst not prejudicing the viability of development.



9. Revised Rates of CIL

9.1 In this paper we have suggested various changes to the rates of CIL. These are summarised below:

Table 1: May 2014 recommended rates of CIL based on the IDP (May 2014 update) infrastructure requirements and affordable housing requirements in Policy H1 of the Pre-Submission LDP.	
Development Type	Maximum Rate of CIL
Residential On the following strategic sites: S2a Limebrook Way, S2c Wycke Hill South and S2b Wycke Hill North, S2d North of Heybridge, S2e North of Holloway Road and the Additional (un-numbered) Heybridge site All other areas	£0/m ² £70/m ²
Supermarkets and Retail Warehouse Within the built up areas of Maldon and Heybridge All other areas sites	£0/m ² £150/m ²
Hotels	£150/m ²
Sheltered Housing Within the built up areas of Maldon and Heybridge All other areas sites	£0/m ² £70/m ²
All other development	£0/m ²

Source: UPDATE- MDC Viability Study. HDH, May 2014



Table 2: May 2014 recommended rates of CIL based on the IDP (May 2014 update) infrastructure requirements and affordable housing requirements of 40% at strategic sites in Burnham on Crouch, Maldon and Heybridge, 25% at site S2d North of Heybridge, and 30% at all other strategic sites in the Maldon and Heybridge Garden Suburbs	
Development Type	Maximum Rate of CIL
Residential	
On the following strategic sites: S2d North of Heybridge, S2e North of Holloway Road	£0/m ²
All other areas	£70/m ²
Supermarkets and Retail Warehouse	
Within the built up areas of Maldon and Heybridge	£0/m ²
All other areas sites	£150/m ²
Hotels	£150/m ²
Sheltered Housing	
Within the built up areas of Maldon and Heybridge	£0/m ²
All other area	£70/m ²
All other development	£0/m ²

Source: UPDATE- MDC Viability Study. HDH, May 2014

9.2 It will be necessary for the zones suggested to be plotted on an Ordnance Survey map.



Appendix 1 – Older Peoples Housing. Appraisal Results



SHARED OWNERSHIP		Greenfield SHELTERED				EXTRA-CARE				Brownfield SHELTERED				EXTRA-CARE			
AFFORDABLE %		0%	10%	20%	30%	40%	0%	10%	20%	30%	40%	0%	10%	20%	30%	40%	
Units		20	20	20	20	24	20	20	20	20	24	20	20	20	24	24	
1 bed	50 m2	65	65	65	65	24	24	24	24	24	24	24	24	24	24	24	
2 bed	75 m2	80	80	80	80	16	16	16	16	16	16	16	16	16	16	16	
3 bed	100 m2	2,825	2,825	2,825	2,825	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Non-suitable	25%	719	719	719	719	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	
GA		3,594	3,594	3,594	3,594	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	
E/m2	Market E/m2	3,345	3,345	3,345	3,345	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
Market E	Market E	2,875	2,888	2,888	2,888	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Market E	Market E	9,616,875	8,655,188	7,693,500	6,731,813	5,770,125	4,808,438	3,846,750	2,885,063	1,923,375	961,688	0	0	0	0	0	
Affordable E	Affordable E	2,825	2,825	2,825	2,825	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Affordable E	Affordable E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital Value	Capital Value	9,616,875	8,655,188	7,693,500	6,731,813	5,770,125	4,808,438	3,846,750	2,885,063	1,923,375	961,688	0	0	0	0	0	
Land Used	ha	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
Costs	E/ha	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	
Strategic Promotion	Uplift E/ha	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	
Planning	Cost	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	
Construction	/m2	1,026	1,026	1,026	1,026	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	
Infrastructure	E	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	3,687,719	
Abnormals	E	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	
Fees	E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contingency	5%	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	
Finance Costs	E	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Share	E	304,625	373,135	361,595	350,054	338,514	326,974	315,434	303,894	292,354	280,814	269,274	257,734	246,194	234,654	223,114	
Misc. Financial	4.00%	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Subtotal		4,971,480	4,959,939	4,948,399	4,936,859	4,925,319	4,913,779	4,902,239	4,890,699	4,879,159	4,867,619	4,856,079	4,844,539	4,832,999	4,821,459	4,809,919	
Interest		174,002	173,598	173,194	172,790	172,386	171,982	171,578	171,174	170,770	170,366	169,962	169,558	169,154	168,750	168,346	
Profit % GDV	20.00%	1,988,175	1,900,891	1,812,607	1,724,323	1,636,039	1,547,755	1,459,471	1,371,187	1,282,903	1,194,619	1,106,335	1,018,051	929,767	841,483	753,199	
CDSTS		7,261,657	7,198,931	7,136,205	7,073,479	7,010,753	6,948,027	6,885,301	6,822,575	6,759,849	6,697,123	6,634,397	6,571,671	6,508,945	6,446,219	6,383,493	
Residual Land Worth		2,348,218	2,129,438	1,910,658	1,691,878	1,473,098	1,254,318	1,035,538	816,758	597,978	379,198	160,418	-59,362	-378,142	-656,922	-935,692	
Additional Profit	E/m2	2,183,218	1,964,438	1,745,658	1,526,878	1,308,098	1,089,318	870,538	651,758	432,978	214,198	-15,582	-234,362	-463,142	-691,922	-920,692	
Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold		310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	
Residual Value		4,616,836	4,258,876	3,821,316	3,383,756	2,946,196	2,508,636	2,071,076	1,633,516	1,195,956	758,396	320,836	-117,224	-679,664	-1,238,104	-1,796,544	



AFFORDABLE RENT	Greenfield	Greenfield					Brownfield					EXTRA-CARE					
		0%	10%	20%	30%	40%	0%	10%	20%	30%	40%	0%	10%	20%	30%	40%	
Units		20	20	20	20	20	24	24	24	24	24	24	24	24	24	24	24
1 bed	50 m2	20	20	20	20	20	24	24	24	24	24	24	24	24	24	24	24
2 bed	75 m2	25	25	25	25	25	16	16	16	16	16	16	16	16	16	16	
Suitable Area		2,875	2,875	2,875	2,875	2,875	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Non-suitable		719	719	719	719	719	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	
GIA		3,594	3,594	3,594	3,594	3,594	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	
E/m2	Market E/m2	3,385	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	
	Market m2	2,875	2,588	2,300	2,013	1,725	2,400	2,113	1,826	1,539	1,252	1,965	1,678	1,391	1,104	817	
	Market E	9,616,875	8,655,188	7,693,500	6,731,813	5,770,125	9,616,875	8,655,188	7,693,500	6,731,813	5,770,125	9,616,875	8,655,188	7,693,500	6,731,813	5,770,125	
	Affordable E/m2	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	
	Affordable m2	0	288	575	863	1,150	0	288	575	863	1,150	0	288	575	863	1,150	
	Capital Value	9,616,875	9,028,938	8,441,000	7,853,063	7,265,125	9,616,875	9,028,938	8,441,000	7,853,063	7,265,125	9,616,875	9,028,938	8,441,000	7,853,063	7,265,125	
Costs	Land Used	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
	E/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
	Uplift E/ha	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
	Cost	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Strategic Promotion		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Planning		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Construction	/m2	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	
	E	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	3,687,188	
Infrastructure		368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	
Abnormals	10.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	10.00%	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	368,719	
Fees		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Contingency	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	92,180	
Finance Costs		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Sales		384,675	361,158	337,640	314,123	290,605	384,675	361,158	337,640	314,123	290,605	384,675	361,158	337,640	314,123	290,605	
Misc. Financial		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Subtotal		4,971,480	4,947,862	4,924,445	4,900,927	4,877,410	4,971,480	4,947,862	4,924,445	4,900,927	4,877,410	4,971,480	4,947,862	4,924,445	4,900,927	4,877,410	
Interest		174,002	173,179	172,356	171,532	170,709	174,002	173,179	172,356	171,532	170,709	174,002	173,179	172,356	171,532	170,709	
Profit % GDV		1,958,175	1,840,423	1,722,671	1,604,919	1,487,167	1,958,175	1,840,423	1,722,671	1,604,919	1,487,167	1,958,175	1,840,423	1,722,671	1,604,919	1,487,167	
COSTS		7,268,657	7,126,564	6,984,471	6,842,379	6,700,286	7,268,657	7,126,564	6,984,471	6,842,379	6,700,286	7,268,657	7,126,564	6,984,471	6,842,379	6,700,286	
Residual Land Worth		2,348,218	1,902,273	1,456,529	1,010,684	564,839	2,348,218	1,902,273	1,456,529	1,010,684	564,839	2,348,218	1,902,273	1,456,529	1,010,684	564,839	
Additional Profit		2,183,218	1,737,373	1,291,529	845,684	399,839	2,183,218	1,737,373	1,291,529	845,684	399,839	2,183,218	1,737,373	1,291,529	845,684	399,839	
E/m2		608	483	359	235	111	608	483	359	235	111	608	483	359	235	111	
Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold		330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	
Residual Value		4,696,436	3,804,747	2,913,057	2,021,368	1,129,678	4,696,436	3,804,747	2,913,057	2,021,368	1,129,678	4,696,436	3,804,747	2,913,057	2,021,368	1,129,678	



Appendix 2 – Summary of infrastructure costs

Infrastructure	Sites	South of Maldon Strategic Sites				Heybridge Strategic Sites				Burnham on Crouch Strategic Sites		
		S2a	S2b	S2c	S2f	S2d	S2e	ADD	S2g	S2h	S2i	S2j
Transport												
B1018 Langford Rd/Heybridge Approach	a, b, c, d, e	£49,004	£14,701	£3,675		£50,719	£4,900					
B1018 /Heybridge Approach/A414 roundabout	a, b, c, d, e	£907,570	£272,271	£68,068		£939,335	£90,757					
A414/Spital Rd roundabout	a, b, c, d, e	£612,749	£183,825	£45,956		£634,195	£61,275					
A414/B1018 Limebrook Way	a, b, c, d, e	£274,502	£82,351	£20,588		£284,110	£27,450					
A414 Oak Corner junction	a, b, c, d, e	£273,307	£81,992	£20,498		£282,873	£27,331					
North Heybridge relief road	d, e, ADD					£9,320,866	£900,567	£900,567				
Maldon relief road (A414/Wycke Hill)	a, b, c	£4,437,091	£1,331,127	£332,782								
B1010/B1021 junction	h, i, j									£23,200	£23,200	£11,600
Public Transport												
Public transport improvements to serve South Maldon GS	a, b, c	£2,925,000	£643,500	£146,250								
Public transport improvements to serve North Heybridge GS	d, e, ADD					£2,457,000	£234,000	£234,000				
Flooding												
Flood alleviation	d, e, ADD					£6,453,036	£623,482	£623,482				

Education												
56-place EY&C facility to serve Maldon	a, b, c	£800,000	£240,000	£60,000								
56-place EY&C facility to serve Heybridge	d, e, ADD					£921,862	£89,069	£89,069				
420-place (2FE) primary school and 56-place EY&C facility	a, b, c	£5,090,909	£1,527,273	£381,818								
One class base expansion of existing primary school	a, b, c	£203,636	£61,091	£15,273								
210-place (1FE) primary school	d, e, ADD					£3,017,004	£291,498	£291,498				
Replacement of temporary class-base at St Mary's School	h, i, j									£112,000	£112,000	£56,000
Expansion of Plume School - lower school	a, b, c, d, e	£916,335	£274,900	£68,725		£948,406	£91,633					
Expansion of Plume School - upper school/sixth form	a, b, c, d, e	£3,027,888	£908,367	£227,092		£3,133,865	£302,789					
Youth and childrens facilities												
Teen shelters, skateboard facilities and access to shared community facilities to serve Maldon	a, b, c	£541,667	£162,500	£40,625								
Teen shelters, skateboard facilities and access to shared community facilities to serve Heybridge	d, e, ADD					£560,625	£54,167	£54,167				
Teen shelters, skateboard facilities and access to shared community facilities to serve Burnham	h, i, j									£97,500	£97,500	£48,750
NEAPs and LEAPs to serve Maldon	a, b, c	£115,200	£34,560	£8,640								
NEAPs and LEAPs to serve Heybridge	d,e, ADD					£119,232	£11,520	£11,520				
NEAPs and LEAPs to serve Burnham	h, i, j									£20,736	£20,736	£10,368



Health												
Medical facilities to serve South Maldon GS	a, b, c	£329,230	£99,220	£22,550								
Medical facilities to serve North Heybridge GS	d,e, ADD					£340,200	£32,400	£32,400				
Green Infrastructure												
Allotments to serve South Maldon GS	a, b, c	£48,180	£14,520	£3,300								
Allotments to serve North Heybridge GS	d,e, ADD					£49,560	£4,720	£4,720				
Total pooled S106 costs		£20,552,268	£5,932,197	£1,465,839	£0	£29,512,888	£2,847,558	£2,241,422	£0	£253,436	£253,436	£126,718
Site specific sewerage connection charges		£2,511,135	£1,150,100	£240,284	£53,899	£1,135,504	£80,133	£33,700	£33,700	£71,435	£145,415	£72,707
TOTAL		£23,063,403	£7,082,297	£1,706,123	£53,899	£30,648,392	£2,927,691	£2,275,122	£33,700	£324,871	£398,851	£199,425

Source: MDC May 2014



HDH Planning & Development (HDH) Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers.

The firm is led by Simon Drummond-Hay who is a Chartered Surveyor, Associate of Chartered Institute of Housing and senior development professional with a wide experience of both development and professional practice. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

HDH Planning & Development have clients throughout England and Wales.

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