

Purbeck Community Infrastructure Levy (CIL)

Consultation Paper on the Viability of Specific Sites

4 November -13 December 2013

Executive Summary

The Council tested 12 schemes through the Three Dragons Dorset Toolkit for Purbeck (3D toolkit) to assess if the schemes would be viable. This paper sets out the results of the testing and the Council is publishing it to allow developers to comment on the findings. The feedback will inform the Examiner overseeing the Council's CIL examination.

The Council has tested the sites using a 'going rate' benchmark, giving the landowner a financial return of at least £0.5M per hectare, as suggested by a participant in the CIL examination. This rate is much higher than standard benchmarks used elsewhere in the country, but in the absence of any other suggestions the Council has used it.

The Council's 5 year housing supply comprises a mix of allocated sites, Council owned sites and planning permissions. Single dwellings account for 9% the 5 year supply (60 dwellings). Single dwellings will not have to contribute affordable housing (unless the site is over 0.05ha) and as illustrated in section 1 have some of the highest returns over the two benchmark levels. The assessment in Section 1 highlights that intensification of existing residential sites (including demolition of a dwelling) may not be viable at 40-50% affordable housing plus CIL. As CIL is non-negotiable, in these circumstances the Council is likely to have to re-negotiate the affordable housing provision on an open book basis, as allowed by PDP1 Policy AH: Affordable Housing, which will still enable the sites to come forward. This type of sites only account for 3.9% of the Council's five year land supply, which comprises 27 dwellings (net) on 9 sites. The remaining 96.1% of the 5 year supply will come forward on lower value sites that don't have an existing dwelling on the site. As shown by the assessments in Section 1, the Council is therefore confident that it can achieve the full 40-50% affordable housing targets on these lower value sites, due to the potential for a significant uplift in land values.

The Council is confident that its policy approach and CIL charging rates will allow the Council to achieve its housing target, which it is already well ahead of. The Council believes the CIL rates should remain unaltered to ensure that the Council can continue to grant planning permission and provide the necessary infrastructure to ensure that the adverse effects of development can be mitigated.

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Introduction

1. The Examiner has postponed the examination of the Community Infrastructure Levy, to allow the Council to test the viability of a range of specific sites and consult upon the findings. The examiner wants to better understand if the CIL rates the Council is proposing to charge will result in sites not coming forward for development due to viability concerns, and the Council therefore being unable to achieve its housing target.
2. The Council has tested 12 schemes from the Council's five year land supply as set out in the Strategic Housing Land Availability Assessment (SHLAA). The Council believes these sites provide a representative sample of types of sites that will come forward to meet the Council's housing target before 2027. It includes a mix of settlement extensions (planned) and infill (windfall) sites. The Council asked developers, landowners and agents participating in the examination to comment on the Council's choice of sites from 16 to 22 October, prior to carrying out the assessment. As there was no responses by the deadline, the Council tested its original choice of sites. Following this testing two respondents submitted comments suggesting the use of hypothetical sites, rather than actual examples. The Council's response is in Appendix 1.
3. This consultation paper sets out the findings of the viability assessment for each site. The Council invites participants of the CIL examination to comment upon the findings. Please reply to localplan@purbeck-dc.gov.uk by 13 December 2013. Your comments will be passed to the Examiner. Please base your answers on the following two questions:

(Q1) Do you agree with this assessment?

(Q2) Do you agree that sufficient sites will come forward to meet the Council's housing target?

If you do not agree, please provide evidence in support of your conclusions.

4. This consultation paper is divided into two sections. Section 1 reviews the sites tested and Section 2 provides detail on the Council's housing targets.

Section 1: Testing the Sites

5. The Council tested the following sites from the 5 year land supply, which includes a mixture of planning permissions, a Council owned site and some settlement extensions:

Site Ref	Sub Market	Scheme Name	Type of scheme	No of dwellings	Affordable Housing (%)	CIL Rate (£sqm)	Existing Use
1	The Coast	Poultry Farm, Harmans Cross	Small redevelopment	3	50%	£180	House and agricultural holding
2	Swanage	Prospect Farm, Swanage	Small settlement extension	35	50%	£180	Agricultural
3	Swanage	Gilbert Road, Swanage	Medium redevelopment	8	50%	£180	Brownfield
4	Wareham	Worgret Road settlement extension, Wareham	Large settlement extension	153	50%	£100	Agricultural
5	Wareham	Pound Lane, Wareham	Medium infill development	8	40%	£100	Brownfield
6	Rural Fringe	Huntick Road, Lytchett Matravers	Medium settlement extension	50	50%	£100	Agricultural
7	Rural Fringe	Station Cottages, Moreton	Small infill development	2	40%	£100	Garden
8	Rural Centre	Settlement extension at Bere Regis	Medium settlement extension	50	40%	£30	Agricultural
9	Rural Centre	Dorchester Road, Wool	Small redevelopment	4	40%	£30	House and Garden
10	Upton	Policeman's Lane settlement extension, Upton	Medium settlement extension	71	40%	£30	Agricultural
11	Upton	Blandford Road, Upton	Medium redevelopment	9	40%	£30	House and garden
12	Upton	Dorchester Road, Upton	Small infill development	1	0%	£30	Garden

Note – Large/Medium/Small are used in a context of typical site sizes in Purbeck District.

Testing Assumptions

6. The Council used the Council's 3D Toolkit to undertake the assessments <http://www.dorsetforyou.com/media.jsp?mediaid=178062&filetype=doc> and made the following assumptions:

- (i) **Site size**
As per individual sites
- (ii) **Sub Market areas and indicative new build prices (as at August 2013)**

		Detached			Semi-Det		Terraced			Flat/Mais			Bungalows		
		5 Bed	4 Bed	3 Bed	4 Bed	3 Bed	2 Bed	4 Bed	3 Bed	2 Bed	3 Bed	2 Bed	1 Bed	Studio	3 Bed
The Coast	BH19 3	£537,000	£468,000	£374,000	£350,000	£305,000	£276,000	£325,000	£295,000	£256,000	£276,000	£241,000	£167,000	£118,000	£364,000
	BH20 5														
Swanage	BH19 1	£502,000	£438,000	£350,000	£325,000	£285,000	£256,000	£305,000	£276,000	£241,000	£261,000	£227,000	£158,000	£113,000	£340,000
	BH19 2														
Purbeck Rural Fr	BH16 6	£443,000	£384,000	£310,000	£290,000	£251,000	£227,000	£266,000	£241,000	£212,000	£232,000	£202,000	£138,000	£98,000	£300,000
	BH21 4														
	DT11 9														
	DT2 7														
	DT2 8														
Wareham	BH20 4	£409,000	£355,000	£286,000	£266,000	£232,000	£207,000	£246,000	£222,000	£192,000	£212,000	£182,000	£128,000	£89,000	£275,000
Purbeck RI Centr	BH20 6	£350,000	£305,000	£246,000	£227,000	£198,000	£177,000	£212,000	£192,000	£167,000	£182,000	£158,000	£108,000	£79,000	£236,000
	BH20 7														
Upton	BH16 5	£315,000	£276,000	£222,000	£207,000	£177,000	£163,000	£192,000	£172,000	£153,000	£163,000	£143,000	£98,000	£69,000	£217,000

(iii) **Density and mix**

The Council has assessed the specific sites using the density and mix agreed for the planning permission. For sites without permission, the Council has used the best available information. For sites 6 and 8, there is no information on density and mix so the Council has used the following assumptions, based upon examples of settlement extension schemes elsewhere. This takes into account the Council's need for affordable housing in predominantly 2 and 3 beds:

Mix	No of Dwellings
2 Bed Flats	10
2 Bed Terraces	10
3 Bed Terraces	10
3 Bed Semis	5
3 Bed Detached	5
4 Bed Detached	5
5 Bed Detached	5
Total	50

(iv) **Affordable housing assumptions**

As set out in Purbeck Local Plan Part 1: Planning Purbeck's Future (PLP1) Policy AH: Affordable Housing, the provision of affordable housing is required from any developments where there is a net increase in 2 dwellings. The proportion of affordable housing within the scheme is 40% across all Purbeck submarkets with exception of Swanage and The Coast submarkets which are 50%. Greenfield settlement extensions in Wareham and the Purbeck Rural Fringe sub markets are also 50%. Note, that some of the sites tested were granted planning permission before these affordable housing levels were imposed, but have still been tested in line with PLP1.

(v) **Affordable housing split**

In line with PLP1 Policy AHT: Affordable Housing Tenure, the tenure split is 90% Social Rent and 10% Homebuy.

(vi) **Affordable housing revenue**

Social Rent: Run at £60,000 per unit;
Homebuy: Run at £150,000 per unit

(vii) **Build costs**

Basic information taken from BCIS (as at quarter 2 of 2013):

- Flats (Low Rise) £1,299 per square metre
- Houses £1,075 per square metre
- 'Bungalows £1,194 per square metre

- One-Off Housing £1,768 per square metre.

Notes on build costs

- Build cost allows for 15% allowance for infrastructure and external works;
- Allows for local adjustment factor;
- Method agreed as in previous studies;
- Any abnormal costs to be assessed on a site by site basis or to be dealt with through deferred contributions;
- PLP1 Policy D: Design requires sites of over 10 dwellings to either provide 10% of energy through on site renewables or 20% through improvements to energy efficiency. These costs would be assessed with the developer on a site by site basis.
- PLP1 Policy D: Design requires sites of over 10 dwellings to score 14 points against Building for Life standards. These points can be met in a number of different ways and depending upon the developer's preference will be negotiated on a site by site basis.
- Assumes Code for Sustainable Homes (CSH) Level 3. As the government increases CSH levels, the increased build costs should be covered by increases in house price inflation

(viii) Other development costs:

Below is an extract from the toolkit setting out the various assumptions. Note that for this assessment, the Council has used a 17.5% developer's return.

Other Development Costs			
You can enter your own values in the white cells below. Enter 0% for non-applicable items.			
Where cells are left blank, the Toolkit value for that row will be used.			
	Toolkit Values	User Values	
Professional Fees %	12.00%		of build costs
Internal Overheads	5.00%		of build costs (Market and Discount Market units)
Interest Rate (Market)	7.00%		of build Costs (Market, Discount Market and Low Cost Sale units)
Interest Rate (Affordable Housing)	7.00%		of build costs (SR, HB, IR units)
Marketing Fees	3.00%		of market value (Market and Discount Market units)
Developers Return	15.00%	17.50%	of market value (Market and Discount Market units)
Contractors Return	6.00%		of development costs (SR, HB, IR and LCS units)
Land financing costs	£	-	Please see the Guidance Notes for use of this value

Notes on other development costs

- As agreed with the Home Builders Federation
- Policy DH: Dorset Heathlands. Some settlement extensions may have to provide Suitable Alternative Natural Green Space (SANGs) in addition to CIL. The Council has not included SANGs in the toolkit modelling and instead discussed their provision on a site by site basis in section 2 of this paper. This is due to the difficulty in identifying the cost to a landowner, as the SANGs will be retained by the landowner for agricultural use, but with managed public access. There will still be an agricultural return from the SANGs and the Council cannot establish what this will be.
- Maintenance of SANGs. The landowner will be responsible for maintaining public access to the SANGS. The Council is asking for a small up front payment which it will hold and draw upon for emergency maintenance in the event that the landowner has not complied with the Section 106 agreement and is subject to legal proceedings. No figures have been agreed as yet, but it is likely to be around £20,000 for each SANGs, enough to cut the grass, mend a footbridge, empty dog bins etc. for 1-2 years.
- Policy PH: Poole Harbour. The Council is yet to set a strategy. However settlement extensions will be expected to be nitrogen neutral, by offsetting sewage output with removal of land from intensive fertilising agriculture (nitrogen is in fertilisers). It is likely that SANGs will double up and provide sufficient offsetting. Where there is a shortfall the landowner can change agricultural practices on other land within their estate to meet the requirements. Where there is a shortage of land, the landowner can buy up other agricultural land (estimated at £20,000 per hectare) to meet the policy requirements. For other sites, the policy requirements may be waived (subject to agreement of a suitable strategy for mitigation) or included in CIL.

(ix) Unit Sizes

The Council has assessed the specific sites using the unit sizes agreed for the planning permission. For sites without permission, and the Council has used the following assumptions:

	Affordable (sqm)	Market (sqm)
1 Bed Flats	46	45
2 Bed Flats	66	60
2 Bed Terrace	68	67
3 Bed Terrace	80	78
3 Bed Semis	84	82
3 Bed Detached	90	94
4 Bed Detached	110	120
5 Bed Detached	120	130

Notes on other development costs

- Unit sizes in line with other viability studies carried out in England And Wales by Andrew Golland Associates (AGA)

(x) Benchmark Land Values

This is the trickiest factor. Developer and landowners at the CIL Workshop were unwilling to be drawn on specific amounts. For this assessment the Council has used two benchmarks. One is agricultural values (£0.02M per hectare) and the other is referred to as the 'going rate' of £0.5M per hectare, which equates to a 25 fold increase from agricultural value. The 'going rate' is the value suggested by Bloor Homes agent during the examination hearings. The Council and AGA consider this benchmark high, as it is a lot higher than the benchmarks of £0.25M to £0.37M per gross hectare in the 2011 Department for Communities and Local Government study on *The Cumulative Impact of Policy Requirements for greenfield sites*. However in the absence of any other known local benchmarks, the Council has tested sites against the highest benchmark of £0.5M per hectare.

(xi) CIL Charging Rates

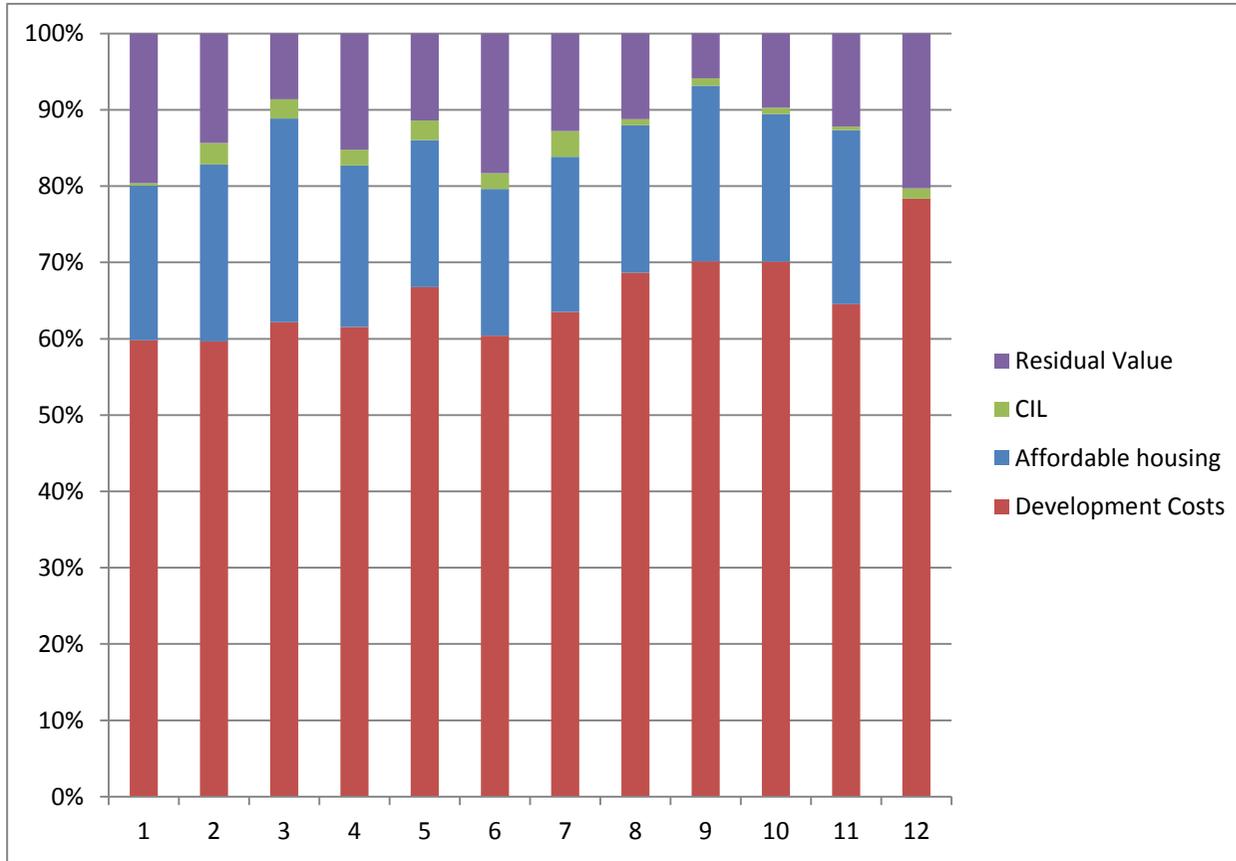
The Council has calculated CIL for the market dwellings (affordable dwellings are exempt of paying CIL). The rates used are £180, £100 and £30 as set out in the CIL charging Schedule. For redevelopment sites where an existing dwelling will be replaced, the Council has deducted the square metre floor space of the existing dwelling from the total floor space of the new dwellings. This is because CIL will be only charged on net gain in floor space.

Section 2: Assessment Findings

7. The table below sets out a summary of the findings. Each site is discussed in detail over the page.

Site Details							Assessment Findings		Surplus above benchmark (£ million per Ha)	
Site Ref	Sub Market	Scheme	No of dwellings	Affordable Housing%	Existing Use	CIL for site (rounded)	Residual Value for site	Residual Value per Ha (£ million)	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
1	The Coast	Poultry Farm, Harmans Cross	3	50%	Agricultural	£3,000	£176,500	£0.41	£0.39	-£0.09
2	Swanage	Prospect Farm, Swanage	35	50%	Agricultural	£259,000	£1,312,500	£2.12	£2.10	£1.62
3	Swanage	Gilbert Road, Swanage	8	50%	Brownfield	£41,000	£139,000	£1.80	£1.78	£1.30
4	Wareham	Worgret Road settlement extension, Wareham	153	50%	Agricultural	£785,000	£5,728,000	£1.19	£1.17	£0.69
5	Wareham	Pound Lane, Wareham	8	40%	Brownfield	£37,000	£196,000	£1.75	£1.73	£1.25
6	Rural Fringe	Huntick Road, Lytchett Matravers	50	50%	Agricultural	£252,000	£2,238,000	£1.12	£1.10	£0.62
7	Rural Fringe	Station Cottages, Moreton	2	40%	Garden	£15,000	£57,200	£1.63	£1.61	£1.13
8	Rural Centre	Settlement extension at Bere Regis	50	40%	Agricultural	£86,000	£1,206,000	£0.80	£0.78	£0.30
9	Rural Centre	Dorchester Road, Wool	4	40%	House and Garden	£9,000	£53,400	£0.38	£0.36	-£0.12
10	Upton	Policeman's Lane settlement extension, Upton	71	40%	Agricultural	£127,000	£1,468,000	£0.67	£0.65	£0.17
11	Upton	Blandford Road, Upton	9	40%	House and garden	£7,000	£187,200	£1.44	£1.42	£0.92
12	Upton	Dorchester Road, Upton	1	0%	Garden	£3,000	£44,000	£0.60	£0.58	£0.10

8. The table below illustrates how the revenue for each scheme is broken down:



9. CIL only accounts for around 1-5% of the scheme costs. In the odd instance where an extra 5% payment of CIL will result in the site being viable or not, the Council has the flexibility in the policy to negotiate the affordable housing contribution. Site 12 has no requirement for affordable housing provision, and so there isn't any flexibility to negotiate. However, these schemes have the highest proportionate return to the landowner, so there is sufficient headroom to meet the CIL charge.

Section 3: Specific Site Findings

Further detail about each scheme is set out below. For ease of reference an extract from the findings table is included. The two columns on the right indicate the amount that is surplus above the tested benchmarks in £M per hectare. A negative number indicates that the scheme is under benchmark (and is highlighted in red). The 3D toolkits for each site assessment are available to view on the website.

Site 1: Poultry Farm, Harmans Cross

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
1	The Coast	3	50%	Agricultural	£176,500	£0.41	£3,000	£0.39	-£0.09

Description: Demolish existing dwelling on poultry farm and erect 3 three bed detached dwellings (brownfield). Planning Permission: 6/2012/0253. Site Area: 0.43ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value (EUV)	£300,000	Estimated average value of existing 2 bed detached dwelling
Site acquisition costs	Unknown	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£488,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A – Site not in Poole Harbour catchment
	£182,000	Policy AH: 50% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£3,000	£180 per sqm minus existing credit. CIL as a proportion of development costs = 2.22%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	18% below	-£0.09M below the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£176,500	Which is -£123,500 below EUV

Commentary: When the Council granted planning permission for this scheme no affordable housing was required. Under the current policy the developer will have to provide 50% affordable housing. The landowner return is £176,500. This is lower than the existing use value of a dwelling. The scheme is also under the benchmark for the 'going rate'. In this scenario, the Council would re-negotiate the affordable housing proportion to ensure a competitive return for the landowner.

Site 2: Prospect Farm, Swanage

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
2	Swanage	35	50%	Agricultural	£1,312,500	£2.12	£259,000	£2.10	£1.62

Description: Small settlement extension on agricultural land and vacant barns (greenfield site). The Council refused planning permission and site is currently subject to appeal.
Site Area: 0.62ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value (EUV)	£12,400	0.62 hectares at £20,000 agricultural value
Site acquisition costs	Unknown	Site not sold. Developer has option with the landowner
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£5,715,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£20,000 minimum	Policy DH: SANGs required – size/amount to be negotiated with developer. Maintenance of SANGs – £20,000
	£0	Policy PH: N/A – Site not in Poole Harbour catchment
	£2,121,000	Policy AH: 50% affordable housing
	£0	Policy D: Not known. Negotiated site by site
CIL charge	£259,000	£180 per sqm CIL as a proportion of development costs = 4.53%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	324% higher	£1.62M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£1.3M	Which is £1.3M above EUV with policy D and DH costs to be deducted

Commentary: This site is currently subject to an appeal as the Council refused planning permission. It is currently outside the Swanage settlement boundary, but could be allocated for housing in the emerging Swanage Local Plan. The landowner return is £1.31M after CIL, which on a per hectare basis is an uplift of 106 times agricultural value, significantly above both benchmarks. The Council has also had this example tested through the District Valuer as part of the appeal. The District Valuer has also recommended that the proposal can be policy compliant and deliver a significant return to the landowner of £1.4M after Section 106 (pre CIL).

Site 3: Gilbert Road, Swanage

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
3	Swanage	8	50%	Brownfield	£139,000	£1.80	£41,000	£1.78	£1.30

Description: 8 flats replacing 1 detached dwelling (brownfield). Planning Permission: 6/2012/0712. Site Area: 0.077ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value (EUV)	£502,000	Average value of existing 5 bed detached dwelling
Site acquisition costs	Unknown	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£1,045,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A – Site not in Poole Harbour catchment
	£431,000	Policy AH: 50% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£41,000	£180 per sqm minus existing credit. CIL as a proportion of development costs = 3.92%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	260% higher	£1.30M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£139,000	Which is -£363,000 below EUV

Commentary: When the Council granted planning permission for this scheme no affordable housing was required. Under the current policy the developer will have to provide 50% affordable housing. The landowner return is £139,000. Although the residual value per hectare is significantly higher than the 'going rate' benchmark, the return to the landowner for the specific site is not enough to cover the cost of the existing dwelling. In this instance the Council would re-negotiate the affordable housing provision to ensure that the site comes forward.

Site 4: Worgret Road, Wareham

Site Ref	Sub Market	Scheme	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
4	Wareham	Worgret Road	153	50%	Agricultural	£5,728,000	£1.19	£785,000	£1.17	£0.69

Description: Large PLP1 settlement extension on agricultural land (greenfield). The Council has granted planning permission for 153 dwellings, 76 affordable (90:10 split), with a commuted sum of half an affordable unit, SANGs and other section 106. Planning Permission: 6/2013/0278. Site Area: 4.83 ha (for developable area of housing).

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£96,600	4.83 hectares at £20,000 agricultural value
Site acquisition costs	Unknown	Site not sold. Bloor Homes have option with landowner.
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£23,240,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£20,000 minimum	Policy DH: 14 hectares of SANGs at £20,000 agricultural value would equate to £280,000 but the land will remain in the ownership of the landowner and leased to tenant farmer for agricultural use, but with public access. Maintenance of SANGs – £20,000
	£20,000	Policy PH: Doubled up by the SANGs, with 1ha shortfall 'purchased' for £20,000 from another landowner
	£7,952,000	Policy AH: 50% affordable housing
	Unknown	Policy D: Unknown. Bloor Homes may be able to provide costs.
CIL charge	£785,000	CIL at £100 per sqm CIL as a proportion of development costs = 3.28%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	38% higher	£0.69M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£5.7M	Which is £5.6M above EUV, minus the costs of policies DH, PH and D

Commentary: The Council has granted planning permission for this policy compliant proposal. The assessment indicates that the landowner return is £5.7M from the site. There is plenty of buffer to meet the costs (once known) of the policy requirements, although they are unlikely to amount to more than £0.5M. The developer (Bloor Homes) has brought this site forward without raising any concerns over viability and this is highlighted by the returns that are significantly higher than the 'going rate' benchmark viability, during the planning application process. CIL will not be higher than the existing Section 106 and so the Council has no concerns over site viability.

Site 5: Pound Lane, Wareham

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
5	Wareham	8	40%	Car park	£190,000	£1.70	£42,800	£1.68	£1.20

Description: Terrace of 8 dwellings on car park & ancillary building (brownfield)

Site Area: 0.112ha

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value (EUV)	£8,000	Rateable value of site
Site acquisition costs	Commercially sensitive	Council owned and sold to developer subject to gain of planning permission
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£1,154,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A as not a settlement extension
	£320,000	Policy AH: 40% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£42,800	£100 per sqm. CIL as a proportion of development costs = 3.71%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	250% above	£1.20M over the 'going rate' of £0.5M
Residual value	£190,000	Which is £182,000 above EUV

Commentary: This is a Council owned car park and store that the Council is bringing forward for residential development. The assessment indicates that the site is significantly higher than both per hectare benchmarks. The residual value for the site is £196,000. This is significantly below the DVS valuation of the site and offers for the site submitted by developers with policy compliant proposals. This may be because the site commands premium sales values rather than the average sales values used in the Council's assessment. The Council as landowner has decided to proceed and dispose of the car park. The car park revenue will not be lost as it will be absorbed by an adjacent Council car park.

Site 6: Huntick Road, Lytchett Matravers

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
6	Rural Fringe	50	50%	Agricultural	£2,238,000	£1.12	£252,000	£1.10	£0.62

Description: 50 dwelling PLP1 settlement extension at Lytchett Matravers on agricultural land (greenfield). It includes 25 affordable dwellings, some business units and SANGs. The Council has only tested the 2ha of the site developable for housing.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£40,000	2 hectares at £20,000 agricultural value
Site acquisition costs	Unknown	Site yet to be sold to a developer
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£7,632,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£20,000 minimum	Policy DH: Amount of SANGs to be agreed. Expected 2 hectares on adjacent land within the same landowner's estate at value of £40,000 (£20,000 per hectare agricultural value). The land could remain in the ownership of the landowner and could still provide an agricultural return, but with public access. Maintenance of SANGs – estimated at £20,000.
	Unknown	Policy PH: Not known until SANGs agreed and credit from existing nitrogen usage is calculated.
	2,352,000	Policy AH: 50% affordable housing
	Unknown	Policy D: Not yet known. Negotiated site by site
CIL charge	£252,000	£100 per sqm. CIL as a proportion of development costs = 3.30%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	124% higher	£0.62M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£2.24M	Which is £2.2M above EUV, minus the costs of policies DH, PH and D

Commentary: This settlement extension has not yet been submitted as a planning application. The landowner return is over £2.22M for the site (which excludes the business units). There is a substantial viability cushion to deliver the remaining policy requirements. Per hectare the uplift is 56 times agricultural value and significantly higher than both benchmark land values. The Council has assumed a density of 25 dwellings per hectare (50 dwellings on 2 hectares). In reality a higher number of units may be deliverable, increasing the potential residual value.

Site 7: Station Cottages, Moreton

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
7	Rural Fringe	2	40%	Garden	£57,200	£1.63	£15,000	£1.61	£1.13

Description: 2 semi-detached houses on garden land (greenfield). Planning Permission: 6/2011/0685. Site Area: 0.035ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value (EUV)	£0	Not known whether loss of garden reduced sales value of existing property.
Site acquisition costs	Not known	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£299,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A as not a settlement extension
	£91,000	Policy AH: 40% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£15,000	£100 per sqm CIL as a proportion of development costs = 5.02%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	226% above	£1.13M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£57,200	Which is £57,200 above EUV, unless the loss of garden results in a de-valuation of existing property.

Commentary: When the Council granted planning permission for this scheme no affordable housing was required. Under the current policy the developer will have to provide 40% affordable housing, which in this instance would be a commuted sum of 0.8 of a dwelling. The landowner return is £57,200 for garden land and will depend upon the landowner's circumstances and aspirations whether they are willing to sell. This assessment does not indicate whether the loss of garden would reduce the value of the existing house and so it is difficult to estimate an existing use value. However, on a hectare basis the development far exceeds the benchmark levels per hectare.

Site 8: Settlement Extension at Bere Regis

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
8	Rural Centre	50	40%	Agricultural	£1,206,000	£0.80	£86,000	£0.78	£0.30

Description: Medium settlement extension on agricultural land (greenfield). Site Area: 1.5ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£30,000	1.5 hectares at £20,000 agricultural value
Site acquisition costs	Unknown	Site yet to be sold to a developer
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£7,464,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£20,000 minimum	Policy DH: Amount of SANGs to be agreed from landowner's substantial landholding around the village. Maintenance of SANGs estimated at £20,000.
	Unknown	Policy PH: Not known until SANGs agreed and credit from existing nitrogen usage is calculated.
	£2,078,000	Policy AH: 40% affordable housing
	Unknown	Policy D: Not yet known. Negotiated site by site
CIL charge	£86,000	£30 per sqm CIL as a proportion of development costs = 1.15%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	60% higher	£0.3M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£1.2M	Which is £1.17M above EUV, minus the costs of policies DH, PH and D

Commentary: This settlement extension to Bere Regis will be allocated through the Bere Regis Neighbourhood Plan. The landowner return is £1.2M for the site, which on a per hectare basis is an uplift of 40 times agricultural value. This exceeds both benchmarks. There is a significant viability cushion to deliver the remaining policy requirements. This site is in the lower value submarket with a £30 CIL rate, with CIL around 1% of development costs.

Site 9: Dorchester Road, Wool

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
9	Rural Centre	4	40%	House and Garden	£53,400	£0.38	£9,000	£0.36	-£0.12

Description: 4 detached dwellings replacing a single detached dwelling and neighbours garden (mix of brownfield/greenfield). Planning Permission: 6/2011/0068. Site Area: 0.14ha

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£200,000 minimum	Average value of existing 2 bed dwelling. Not known whether loss of garden reduced sales value of existing property
Site acquisition costs	Unknown	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£647,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A as not a settlement extension
	£209,000	Policy AH: 40% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£9,000	£30 per sqm CIL as a proportion of development costs = 1.39%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	24% below	-£0.12M below the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£53,400	Which is -£146,600 below EUV with cost of garden loss to be included

Commentary: When the Council granted planning permission for this scheme no affordable housing was required. Under the current policy the developer will have to provide 40% affordable housing. The landowner return is £53,400 which will probably not to cover the cost of the existing dwelling. In this instance the Council would have to re-negotiate the affordable housing provision. The CIL is low due to the 'credit' of the existing dwelling and is only 1.3% of development costs. The residual value per hectare is slightly below the 'going rate' benchmark.

Site 10: Policeman's Lane, Upton

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
10	Upton	71	40%	Agricultural	£1,468,000	£0.67	£127,000	£0.65	£0.17

Description: Medium PLP1 settlement extension on agricultural land (greenfield). Site Area: 2.19ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£43,800	2.19 hectares at £20,000 agricultural value
Site acquisition costs	Unknown	Landowner has option with developer.
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£10,703,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£20,000 minimum	Policy DH: 4.7 hectares of SANGs at £20,000 agricultural value would equate to £94,000 but the land will remain in the ownership of the landowner and leased to tenant farmer for agricultural use, but with public access. The cost cannot be defined. Maintenance of SANGs estimated at £20,000
	Unknown	Policy PH: Site credit yet to be calculated and agreed
	2,921,000	Policy AH: 40% affordable housing
	Unknown	Policy D: Not yet known. Negotiated site by site
CIL charge	£127,000	£30 per sqm CIL as a proportion of development costs = 1.19%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	34% higher	£0.17M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£1.47M	Which is £1.40M above EUV, minus the costs of policies DH, PH and D

Commentary: The developer, Wyatt Homes, has not yet brought this settlement extension at Upton forward as a planning application, but it has submitted its pre-application plans for Council consideration. The Council has used these plans to base the calculations for CIL and the density/mix of dwellings. The landowner return is over £1.47M for the site and is above both benchmarks. The uplift in residual value per hectare would be 33 times agricultural value, which is attractive to a landowner. There is a significant viability cushion to deliver the remaining policy requirements. This scheme is in the lower value submarket with a £30 CIL rate and CIL only accounts for 1.19% of development costs.

Site 11: Blandford Road, Upton

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
11	Upton	9	40%	House and garden	£187,200	£1.44	£7,000	£1.42	£0.92

Description: 9 x 2 bed houses replacing single detached dwelling and part of neighbours garden (brownfield). Planning Permission: 6/2011/0766. Site Area: 0.13ha

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£222,000 minimum	Average value of existing 3 bed dwelling. Not known whether loss of garden reduced sales value of existing property.
Site acquisition costs	Unknown	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£998,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A as not a settlement extension
	£350,000	Policy AH: 40% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£7,000	£30 per sqm CIL as a proportion of development costs = 0.7%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	184% above	£0.92M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£187,200	-£34,800 below EUV with cost of loss of garden to be added.

Commentary: When the Council granted planning permission for this scheme no affordable housing was required. Under the current policy the developer will have to provide 40% affordable housing. The landowner return is estimated at £187,200 which may not be enough uplift above the high existing use value of the dwelling. This scheme is in the lower value submarket with a £30 CIL rate and CIL only accounts for less than 1% of development costs, due to the credit from the existing dwelling.

Site 12: Dorchester Road, Upton

Site Ref	Sub Market	No of dwellings	Affordable Housing %	Existing Use	Residual Value for site	Residual Value per Ha (£ million)	CIL for site	Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
12	Upton	1	40%	Garden	£44,000	£0.60	£3,000	£0.58	£0.10

Description: Single 3 bed detached bungalow and garage on garden land (greenfield). Planning Permission: 6/2011/0654. Site Area: 0.0726ha.

The examiner has asked for the following specifics for each site:	Amount	Notes
Existing use value	£0	Not known whether loss of garden reduced sales value of existing property.
Site acquisition costs	Unknown	
Development costs, including build costs, infrastructure costs, abnormal costs, sales and marketing costs and legal/planning fees.	£173,000	Standard assumptions with no abnormal costs identified
Cost of policy requirements e.g. S 106, CSH Level 3	£0	Policy DH: N/A as not a settlement extension
	£0	Policy PH: N/A as not a settlement extension
	£0	Policy AH: 40% affordable housing
	£0	Policy D: N/A as scheme under 10 dwellings
CIL charge	£3,000	£30 per sqm CIL as a proportion of development costs = 1.73%
Profit margin, as a % of the gross development value	17.5%	
Viability cushion - £0.5M per hectare 'Going Rate'	20% above	£0.1M over the 'going rate' of £0.5M
Residual value minus cost of policy requirements	£44,000	£44,000 above EUV, unless the loss of garden results in a de-valuation of existing property.

Commentary: This scheme is a single dwelling, which is exempt from making an affordable housing contribution. The Council has tested this scheme in the lowest value area. The landowner return is £44,000 for garden land and will depend upon the landowner's circumstances and aspirations whether they are willing to sell. This assessment does not indicate whether the loss of garden would reduce the value of the existing house and so it is difficult to estimate an existing use value. On a per hectare basis the returns are higher than both benchmarks.

As this is the only scheme where CIL could affect scheme viability, as there is no affordable housing to negotiate, the Council has also tested this example in each submarket. The findings are set out below:

Submarket	Residual Value for site	Residual Value per Ha (£ million)	Surplus above benchmark (£ million per Ha)	
			Agricultural rate (£0.02m per Ha)	'Going Rate' (£0.5m per Ha)
The Coast	148,000	£2.03	£2.01	£1.51
Swanage	129,000	£1.77	£1.75	£1.27
Rural Fringe	104,000	£1.43	£1.41	£0.93
Wareham	84,000	£1.15	£1.13	£0.65
Rural Centre	59,000	£0.81	£0.79	£0.31

The residual values are higher than in Upton, and well above the per hectare benchmarks. The returns in the Coast and Swanage are the highest of any of the 12 schemes tested. The Council is confident that CIL will not have an impact upon scheme viability as it accounts for less than 5% of development costs and the landowner returns are so competitive.

Summary of sites tested

Of the 12 schemes tested, 10 come in over the 'going rate' benchmark. There is a clear pattern emerging from the testing that the Council can expect to be challenged on viability grounds where the site is a redevelopment of an existing dwelling where the existing use values are high. In contrast, sites with no redevelopment of existing dwellings have a lower existing use value and will generate significant uplift in land values. The Council may have to re-negotiate the affordable housing provision on schemes that involve the redevelopment of residential sites to ensure the development comes forward, but non residential sites can be delivered at policy compliant levels of affordable housing. CIL accounts for less than 5% of the development costs in these schemes and the Council does not consider this to have any serious impact upon site viability. The majority of schemes have a sufficient buffer to cover other development costs such as code for sustainable homes, PLP1 Policy D: Design requirements and abnormal costs, but these can be negotiated on a site by site basis where they cause viability difficulties. The settlement extensions will also be required to provide SANGs, which has not been included in the above appraisals. However, there is sufficient uplift for each site to enable the landowner to provide additional land as SANGs within their wider landholding at agricultural value.

Section 4: Meeting the Council's housing target

10. The Council's housing target is set out in PLP1 and is 2,520 dwellings for the period 2006-2027. The table below sets out the latest position:

Housing Supply Position at 1 April 2013

	Dwellings	Proportion of remaining supply
Local Plan Target (2006-2027)	2,520	
Already completed (2006-2013)	1,016	
Left to complete (2013-2027)	1,504	
Comprising:		
Commitments	196	13%
Allocated sites	570	38%
Council land	48	3%
Infill	690	46%
Total	1504	100%

11. The Council is over halfway towards its housing target for the period 2006-2027. Of the remaining supply over a half is on deliverable sites as they have planning permission, are Council owned and being progressed, are allocated or will be allocated. This leaves a balance of 690 dwellings (46 dwellings per year) which is reliant upon landowners willing to bring forward sites as infill and intensification within the settlement boundary, conversions of rural buildings or as rural exception sites. This level of development is significantly lower than the historical windfall rate of 133 dwellings per annum (from 1994-2013).
12. The Council's 5 year housing supply comprises a mix of allocated sites, Council owned sites and planning permissions. Single dwellings account for 9% the 5 year supply (60 dwellings). Single dwellings will not have to contribute affordable housing (unless the site is over 0.05ha) and as illustrated in section 1 have some of the highest returns over the two benchmark levels. The assessment in Section 1 highlights that intensification of existing residential sites (including demolition of a dwelling) may not be viable at 40-50% affordable housing plus CIL. As CIL is non-negotiable, in these circumstances the Council is likely to have to re-negotiate the affordable housing provision on an open book basis, as allowed by PDP1 Policy AH: Affordable Housing, which will still enable the sites to come forward. This type of sites only account for 3.9% of the Council's five year land supply, which comprises 27 dwellings (net) on 9 sites. The remaining 96.1% of the 5 year supply will come forward on lower value sites that don't have an existing dwelling on the site. As shown by the assessments in Section 1, the Council is therefore confident that it can achieve the full 40-50% affordable housing targets on these lower value sites, due to the potential for a significant uplift in land values.
13. Recently seven developers have chosen to seek independent assessment of a site on viability grounds. Three developers have been successful and the Council has re-negotiated the affordable housing requirement to ensure the site comes forward. Each of these sites included the demolition of an existing dwelling. The independent

appraisals showed that the other four sites could deliver affordable housing to policy requirements. These four sites did not include demolition of a dwelling, (although one scheme did include a refurbishment of an existing dwelling). This further illustrates the clear pattern emerging that sites not requiring demolition of an existing dwelling are viable at policy.

Section 5: Summary

14. The Council has assessed 12 sites which represent a sample of different sites in Purbeck that make up the 5 year land supply. It shows that re-development of non-residential sites for housing are viable at 40-50% affordable housing plus CIL across the District. Redevelopment of residential sites that involves demolition of a dwelling are less viable and the Council may not achieve 40-50% affordable housing on these types of sites. However, these sites only represent a very small part of the five year land supply (3.9%) and therefore Council's affordable housing policy justified for the majority of development sites. The Council does not consider it appropriate to have an affordable housing policy with different percentage affordable housing targets dependent upon existing uses. The current approach is the flexible as it allows independent appraisal and re-negotiation of the affordable housing contribution where necessary. As explained re-negotiation will only take place on a small element of supply and will have a minimal impact on the Council achieving its affordable housing targets.
15. The results of the assessments show that CIL accounts for approximately 5% or less of the costs on all of the 12 schemes. The Council is confident that the majority of development will not be affected by CIL. In the odd instance where CIL charge does affect viability the Council has the ability to re-negotiate the affordable housing requirement. The affect of CIL on viability is highlighted by Site 12, as this is the one example where affordable housing provision is taken out of the equation. It shows that in Upton, where land values are lowest that severing a garden to build a dwelling would after CIL net the landowner £44,000 (£0.6M per ha), which is higher than the 'going rate' benchmark. The same scheme in the other submarkets provide a much higher return, the highest in the Coast submarket at £148,000 for the scheme (£2M per ha). These returns should be attractive to landowners and ensure sites continue to come forward for development. This is evident too in the Council's windfall which has accounted for 91% of past supply, where landowners were willing to contribute £6-10k per property for required Section 106 contributions for transport and heathland. CIL will only be higher than the past Section 106 contributions in the Swanage and Coast submarkets.
16. The Council is therefore confident it will meet its housing targets and the current proposed charging rates are appropriate.

Appendix 1

Purbeck Community Infrastructure Levy

Response to the Council invitation for comments on the 12 sites to be modelled for viability

The Council invited examination participants with a development interest to comment on the 12 sites selected it selected for viability testing. The brief comment period was from the 16th-21st October. The Council did not receive any comments and so the Council tested the 12 sites on the 22nd October. The Council received two comments late on the 22nd October as follows:

Respondent	Comment	Council Response
Bloor Homes	<p>Sorry not to have got back to you sooner on this. I welcome the range of proposed sites to model for viability but it has to be totally wrong to base the policy on specific cases and planning applications. The reason is that every site has its own specific characteristics which will impact on its viability – to use that as justification for policy cannot be right. For example each of the sites selected may have specific costs, such as contamination or demolition or abnormal foundation costs, highway issues, SANG (and there could be any number of such “abnormal costs” – the potential list is almost limitless) which would render any viability calculation for policy set on the basis of those individual schemes invalid in other cases. It is therefore vital that based on this range of schemes likely to be coming forward for consideration a generic model is set out for each scale of development to be reviewed and modelled if a CIL rate based on this is to be of value. A reasonable “standard” allowance will have to be made for the potential “abnormal” site specific costs that can be expected.</p> <p>Bearing in mind the examples you have identified and the policies for both actual sites in the Local Plan, the scale of 1,000 more houses to be found through an early review of the Local Plan, and the 200 units as Swanage in the plan I suggest that generic models should be based on perhaps the following model schemes:</p> <p>100 (or say 150) dwelling units – I guess there will be little difference in the viability whichever of these numbers are selected representing a large scale site. 30 units, 10 units, 5 units. Each scale should be</p>	<p>Unfortunately the Council received this response after the deadline, when it had already modelled the original set of schemes.</p> <p>The respondent is concerned that the Council will take into account each site’s specific characteristics and these might affect viability. The Council understands this is exactly why the Examiner asked the Council to model actual sites, to assess what might happen in reality, to ensure that the hypothetical basis upon which the CIL rates were derived is robust and ultimately housing is deliverable.</p> <p>The sites modelled include a mix of actual planning permissions (8 sites) and hypothetical schemes (4 sites)</p> <p>For the sites with planning permission the Council has used the dwelling mix and sizes to calculate the CIL charge and to run these real live examples through the 3D toolkit. The Council has not referenced any ‘other costs’ about the specific scheme, such as abnormal costs, highway costs and SANGS.</p> <p>On the sites without permission, the Council has used a standard mix of dwellings and not included any ‘other costs’, and has used standard assumptions for each assessment.</p> <p>The Council hasn’t included a standard allowance for any ‘other costs’. Instead, these would be deducted from the resulting residual value. Where these lead to viability concerns developers can negotiate with the Council on a site by site basis.</p> <p>The schemes tested include 153, 35, 9 and 4 dwellings which are in around the numbers that the respondent suggests. The schemes are tested across each of the</p>

Respondent	Comment	Council Response
	<p>modelled for say Upton, Wareham, Swanage and Wool to reflect the areas you have identified in the CIL papers.</p> <p>Since there is proposed to be 200 dwellings at Swanage it may be a scheme of 100 – 150 will come forward or there may be several smaller ones. Likewise with a range of scheme scales likely to come forward to meet housing needs this matrix of analysis will give a robust test which can then be updated to reflect changes in market conditions as CIL is reviewed over time.</p>	<p>submarkets, in line with what is likely to come forward in those areas in the remainder of the plan period.</p> <p>Over time, the Council will be able to use the results of independent viability analysis of real planning applications to inform CIL (and the affordable housing policy). 7 schemes have been through this process, 4 that were shown to be policy compliant with no viability concerns. The 3 sites that were shown to not be viable at policy, each had a high existing use value and as a result the Council will re-negotiate the affordable housing requirement.</p>
Wyatt Homes	I have only just heard from Bloor Homes representative that you have suggested some revised modelling techniques. I have seen his response and would agree that you should use hypothetical sites rather than specific ones for the reasons set out by Simon.	Unfortunately the Council received this response after the deadline, when it had already modelled the original set of schemes. The Council sent the consultation notification to the Wyatt Homes contact for the examination. Response as above.