

Difficult Sites and Viability

Jo Russell, Director

September 2017



Turley

Overview

- What does the NPPF say about viability - para. 173
- Implications of the NPPF
- What should we consider?
- Practical Examples

What does the NPPF say about Viability – para. 173

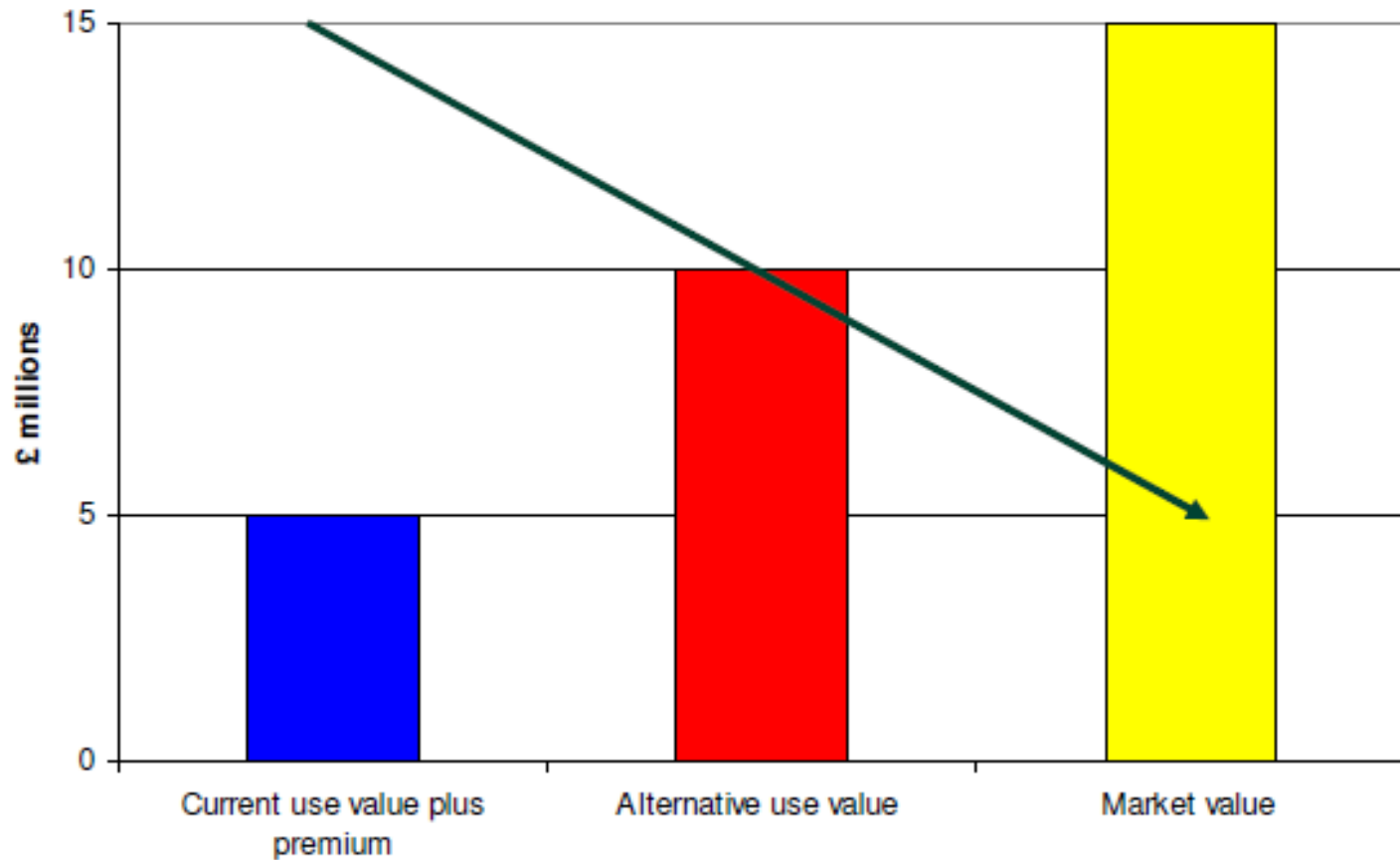
“Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking.

Plans should be **deliverable**.

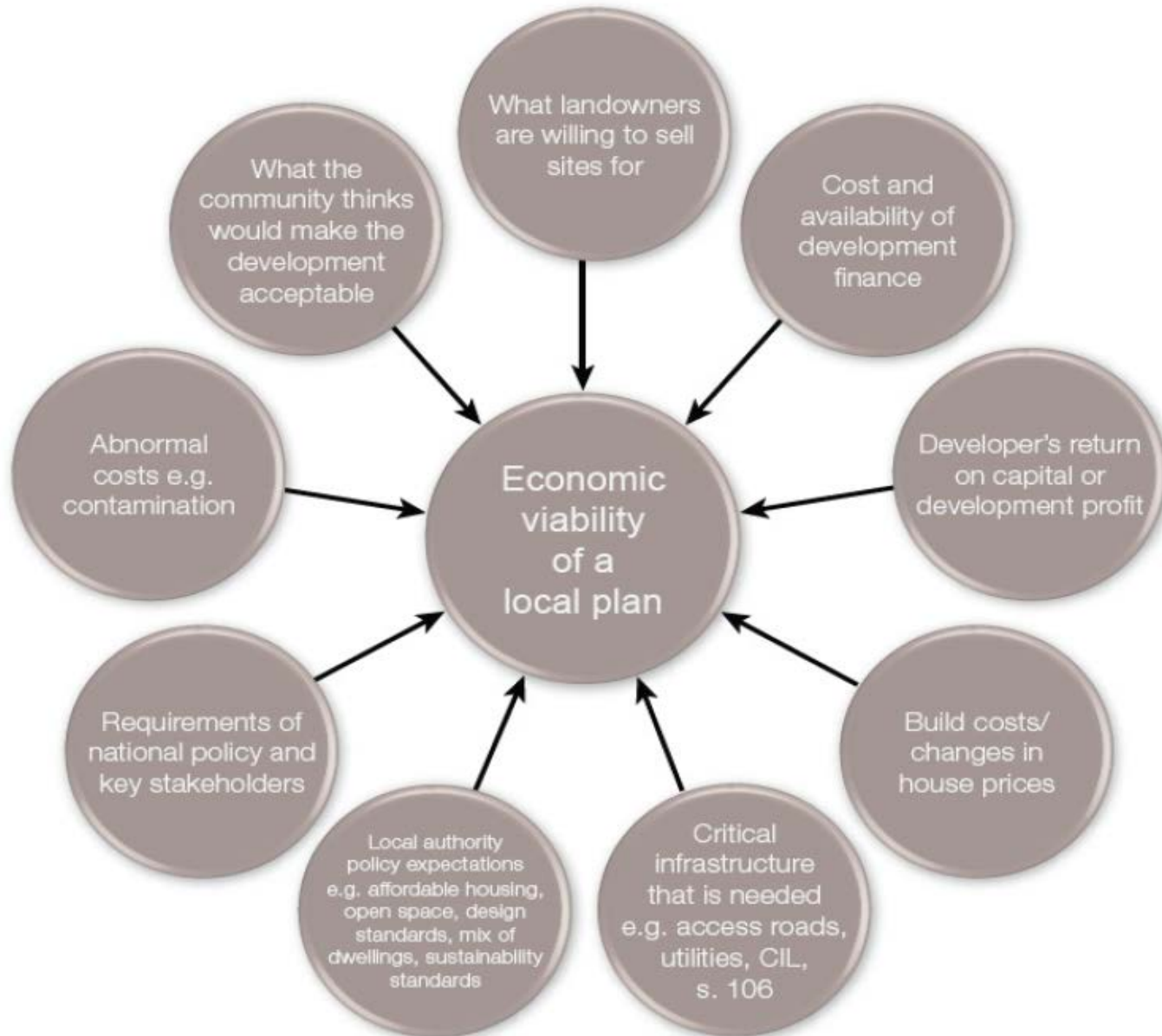
The sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for 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.”

Implications of the NPPF

What constitutes a 'competitive return'

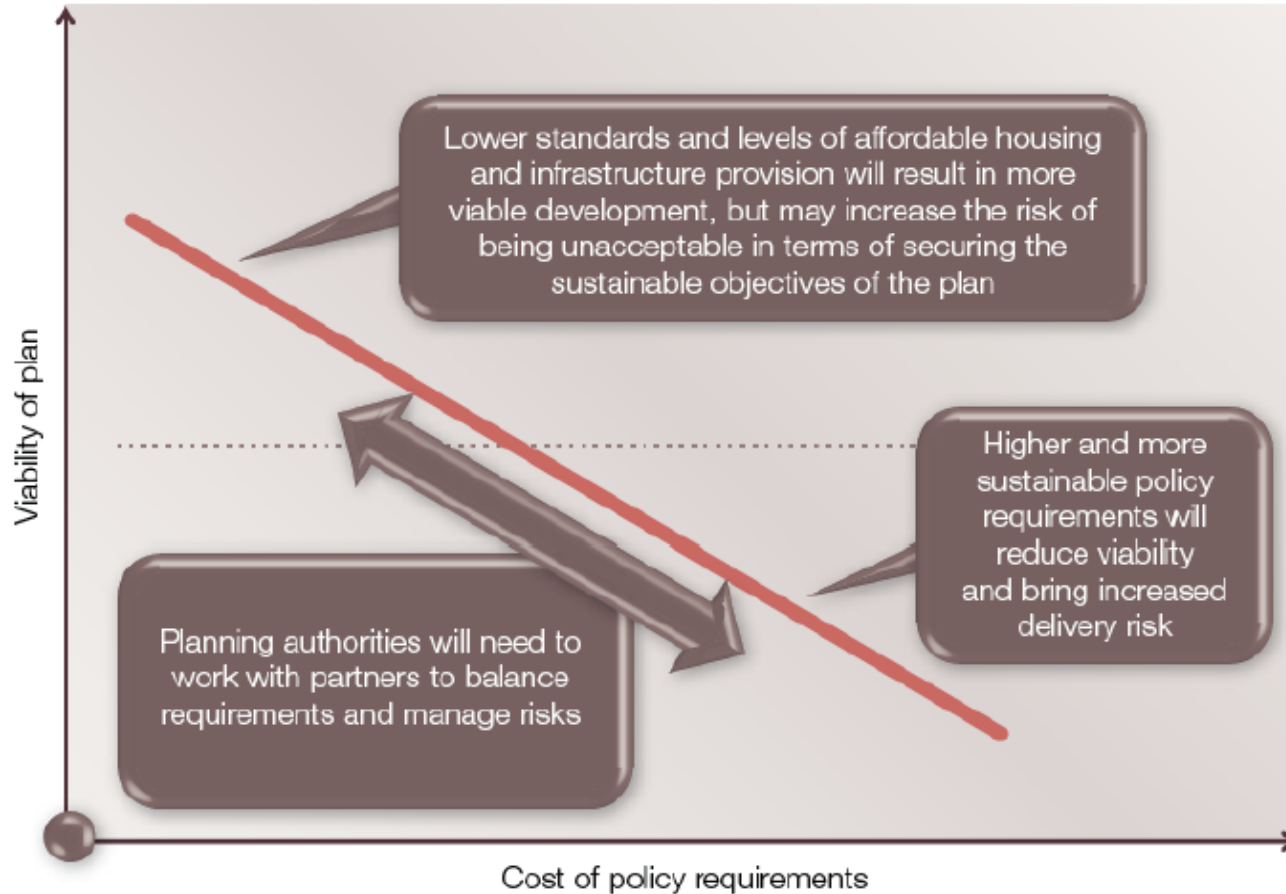


Implications of the NPPF



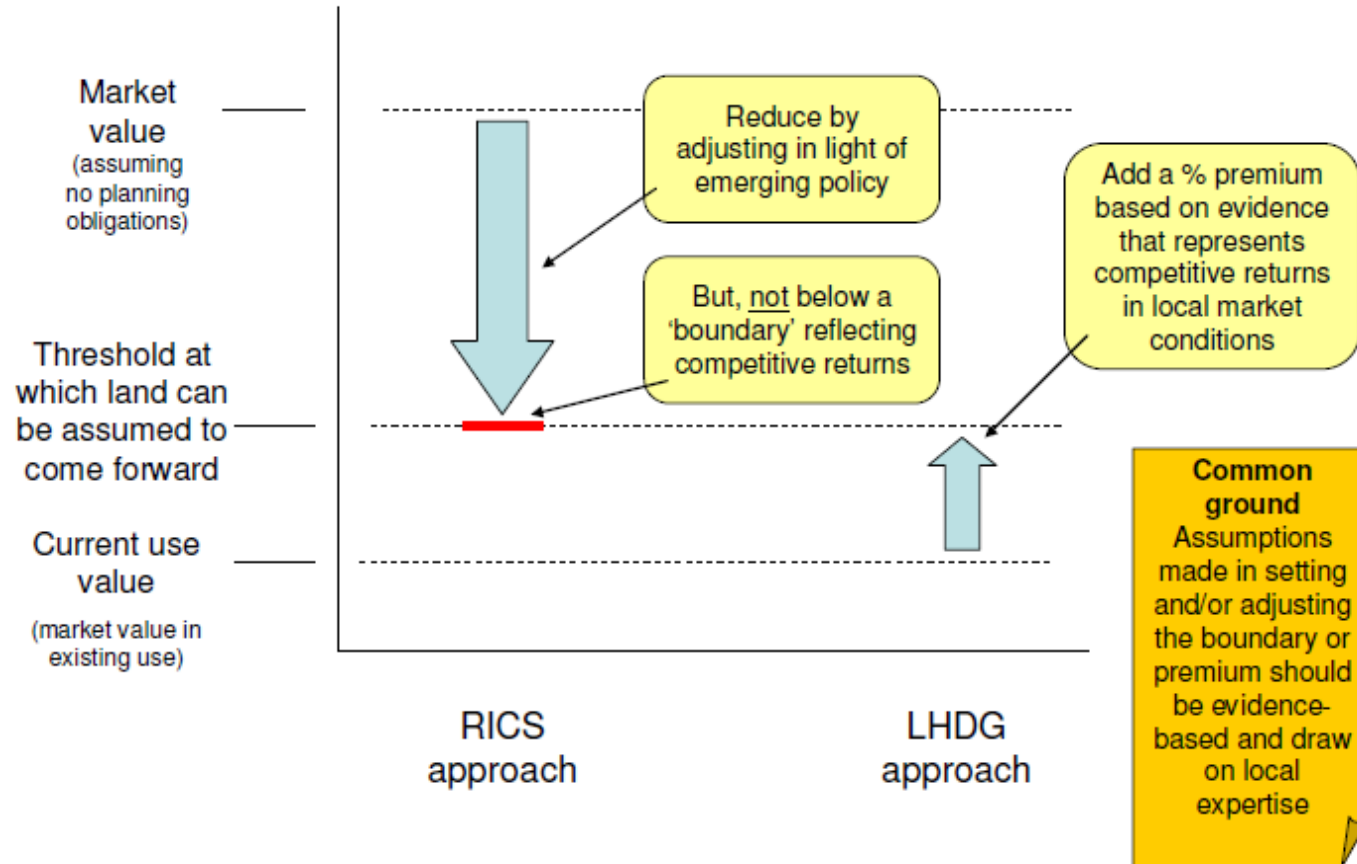
Implications of the NPPF

Balancing delivery risk and sustainable plan policies

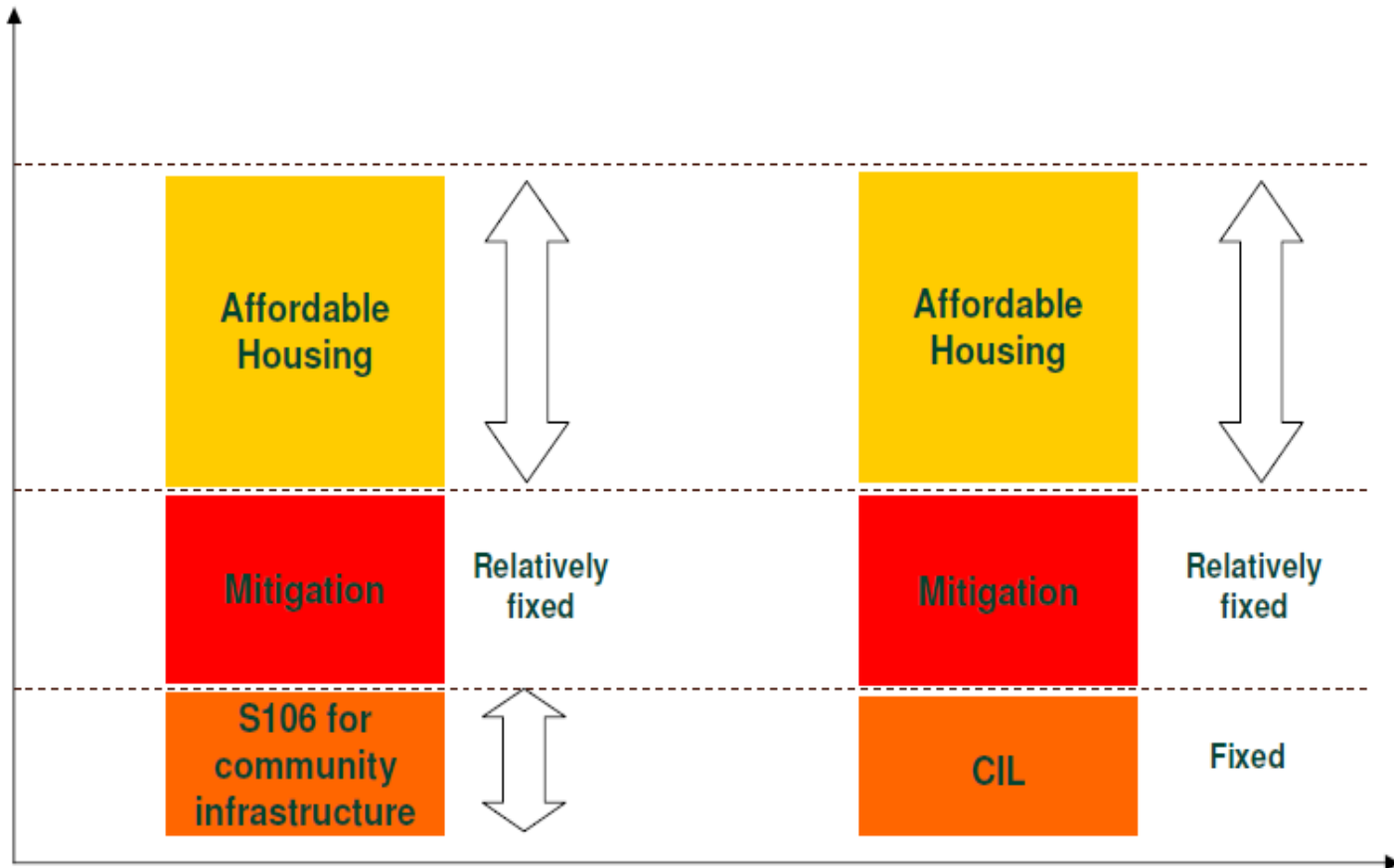


Implications of the NPPF

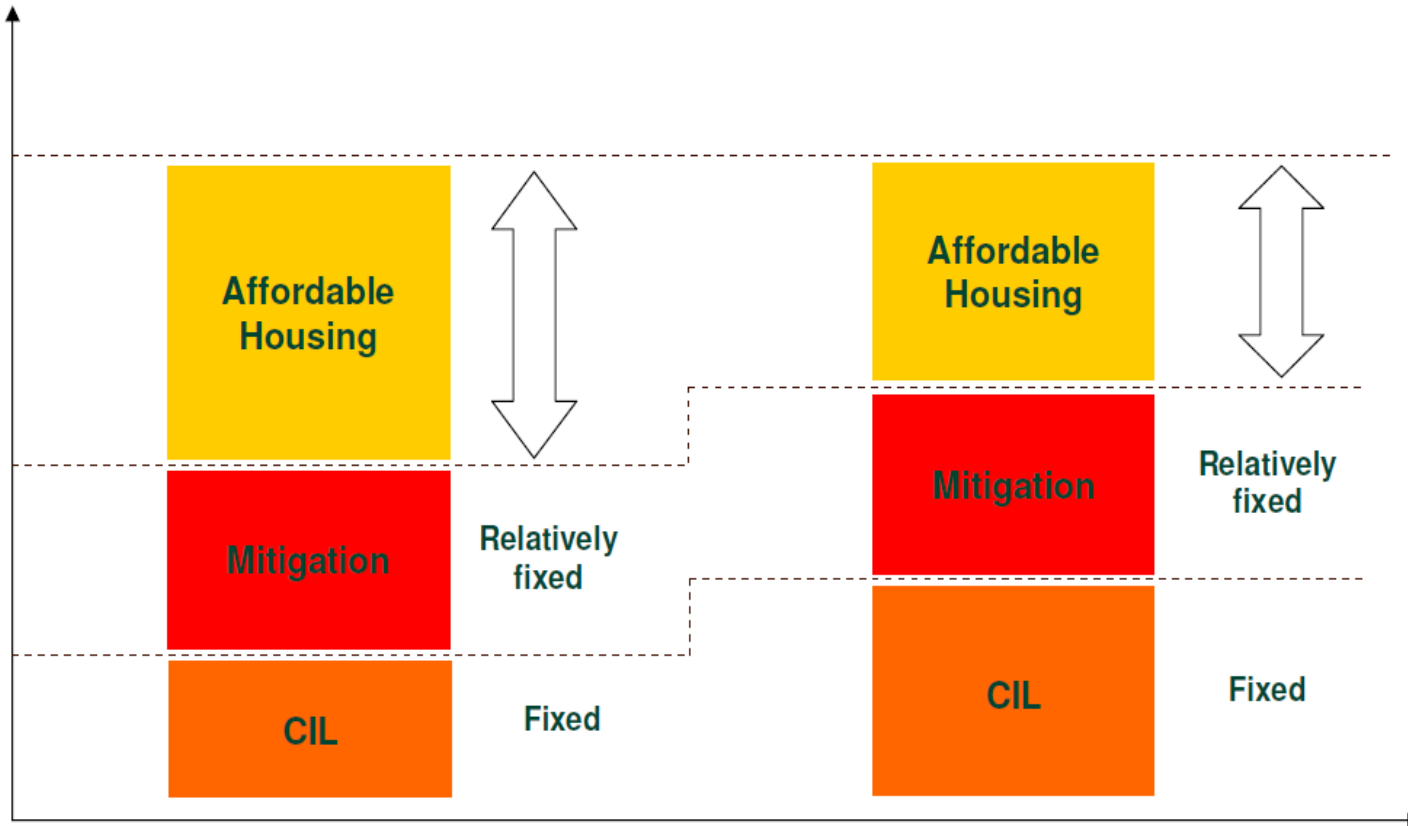
Establishing a site value benchmark for viability where plan policies are being tested



Implications of the NPPF



Implications of the NPPF



Practical Examples - Delivering Difficult Sites

Strategic sites

- Greenfield v brownfield myths
- Impacts of S106/CIL
- Impacts of sustainability policies
- Housing mix policies

Greenfield Site Example

A Strategic Employment Site Allocation

- 53 hectare site - but only 35 hectares developable
- Utilities infrastructure connections and costs
- New access roundabout and M5 junction improvements
- Green infrastructure costs

Brownfield Site Example

- Remediation to address ground conditions
- Planning Conditions
- Differing CIL costs between this and neighbourhood sites
- Long lead in times – Core Strategy adopted since Planning Permission granted – implications of housing mix policy

Applying housing mix

Who loses?

- Typical 118 dwelling scheme, of which 67% market housing (79 units no.) - Market Mix compared across two Districts with different housing mix requirements

	District 1	District 2
1 bed	5-10%	0 % (forms part of 1-2 bed req.)
2 bed	35 - 40%	6 %
3 bed	40-45%	38%
4+ bed	15-20%	56%
Total sqm	7,326sqm	8,544 sqm

Equivalent to a 1,218sqm of lost floorspace

Or: 13.5 4 bed affordable homes

9.5 4 bed market homes

18.5 2 bed market homes

14 3 bed market homes

Conclusions

- Land owners need to be incentivised to ensure land comes forward
- We need to understand the market
- We need a shared understanding of the development process:
 - motivations for delivering
 - commercial considerations/realism
- A transparent and collaborative approach to viability assessment and delivery
- Achieving the above = more certainty for developers and LPAs; can reduce the need for renegotiating S106 etc. after permission has been granted; and The Local Plan is sound/ development gets built !

Turley