



**CUSHMAN &  
WAKEFIELD**

# LOCAL PLAN VIABILITY STUDY ADDENDUM

Prepared for

**HUNTINGDONSHIRE  
DISTRICT COUNCIL**

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## 1. Introduction

### 1.1. Background

This addendum report is submitted as part of the evidence base for the Local Plan to 2036 Consultation Draft 2017, and follows on from the Local Plan Viability Study issued in June 2017. The June 2017 report tested a range of residential development across a variety of value areas, ranged to be representative of the character of the District and the proposed sites in the Huntingdonshire Local Plan 2036 (HLP 2036). The purpose of this report is to consider changes to the overall level and distribution of new homes proposed following a further ‘call for sites’ exercise in summer 2017.

Both this report and the June 2017 report were prepared for Huntingdonshire District Council (HDC) by Cushman & Wakefield (CW). Cushman & Wakefield were appointed by Huntingdonshire District Council to assist in the preparation of its emerging local plan, Huntingdonshire Local Plan 2036 (HLP 2036) through an iterative process of testing viability (Growth Viability Assessment), including:

- a) Policy development viability testing
- b) Affordable housing requirement viability testing
- c) Site-specific viability testing
- d) Viability testing of a range of site types

This report, and the June 2017 report, comprise the Growth Viability Assessment and must be read in conjunction with each other.

### 1.2. Report Objectives

The primary objectives of the Growth Viability Assessment are to:

- a) Support the deliverability of the HLP2036, by ensuring that the Local Plan vision, allocations and policies are viable and deliverable; and,
- b) Enable the Council to maximise gain through planning obligations in order to improve delivery of infrastructure and affordable housing, whilst balanced against the desire to encourage growth and delivery across the District

The Consultation Draft of HLP 2036 was issued concurrently with a “call for potential development sites”, with two prime purposes:

1. To identify previously developed land potentially suitable for residential development for inclusion in a Brownfield Land Register expected to be compiled by 31 December 2017; and,
2. To ensure sufficient land is identified which is available for development should it be required in response to changes arising out of the Housing White Paper ‘Fixing our broken housing market’

This Addendum serves to refresh the “Whole Plan Viability” review featured in the June 2017 report:

- by way of factoring in the impact of 12 sites to be added to the Local Plan on “Whole Plan Viability” as a result of the call for sites, alongside,
- other changes in projected housing numbers at certain sites, based on, for example changes in assumed housing densities.

The update report also tests Policy LP24 – Housing Mix, with regard to Accessible and adaptable homes, which featured in the Consultation Draft. Whilst the June 2017 report analysed potential headroom for policy standards with regard to Accessible and adaptable homes, it was not able to consider this against any proposed policy targets as they did not exist at the time of the modelling.

The following sections of the report consider:

- Section 2: Outlines the approach to preparing this report
- Section 3: Sets out the refreshed “Whole Plan Cumulative Assessment”
- Section 4: Sets out the testing for LP 24: Accessible & Adaptable Homes
- Section 5: Conclusion

## 2. Approach

### 2.1. Consultation and Engagement

The Growth Viability Assessment issued in June 2017 was undertaken following the principles of the guidance 'Viability Testing Local Plans – Advice for planning practitioners' document issued in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman, known as the Harman Review. The consultation process was outlined in detail within the June 2017 report.

### 2.2. Modelling

The further analysis undertaken in the preparation of this Addendum report, relating to the additional sites and with regard to Accessible and adaptable homes, is made on the basis of the assumptions used in the June 2017 report, which were adopted on the basis of the consultation process described in that report. The additional sites have been considered against the typologies outlined in the June 17 report. As no new typologies have been identified, there has not been a requirement for any further viability assessments.

#### **Whole Plan Cumulative Assessment**

As stated in Section 1, this update report considers the impact of sites added to the Local Plan on "Whole Plan Viability" as a result of this call for sites, alongside other changes in projected housing numbers at certain sites, based on for example changes in assumed housing densities.

The new schedule of Local Plan site allocations were matched on a "best fit" basis to the typology modelling underpinning the June 2017 report, taking into account the size, broad market location and proposed density for each of the sites. This produces a high level, cumulative estimate of the affordable housing potentially deliverable across the Local Plan site allocations as a whole.

The approach:

- first, takes, for each site, the % affordable housing (to the nearest 5%) (A),
- then, a total approximation of the quantum of affordable housing that is deliverable across the sites is calculated by converting the % deliverable at each site (A), to an actual number of affordable dwellings, and totalling this across all the sites (B),
- the total number of affordable dwellings deliverable (B) is divided by the total number of dwellings to arrive at the approximation of affordable housing (%).

#### **Testing of LP24 - Housing Mix, with regard to Accessible and adaptable homes**

The update report also tests Policy LP24 – Housing Mix, with regard to Accessible and adaptable homes, which featured in the Consultation Draft. Whilst the June 2017 report analysed potential headroom for policy standards with regard to Accessible and adaptable homes, it was not able to consider this against any proposed policy targets as they did not exist at the time of the modelling.

Policy LP24 of the Consultation Draft, regarding Accessible and adaptable homes, is as follows.

*A proposal that includes housing will be supported which meets the optional Building Regulation accessibility standards (or replacement standards) as set out below, unless it can be demonstrated that site-specific factors make achieving this impractical or unviable:*

- f. ensuring 100% of new dwellings, across all tenures provided, meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings' (or replacement standards); and*

*g. within a large scale development proposal the construction standards of 9% of new market dwellings should be further enhanced to meet Building Regulation requirement M4(3) 'wheelchair adaptable dwellings' (or replacement standards); and*

*h. for all affordable housing an appropriate proportion meeting Building Regulation requirement M4(3) 'wheelchair adaptable dwellings' (or replacement standards) should be negotiated with the Council's Housing Strategy team.*

As with the June 2017 report, this addendum report considers the headroom between the residual land values produced for the affordable housing quantum tested (40%, where shaded green), and the benchmark land values. Such headroom is of interest when considering the potential for introducing additional policy standards that will have a material bearing on the development cost of housing.

The difference to the June 2017 report, is that with the % requirements for accessibility standards now set out in Policy LP 24, the "cost" of the policy at the specified % requirements, can now be considered against the available viability headroom.

## 3. Whole Plan Cumulative Assessment

### 3.1. Introduction

Drawing on individual site assessments undertaken through a Housing and Economic Land Availability Assessment, HLP 2036 includes a packages of sites proposed as capable of delivering the development strategy for the district up to 2036. For each site, HLP 2036 has assumed certain development densities, and the viability modelling has sought to reflect this by way of the typologies tested. On this basis, a number of different typologies have been tested to reflect the different circumstances of sites across Huntingdonshire District, including:

- Development Density:
  - o 60 dwellings per hectare (dph)
  - o 50 dwellings per hectare (dph)
  - o 35 dwellings per hectare (dph)
  
- Market Area (expressed through different assumptions regarding sales values and benchmark land values)
  
- Development context
  - o Greenfield
  - o Previously Developed Land
  
- Development Size
  - o A range from 11 dwellings, through to 1,500 dwellings

As stated in Section 2, the new schedule of Local Plan site allocations were matched on a “best fit” basis to the typology modelling underpinning the June 2017 report, taking into account the size, broad market location and proposed density for each of the sites. This produces a high level, cumulative estimate of the affordable housing potentially deliverable across the Local Plan site allocations as a whole.

As with the analysis behind the June 2017 report:

- the two Strategic Expansion Locations (SELs), namely St Neots East and Alconbury Weald (with the exception of RAF Alconbury, which is included), are excluded from this analysis, due to their being at varying stages of development and on that basis, are considered to have commenced subject to the resolution of site specific viability negotiations.

### 3.2. Analysis

The Whole Plan cumulative assessment suggests a cumulative affordable housing figure of 33% across all sites, which is a slight improvement on the 30% presented in the June 2017 report. This essentially relates to the aggregate performance of the twelve additional sites, which are virtually all greenfield sites in the well performing 50 to 150 dwelling bracket. As the June 2017 report noted, sites in the region of 50 – 150 dwellings generally perform well, as they are large enough to attract national housebuilders, whilst being below the 200 dwelling threshold (Developments of 200 dwellings and over are exposed to additional Section 106 liabilities for community infrastructure not covered through the CIL, in addition to the strategic enabling infrastructure costs typical of larger schemes (see June 2017 report)).

As outlined in the June 2017 report, the most popular (or “modal”) affordable housing performance category was 35-40%, and this remains the case in the refreshed cumulative assessment. This is driven by the large number of greenfield sites with an assumed density of 35dph, and falling into the 50 to 200 dwelling bracket, ***the “best fit” modelling suggesting affordable housing performance of the greenfield sites of around 38%.*** Alongside this high level viability study, confidence in the ability of sites of 200 dwellings and over, to contribute the required affordable housing numbers, can also be drawn from the performance of strategic sites in the District. The June 2017 report highlighted how sites of similar size in these areas of the District were performing well in terms of agreed or pending affordable housing numbers.

It is important to note that the Previously Developed Land (PDL) sites in the Local Plan, which overall perform less well than the Greenfield sites (as would be expected) are notably fewer in number than the Greenfield sites. Furthermore, medium size developments (circa 100 dwellings) in this context, and of a typical (circa 35dph) suburban density have been proven to perform well (For example, the S016 agreement for the former Dairy Crest Site, Fenstanton, achieved 40% affordable housing).



## 4. Testing of Policy LP24 - Accessible & adaptable homes

### 4.1. Introduction

This update report also tests Policy LP24 – Housing Mix, with regard to Accessible and adaptable homes, which featured in the Consultation Draft. Whilst the June 2017 report analysed potential headroom for policy standards with regard to Accessible and adaptable homes, it was not able to consider this against any proposed policy targets as they did not exist at the time of the modelling.

Policy LP24 of the Consultation Draft, regarding Accessible and adaptable homes, is as follows.

*A proposal that includes housing will be supported which meets the optional Building Regulation accessibility standards (or replacement standards) as set out below, unless it can be demonstrated that site-specific factors make achieving this impractical or unviable:*

*f. ensuring 100% of new dwellings, across all tenures provided, meet Building Regulation requirement M4(2) ‘accessible and adaptable dwellings’ (or replacement standards); and*

*g. within a large scale development proposal the construction standards of 9% of new market dwellings should be further enhanced to meet Building Regulation requirement M4(3) ‘wheelchair adaptable dwellings’ (or replacement standards); and*

*h. for all affordable housing an appropriate proportion meeting Building Regulation requirement M4(3) ‘wheelchair adaptable dwellings’ (or replacement standards) should be negotiated with the Council’s Housing Strategy team.*

As with Section 4 of the June 2017 report, this addendum report considers the headroom between the residual land values produced for the affordable housing quantum tested (40%, where shaded green), and the benchmark land values. Such headroom is of interest when considering the potential for introducing additional policy standards that will have a material bearing on the development cost of housing.

The difference to the June 2017 report, is that with the % requirements for accessibility standards now set out in Policy LP 24, the “cost” of the policy at the specified % requirements, can now be considered against the available viability headroom.

The body of this section sets out the modelling process, including a recap of the standards and our approach to the modelling.

### 4.2. Effect on Development Economics

We have reviewed the EC Harris report Housing Standards Review, Cost Impacts (Department for Communities and Local Government, September 2014) with regard to the development viability implications of the implementation of disability access standards.

Specifically, we have been asked to consider the potential viability implications of the implementation of the following standards.

- M4(2) Category 2 - Accessible and Adaptable dwellings.
- M4(3) Category 3 - Wheelchair User dwellings

These are optional build standards, defined as below, and provide a level of accessibility specification above the mandatory M4(1) standard.

NPPG states that local planning authorities can decide how to approach demonstrating the need for Requirement M4(2) accessible and adaptable dwellings, and / or M4(3) wheelchair user dwellings of the Building Regulations, based on their housing needs assessment and other available datasets.

The EC Harris report considers the impact of implementing these standards at two levels.

**First**, the Study considers the “extra over” costs (in relation to industry standards) of implementing the standards, as below (per dwelling), as below

	1Bed Apartment	2Bed Apartment	2Bed Terrace	3Bed Semi-detached	4Bed Detached
<b>M4(2) Adaptable &amp; Accessible</b>	£940	£907	£523	£521	£520
<b>M4(3) Wheelchair Adaptable</b>	£7,607	£7,891	£9,754	£10,307	£10,568

For the June 2017 report, we did not re-examine the provenance of these figures, which was beyond the scope of the study. There is no obvious reason to question their continued soundness, and we have not been made aware of any changes in practice, since the issuing of the June 2017 report, that will have changed the cost basis of the figure.

**Second**, the EC Harris study considers the enhanced spatial requirements of implementing the standards, over and above what it considers as the average size of dwelling.

The additional space requirements, and EC Harris’ view on the associated costs, for M4(2/Category 2) and M4(3/Category 3), are set out below. These costs are additional to the extra over costs set out above.

Table 45a – Access related space cost summary

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
<b>Cost increase for additional m2</b>										
Category 2	+ 1 sq.m	£722	+ 1 sq.m	£722	+ 2 sq.m	£1,444	+ 3 sq.m	£2,166	+ 3 sq.m	£2,166
Category 3	+ 8 sq.m	£5,776	+ 14 sq.m	£10,108	+ 21 sq.m	£15,162	+ 24 sq.m	£17,328	+ 24 sq.m	£17,328

**Finally**, the Study assumed that for private and intermediate housing, changes in the space standard can have an impact on sales value, which may offset some or all of the additional build cost. On this basis the report presented figures for “Access related space cost after Space cost recovery” (i.e. the “net” cost of the additional space requirements), as below. The net reduction in costs are shown to be in the region of 60%.

Table 45b – Access related space cost after Space cost recovery

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Category 2	+ 1 sq.m	£289	+ 1 sq.m	£289	+ 2 sq.m	£578	+ 3 sq.m	£866	+ 3 sq.m	£866
Category 3	+ 8 sq.m	£2,310	+ 14 sq.m	£4,043	+ 21 sq.m	£6,065	+ 24 sq.m	£6,931	+ 24 sq.m	£6,931

The study urges caution in the use and interpretation of these “net” figures.

- For high density schemes, the increased average size of dwellings can reduce dwelling numbers, as the site coverage (sqft/acre) may already be at the site’s capacity, such that any increase in the average size of dwellings may have to be met by a compensatory reduction in dwelling numbers
- The “Space cost recovery” calculations are made on the basis that the standard is implemented in areas where it is already supported by viability, areas where this is not the case are likely to have differing results.

### 4.3. Implication for this Local Plan Viability Study

If the Accessibility standards M4(2) Category 2 - Accessible and Adaptable dwellings, and M4(3) Category 3 - Wheelchair Adaptable dwellings, are to be tested as part of the assessment, we would comment as follows:

- With regards to the extra over-costs of compliance, the EC Harris study remains a sound source on which to reference
- With regard to the additional space costs, EC Harris presented these on a net basis, allowing for a certain element of revenue recovery due to the increased space. Whilst we have adopted these figures, a degree of caution will be required when interpreting the results, as the marginal £/sqft return per additional sqft can vary immensely depending on context.

For the purposes of this study and analysis we have adopted (and rounded) the specification “extra over costs”, and the “net additional space costs” relating to a three bed semi-detached house.

## 4.4. Headroom Testing – Greenfield Sites

The tables below present the process of “headroom” testing for the accessibility standards set out in policy LP 24.

**Stage 1: Recap of Affordable Housing Performance and related Headroom figures from June 2017 Study**, references the results of that study for the convenience of the reader. (Note only cells showing achievement of 40% affordable housing (in green), or over 10% affordable housing (amber) are shown, as only these cells will be tested for headroom for policy LP 24

Headline Maximum Affordable Housing Contribution - Greenfield Sites @ 35dph									
Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	40%	40%	40%	40%	40%	40%	40%	40%	40%
£270/sqft	40%	40%	40%	40%	40%	40%	35%	35%	40%
£240/sqft	40%	30%	40%	40%	40%	15%	15%	15%	
£230/sqft	15%		40%	40%	40%				
£220/sqft			40%	40%	35%				

  

Greenfield Notional Headroom £Net Acre									
Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	£235,157	£187,813	£412,391	£416,246	£389,900	£100,126	£82,111	£79,487	£155,374
£270/sqft	£117,001	£75,245	£300,516	£257,880	£286,413	£3,658	£30,624	£21,009	£17,269
£240/sqft	£143,690	£51,636	£158,325	£155,899	£146,093	£36,251	£24,511	£12,648	
£230/sqft	£22,965		£78,357	£76,896	£70,374				
£220/sqft			£1,450	£919	£20,573				

### ALLOW FOR A VIABILITY BUFFER

- **Stage 2: Headroom per net acre – allowing for 50% viability buffer.** Allowing for a viability buffer when testing new policies is consistent with good practice, as set out in the Planning Practice Guidance, to allow for “changing markets” over the Local Plan period (Paragraph: 008 Reference ID: 10-008-20140306)

Greenfield Notional Headroom £Net Acre (Allowing for 50% Viability Buffer)									
Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	£117,579	£93,907	£206,196	£208,123	£194,950	£50,063	£41,056	£39,744	£77,687
£270/sqft	£58,501	£37,623	£150,258	£128,940	£143,207	£1,829	£15,312	£10,505	£8,635
£240/sqft	£71,845	£25,818	£79,163	£77,950	£73,047	£18,126	£12,256	£6,324	
£230/sqft	£11,483		£39,179	£38,448	£35,187				
£220/sqft			£725	£460	£10,287				

**CONSIDER THE ACCESSIBILITY OVERCOSTS**

- **Stage 3: Accessibility Over Costs Per Acre:** Drawing on the EC Harris references above (assuming a 3 bedroom semi- detached house), the total over cost (“Extra Over” and net additional space costs) is calculated for each site size typology, and then expressed on a per acre basis.

Value Area	Accessibility Over Costs £/acre								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	£33,231
£270/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	£33,231
£240/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	
£230/sqft	£20,463		£20,164	£20,211	£20,164				
£220/sqft			£20,164	£20,211	£20,164				

**PRESENTING THE HEADROOM BALANCE REMAINING AFTER THE OVERCOSTS**

- **Stage 4: Headroom after deduction of Accessibility Over Costs: EXPRESSED AS £/ACRE:** This is the headroom balance after the Accessibility Over Costs Per Acre (Stage 3) have been deducted from the Headroom per net acre – allowing for 50% viability buffer as presented in Stage 2. Where over costs exceed the headroom, then the cell shows as a DEFICIT.

Value Area	Headroom after deduction of Accessibility Over Costs £/acre								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£97,115	£73,601	£186,032	£187,912	£174,786	£16,863	£7,878	£6,559	£44,456
£270/sqft	£38,037	£17,317	£130,094	£108,729	£123,043	DEFICIT	DEFICIT	DEFICIT	DEFICIT
£240/sqft	£51,382	£5,512	£58,999	£57,738	£52,883	DEFICIT	DEFICIT	DEFICIT	
£230/sqft	DEFICIT		£19,015	£18,237	£15,023				
£220/sqft			DEFICIT	DEFICIT	DEFICIT				

- **Stage 5: Headroom after deduction of Accessibility Over Costs EXPRESSED AS £/DWELLING:** This is the headroom, as presented at Stage 4 (£/acre), represented on a £/dwelling basis (Takes the £/acre headroom e.g. £97,115, and divides by 14 (dwellings per acre i.e. 35 dwellings per hectare)), to re-express the figure on a £/dwelling basis. Where over costs exceed the headroom, then the cell shows as a DEFICIT.

Value Area	Headroom after deduction of Accessibility Over Costs £/per dwelling								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£6,858	£5,198	£13,138	£13,271	£12,344	£1,191	£556	£463	£3,140
£270/sqft	£2,686	£1,223	£9,187	£7,679	£8,689	DEFICIT	DEFICIT	DEFICIT	DEFICIT
£240/sqft	£3,629	£389	£4,167	£4,078	£3,735	DEFICIT	DEFICIT	DEFICIT	
£230/sqft	DEFICIT		£1,343	£1,288	£1,061				
£220/sqft			DEFICIT	DEFICIT	DEFICIT				

- **Stage 6: Headroom after deduction of Accessibility Over Costs EXPRESSED AS £/Sqft:** This is the headroom, as presented at Stage 4 (£/acre), represented on a £/sqft basis (assuming 13,173 sqft/acre, which is the coverage rate, at 40% affordable housing, based on the average dwelling sizes set out in the June 2017 report). For clarity, all the typologies for which a deficit has been shown, at 40% affordable housing, in Stages 4 and 5, have been removed. Figures highlighted in red are for typologies where the headroom is considered to be small, and its achievement will be very much dependent on site specific circumstances given the small size of the headroom.

**Headroom for Typologies otherwise showing viability at 40%, after deduction of Accessibility Over Costs £/per sqft**

Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£7.37	£5.59	£14.12	£14.27	£13.27	£1.28	£0.60	£0.50	£3.37
£270/sqft	£2.89	£1.31	£9.88	£8.25	£9.34				
£240/sqft			£4.48	£4.38	£4.01				
£230/sqft			£1.44	£1.38	£1.14				
£220/sqft									

## 4.5. Findings of Headroom Analysis– Greenfield Sites

### M4(2)

The proposed policy as regards M4(2), 100% of all dwellings, is generally shown to be broadly viable, without requiring an offset against affordable housing requirements that would otherwise be deliverable.

Exceptions to this may be smaller sites in the lowest value areas, and the lowest value areas (£220/sqft) generally, where the previous modelling already showed difficulty in achieving the policy requirement of 40% affordable housing.

### M4(3)

The proposed policy as regards M4(3), requires 9% of market dwellings to comply with this standard, on strategic sites. The analysis suggests, that this policy is viable, but only with regard to those sites in the highest value areas. A further note of caution is regards the relatively slim viability headroom remaining after the costs have been factored in.

## 4.6. Headroom Testing – Previously Developed Land (PDL) Sites

The tables below present the process of “headroom” testing for the accessibility standards set out in policy LP 24.

**Stage 1: Recap of Affordable Housing Performance and related Headroom figures from June 2017 Study**, references the results of that study for the convenience of the reader (Note, only cells showing achievement of 40% affordable housing (in green), or over 10% affordable housing (amber) are shown, as only these cells will be tested for headroom for policy LP 24).

**Headline Maximum Affordable Housing Contribution - Previously Developed Land Sites @ 35dph**

Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	40%	40%	40%	40%	40%	40%	40%	40%	40%
£270/sqft	40%	40%	40%	40%	40%	40%	40%	35%	35%
£240/sqft	40%	15%	40%	40%	40%	15%	10%	10%	
£230/sqft			40%	40%	40%				
£220/sqft			30%	35%	30%				

**PDL Notional Headroom £Net Acre**

Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	£215,157	£251,063	£481,391	£485,246	£458,900	£169,126	£151,111	£148,487	£79,374
£270/sqft	£67,001	£100,245	£350,516	£307,880	£336,413	£53,658	£42,402	£71,009	£4,227
£240/sqft	£39,690	£2,386	£127,325	£124,899	£115,093	£5,251	£30,992	£13,706	
£230/sqft			£47,357	£45,896	£39,374				
£220/sqft			£24,677	£843	£18,472				

### ALLOW FOR A VIABILITY BUFFER

- **Stage 2: Headroom per net acre – allowing for 50% viability buffer.** Allowing for a viability buffer when testing new policies is consistent with good practice, as set out in the Planning Practice Guidance, to allow for “changing markets” over the Local Plan period (Paragraph: 008 Reference ID: 10-008-20140306)

**PDL Notional Headroom £Net Acre (Allowing for 50% Viability Buffer)**

Value Area	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
£290/sqft	£107,579	£125,532	£240,696	£242,623	£229,450	£84,563	£75,556	£74,244	£39,687
£270/sqft	£33,501	£50,123	£175,258	£153,940	£168,207	£26,829	£21,201	£35,505	£2,114
£240/sqft	£19,845	£1,193	£63,663	£62,450	£57,547	£2,626	£15,496	£6,853	
£230/sqft			£23,679	£22,948	£19,687				
£220/sqft			£12,339	£422	£9,236				

**CONSIDER THE ACCESSIBILITY OVERCOSTS**

- **Stage 3: Accessibility Over Costs Per Acre** : Drawing on the EC Harris references above (assuming a 3 bedroom semi- detached house),the total over cost (“Extra Over” and net additional space costs) is calculated for each site size typology, and then expressed on a per acre basis

Value Area	Accessibility Over Costs £/acre								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	£33,231
£270/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	£33,231
£240/sqft	£20,463	£20,306	£20,164	£20,211	£20,164	£33,200	£33,177	£33,185	
£230/sqft			£20,164	£20,211	£20,164				
£220/sqft			£20,164	£20,211	£20,164				

**PRESENTING THE HEADROOM BALANCE REMAINING AFTER THE OVERCOSTS**

- **Stage 4: Headroom after deduction of Accessibility Over Costs: EXPRESSED AS £/ACRE:** This is the headroom balance after the Accessibility Over Costs Per Acre (Stage 3) have been deducted from the Headroom per net acre – allowing for 50% viability buffer as presented in Stage 2. Where over costs exceed the headroom, then the cell shows as a DEFICIT.

Value Area	Headroom after deduction of Accessibility Over Costs £/acre								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£87,115	£105,226	£220,532	£222,412	£209,286	£51,363	£42,378	£41,059	£6,456
£270/sqft	£13,037	£29,817	£155,094	£133,729	£148,043	DEFICIT	DEFICIT	DEFICIT	DEFICIT
£240/sqft	DEFICIT	DEFICIT	£43,499	£42,238	£37,383	DEFICIT	DEFICIT	DEFICIT	
£230/sqft			£3,515	£2,737	DEFICIT				
£220/sqft			DEFICIT	DEFICIT	DEFICIT				

- **Stage 5: Headroom after deduction of Accessibility Over Costs EXPRESSED AS £/DWELLING:** This is the headroom, as presented at Stage 4 (£/acre), represented on a £/dwelling basis (Takes the £/acre headroom e.g. £97,115, and divides by 14 (dwellings per acre i.e. 35 dwellings per hectare)), to re-express the figure on a £/dwelling basis. Where over costs exceed the headroom, then the cell shows as a DEFICIT

Value Area	Headroom after deduction of Accessibility Over Costs £/per dwelling								
	Number of Dwellings								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
£290/sqft	£6,152	£7,431	£15,574	£15,707	£14,780	£3,627	£2,993	£2,900	£456
£270/sqft	£921	£2,106	£10,953	£9,444	£10,455	DEFICIT	DEFICIT	DEFICIT	DEFICIT
£240/sqft	DEFICIT	DEFICIT	£3,072	£2,983	£2,640	DEFICIT	DEFICIT	DEFICIT	
£230/sqft			£248	£193	DEFICIT				
£220/sqft			DEFICIT	DEFICIT	DEFICIT				



- **Stage 6: Headroom after deduction of Accessibility Over Costs EXPRESSED AS £/Sqft:** This is the headroom, as presented at Stage 4 (£/acre), represented on a £/sqft basis (assuming 13,173 sqft/acre, which is the coverage rate, at 40% affordable housing, based on the average dwelling sizes set out in the June 2017 report). For clarity, all the typologies for which a deficit has been shown, at 40% affordable housing, in Stages 4 and 5, have been removed. Figures highlighted in red are for typologies where the headroom is considered to be small, and its achievement will be very much dependent on site specific circumstances given the small size of the headroom.

Value Area	Headroom for Typologies otherwise showing viability at 40%, after deduction of Accessibility Over Costs £/per sqft								
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
	11	25	50	75	150	250	500	750	1500
£290/sqft	£6.61	£7.99	£16.74	£16.88	£15.89	£3.90	£3.22	£3.12	£0.49
£270/sqft	£2.89	£1.31	£9.88	£8.25	£9.34				
£240/sqft			£4.48	£4.38	£4.01				
£230/sqft			£1.44	£1.38					
£220/sqft									

## 4.7. Findings of Headroom Analysis– Previously Developed Land (PDL) Sites

### M4(2)

As with the Greenfield sites, the proposed policy as regards M4(2), 100% of all dwellings, is generally shown to be broadly viable, without requiring an offset against affordable housing requirements that would otherwise be deliverable.

Exceptions to this may be smaller sites, and particularly those in the lowest value areas, (where the previous modelling already showed difficulty in achieving the policy requirement of 40% affordable housing). Cushman & Wakefield have analysed the distribution of PDL sites by site size (below), and it is of note that whilst a minority of dwellings planned for PDL sites are on “small sites” of under 50 dwellings, such sites account for over 40% of all PDL sites in the local plan.

	PREVIOUSLY DEVELOPED LAND: Distribution of Dwellings and Sites by Size Category								
	11	25	50	75	150	250	500	750	1500
	M4(2) STANDARDS TO ALL DWELLINGS					ADDITIONAL REQUIREMENT OF M4(3) TO 9% OF NEW MARKET DWELLINGS			
% by dwellings	1%	3%	7%	0%	0%	0%	49%	35%	0%
% by sites	17%	25%	25%	0%	0%	0%	17%	8%	0%

### M4(3)

The proposed policy as regards M4(3), requires 9% of market dwellings to comply with this standard, on strategic sites. As with the greenfield sites, the analysis suggests, that this policy is viable, though only with regard to those sites in the highest value areas. A further note of caution is regards is the relatively slim viability headroom remaining after the costs have been factored in.

## 5. Conclusion

### 5.1. Introduction

Huntingdonshire District Council (HDC) appointed Cushman & Wakefield (CW) to assist in the preparation of its emerging local plan, Huntingdonshire Local Plan 2036 (HLP 2036) through an iterative process of testing viability (Growth Viability Assessment), including:

- a) Policy development viability testing
- b) Affordable housing requirement viability testing
- c) Site-specific viability testing
- d) Viability testing of a range of site types

The primary objectives of the Growth Viability Assessment are to:

- a) Support the deliverability of the HLP2036, by ensuring that the Local Plan vision, allocations and policies are viable and deliverable; and
- b) Enable the Council to maximise gain through planning obligations in order to improve delivery of infrastructure and affordable housing, whilst balanced against the desire to encourage growth and delivery across the district

This report is submitted as part of the evidence base for the Local Plan to 2036 Consultation Draft 2017, and serves as an addendum to the Local Plan Viability Study issued in June 2017.

The report has two main parts:

- Refreshing the “Whole Plan” Viability Assessment to reflect a number of updates to the proposed sites in the local plan
- The update report also tests Policy LP24 – Housing Mix, with regard to Accessible and adaptable homes, which featured in the Consultation Draft. Whilst the June 2017 report analysed potential headroom for policy standards with regard to Accessible and adaptable homes, it was not able to consider this against any proposed policy targets as they did not exist at the time of the modelling.

### 5.2. Summary & Policy Implications

#### **Affordable Housing**

- With regard to the “best fit” analysis of local plan allocations to typologies, as outlined in the June 2017 report, the most popular (or “modal”) affordable housing performance category was 35-40%, and this remains the case in the refreshed cumulative assessment (taking into account the updated allocations), reflecting the general strength of the housing market in Huntingdonshire.
- The Whole Plan cumulative assessment (i.e. which considers all sites, on a “best fit” basis) suggests a cumulative affordable housing figure of 33%, which is a slight improvement on the 30% presented in the June 2017 report.

- This improved performance essentially relates to the aggregate performance of the twelve additional sites, which are virtually all greenfield sites in the well performing 50 to 150 dwelling bracket (see June 2017 report).
- The good performance of the typologies in the 50-150 dwelling bracket is important to the delivery of the Local Plan, with over 40% of greenfield sites falling within this bracket, and which assists ***the majority of the sites falling within the key 35dph typology achieve (on the best fit basis) in the region of 35-40% affordable housing.***
- Previously Developed Land (PDL) sites in the Local Plan, which generally (but not always) perform less well than the Greenfield sites, are notably fewer in number than the Greenfield sites. Medium sized sites such as the dairy site at Fenstanton demonstrate 40% can be achieved, however.
- On this basis, and that 40% affordable housing is shown to be viable for most typologies, our recommendation is that a policy relating to a requirement of up to 40% affordable housing across all residential developments is included in the HLP2036 subject to viability.

#### **Policy LP24 – Housing Mix, with regard to Accessible and adaptable homes**

##### M4(2)

For most PDL and Greenfield typologies, the proposed policy as regards M4(2) standard, 100% of all dwellings, is generally shown to be broadly viable, without requiring an offset against affordable housing requirements that would otherwise be deliverable.

Exceptions to this may be smaller sites in the lowest value areas, and the lowest value areas generally.

##### M4(3)

The proposed policy as regards M4(3), requires 9% of market dwellings to comply with this standard, on strategic sites. The analysis suggests, that this policy is viable, on both greenfield and PDL sites, specifically with regard to those sites in the higher value areas.

##### Summary

On the basis that the policy requirement regarding M4(2) is shown to be achievable on most typologies, HDC's support of M4(2) across all developments is reasonable.

The proposal that M4(3), on large scale major sites of 9% is also considered acceptable. Clearly, the viability of this policy requirement is sensitive to the strength of different market areas across Huntingdonshire, and its implementation will likely be considered as part of the wider site specific viability assessment that each of these sites will likely be subject to.



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